

TWIO

This Week In Olympia

Special Edition: Pre-Session Legislative Update

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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 AEA.

TWIO is emailed each Friday during the Legislative Session and archived on WASA's website at <https://wasa-oly.org/WASA/TWIO>.



In September, state agencies—including OSPI—are required to submit Supplemental Budget requests to the Office of Financial Management, the governor's budget office; in November, the Economic & Revenue Forecast Council releases its fourth quarterly update on state revenue projections; and in mid-December, the governor is required to release Supplemental Budget proposals. Each of these puzzle pieces are in place, signaling the rapidly approaching start of a new Legislative Session. This Pre-Session Special Edition of TWIO reviews each of these components.

State Budget Update

On November 20, the Economic & Revenue Forecast Council (ERFC) provided an update of the state's revenue projections. First, however, some background and context. Remember, the first quarterly forecast in March was used by the Legislature to finalize its 2023–25 Operating Budget. Governor Inslee's 2024 Supplemental Budget request, released two days ago, used the ERFC's fourth and final quarterly forecast to complete the package.

The second quarterly forecast in June, a mid-year "check-up," showed gains in expected revenue. The forecast for the remainder of the 2021–23 biennium (ending June 30, 2023) was up \$335 million above the March forecast and the estimate for the 2023–25 biennium increased by \$287 million. These are fairly modest increases (when set beside a nearly \$70.0 billion budget); however, even through most of the COVID pandemic, revenue collections consistently outpaced projections. Now that we are beyond the pandemic emergency, revenue collections continue to come in above the forecast. In September, collections in Fiscal Year 2023 increased another \$265 million above the forecast and \$663 million beyond the forecast was collected for the 2023–25 biennium. Finally, the November revenue forecast again showed revenue growth above projections. There was a minor blip in Fiscal Year 2023, where revenue dipped by \$18 million; however, revenue for the 2023–25 biennium increased by \$191 million.

Collectively, revenue has grown \$1.1 billion above the March forecast. Adding the Ending Fund Balance (unspent available revenue) in the 2023–25 Operating Budget, \$3.6 billion is available for a 2024 Supplemental Operating Budget. Further, if you include currently available reserve funds totaling \$2.1 billion (\$1.3 billion in the Budget Stabilization Account—the constitutional "Rainy Day Account"—and

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\$798 million in the Washington Rescue Plan Transition Account), total available revenue grows to almost \$5.8 billion.

There were a lot of numbers thrown at you here, but two important points should be understood. First, it is clear legislators will have significant “unexpected” additional revenues to write a 2024 Supplemental Operating Budget. Except for the unique circumstances during the pandemic, wherein the 2022 Supplemental Operating Budget increased appropriations in the underlying two-year budget by over \$5.0 billion (similar to the increased appropriations in the original 2021–23 budget), legislators have traditionally adopted minimal increases of perhaps \$300-\$500 million in a Supplemental Budget.

Given the significant available revenue, budget-writers could be aggressive in attacking their budget priorities. It is unclear how aggressive or conservative they will be, however, because of the second important point. While, as noted, revenues continue to outpace projections, it is also true revenue growth is beginning to slow. From Fiscal Year 2015 to Fiscal Year 2023 revenues increase annually between a low of 4.1 percent and a high of 13.1 percent, for an average annual growth of 8.0 percent. Compare those numbers, indicating a fairly hot economy, with the forecast for the next four years, Fiscal Year 2024 to Fiscal Year 2027. Revenue is projected to continue to grow (except for an estimated drop of 1.1 percent in FY24); however, growth in the next four years is forecast to slow, averaging 2.4 percent over the four-year forecast. Signals that revenue growth is beginning to flatten out will likely force budget-writers to shift from a previous aggressive stance to a more conservative approach. We will find out soon if that is really how this will play out.

A final couple of notes about the budget outlook. The outlook numbers discussed above include revenues from the [Capital Gains Tax](#). The state received just under \$900 million in the first year of collection; however, only \$500 million of that total is included in additional revenues. Why? When legislators adopted the new tax, there was a recognition that revenues would be volatile and it was understood using these revenues for ongoing costs would be problematic. Therefore, Capital Gains revenue funneled into the state’s General Fund is capped at \$500 million per year. Any collections above \$500 million is deposited into the Common School Construction Account (CSCA) to assist in funding school facilities—with one-time revenues, eliminating the concern about volatility. Funds in the CSCA are the purview of the Capital Construction Budget and are not accounted for in the Operating Budget.

While discussing the new Capital Gains Tax, it is important to understand what it will fund. The law specifies that revenues (up to \$500 million per year) go to the Education Legacy Trust Account (ELTA). Just about every news story about Capital Gains notes the tax will fund “education.” The assumption is that the revenue will be driven to K–12 education; however, the ELTA is used to fund education broadly: K–12 education, but also early education and higher education. Additionally, the Legislature has already pegged where these additional revenues will be appropriated: to fund [The Fair Start for Kids Act](#). The Act, adopted in 2021, expands access to affordable, high-quality early learning programs by, among other things, capping copays and providing resources to support child care and early learning providers. Capital Gains revenues are also intended to support the Early Childhood Education and Assistance Program (ECEAP), which is scheduled to become an entitlement program in the 2026–27 school year, as required by The Fair Start for Kids Act.

Providing funding to early education programs is not a bad thing. It is just important to know that it is unlikely K–12 education will see much, if any, of the revenues provided by the new Capital Gains Tax (except for the “excess” revenues that are directed to school construction).

Proceeds from the Capital Gains Tax, again, are included in the revenue numbers discussed above. There is another significant revenue source, however, that is NOT

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included—revenue from carbon emission allowance auctions under the [Climate Commitment Act](#) (CCA).

In short, the CCA requires polluters to pay for and steadily reduce their carbon pollution and stay under a cap set by the state. Under the law, carbon emitting businesses must obtain allowances equal to the pollution emitted by their facilities. The necessary state allowances are auctioned off every three months, with the most recent carbon auction raising \$374 million, bringing the total proceeds to \$2.1 billion in the first year of the program. The state expects another \$940 million in the first half of 2024.

So, what does this have to do with K–12 education? First, as Washington continues to invest in programs to address climate issues, a revenue stream is in place to fund those programs—which (presumably) will limit legislators from syphoning off General Fund revenue to implement these programs. Every dollar that remains in the General Fund is another dollar K–12 can fight for. Certainly, there will continue to be competition with a multitude of other agencies and priorities; however, the multi-billion dollar programs to address climate issues have their own dedicated revenue source.

Second, some of the Climate Commitment Act revenues will likely be directed to schools. For example, the governor’s budget includes grant funding for school districts to replace deteriorating heating, ventilation, and air conditioning (HVAC) systems, and undertake energy efficiency upgrades, air filtration enhancements, and general air quality improvements. Additionally, Inslee proposes to spend CCA funds to incentivize school districts to transition from diesel school buses to electric or other zero emission vehicles. Funds would also be available to assist in the provision of necessary charging infrastructure.

OSPI 2024 Supplemental Operating Budget Request

In order for the governor to draft and release his budget proposal, he first reviews requests from all state agency directors and separately elected state officials—including State Superintendent of Public Instruction Chris Reykdal. On September 19, Superintendent Reykdal submitted, and publicly released, his request budget for OSPI. Supt. Reykdal has submitted modest, pragmatic budget requests since he was first elected State Superintendent—that is until last year. Reykdal pulled out all the stops in his 2023–25 Operating Budget request. Last year’s submittal totaled approximately \$5.9 billion over two years. To put this in perspective, his request was an increase of over 25 percent above the then-current appropriations. In comparison, Reykdal’s 2019–21 requested totaled approximately \$350 million, and his request in the 2021–23 biennium was about \$540 million.

At the time Reykdal released his \$5.9 billion request, we noted the package seemed extreme, especially given huge risks to the budget and questions about economic stability; however, we applauded the Superintendent for (finally) proposing a budget request large enough that could make real change. Never mind whether the request was realistic or not—it reflected what K–12 actually NEEDS (which is what the [WASA Legislative Platform](#) continues to be based upon). Reykdal often talks about “transforming” education and a nearly \$6.0 billion increase in funding would go a long way to ignite the type of transformation he—and we—seek.

Unfortunately, it appears Reykdal’s aggressive tack was a one-off, as he returned to a less than inspiring, practical approach in his 2024 Supplemental Operating Budget. (NOTE: Reykdal’s CAPITAL Budget request maintains an aggressive approach.) His total budget request is \$561.2 million—of which, over half is required, Maintenance Level costs. Policy Level requests total \$273.9 million; Maintenance Level requests total \$287.3 million.

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Following below is a review of OSPI’s 2024 Supplemental 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. We will review OSPI’s 2024 Supplemental Capital Budget in a future *TWIO*; full details are available on the [OSPI website](#).

OSPI 2024 Supplemental Operating Budget Details

Advancing a “Living Wage” for Paraeducators—\$193.6M

OSPI proposes providing school districts with an allocation equal to \$7 per hour plus benefits (at a rate of 18.06 percent) for all paraeducators hired in the 2022–23 school year, adjusted for inflation and the same regionalization adjustments provided for school districts. These dollars are intended to be added to the current salary for paraeducators.

OSPI describes the development of the proposal in the Decision Package: “The basis of the \$7 per hour increase, is that when you reverse regionalize the \$34 average living wage for Seattle, Washington (regionalization inversion) you get to roughly \$28.81. The current average hourly wage of districts with no regionalization factor is \$22.12, therefore an increase of \$7 per hour, before regionalization would lift Washington state paraeducators to a more livable hourly wage.”

This \$7 per hour increase will be adjusted by the same salary inflationary increases provided to teachers (previous calendar year’s IPD), and the same regionalization adjustments provided under law. Benefit rate percentages will also update by year based on projections.

(NOTE: The funding request for the paraeducator salary increase is 71 percent of the total Policy Level request of OSPI—and is 34 percent of the overall budget request.)

Governor Inslee included a paraeducator salary increase in his budget proposal (discussed below); however, his request is a \$3 raise.

A third proposal is also expected to be on the table for discussion. WEA will also be asking for increased compensation for paraeducators; however, their specific request is for “Classified Education Support Professionals,” which includes paraeducators, as well as bus drivers, food service, school office professionals and other classified staff in schools. We have not yet seen their specific request; however, it appears they will be asking the Legislature for funding of additional classified staff positions (presumably an enhanced staffing allocation as a part of the Prototypical School Funding Model), along with their request for increased compensation.

Feeding All Students in Elementary School—\$26.9M

This request is for state funding to supplement federal meal reimbursement dollars so all of Washington’s elementary students have access to meals at school with no out-of-pocket costs. Under this proposal, school meals at elementary schools will be free for all students without disrupting school district food service programs or financing. Like how Washington has supplemented the copay for students eligible for reduced-price meals, state funding would supplement the cost of meals for students who pay for the meals, ensuring all students would have access at no charge, regardless of their meal eligibility status.

This expands on [HB 1238](#), adopted in 2023, that provides no-cost meals at high-need elementary schools and moves the state closer to providing no-cost meals for all students. If this proposal is adopted, around 80 percent of Washington’s students would attend a school that provides meals at no cost to all students. A growing

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number of states have recognized both the importance of providing no-cost meals to all students, and the efficiency savings that it brings.

Services for All Students with Disabilities—\$18.5M

Four priorities are included in this piece of the OSPI Decision Package:

- Remove the 15 percent cap on special education funding and allow school districts to generate full state funding for the services they are legally obligated to provide to all students receiving special education services.
- Fully fund the Inclusionary Practices Project (IPP) to continue the work of this proven professional development and technical assistance network that is quickly moving our state forward in both inclusion and preventing overidentification of students with disabilities.
- Fund the legislatively required monitoring of authorized entities, which will ensure OSPI can fully comply with legislative requirements related to on-site inspections.
- Fund a feasibility study for OSPI to explore a statewide IEP system that would provide a consistent, integrated system to benefit students with disabilities, their families, educators, and schools.

College Enrollment and Postsecondary Success—\$8.9M

OSPI is requesting funding for data-driven strategies that both prepare students for postsecondary pathways and help them navigate onto those pathways as they transition out of the K–12 system

To better prepare Washington’s students to meet the needs of our state economy, and thereby drive economic success and civic engagement among lifelong Washingtonians, OSPI is requesting funding to assist school districts in ensuring more students are completing a rigorous course of study predictive of postsecondary readiness and success. Funding (\$8.9 million) would support a variety of initiatives, strategies, and direct services to students aimed at increasing postsecondary credential attainment.

These funds will provide 79 schools with a yearly Educational Opportunity Audit (EOA). The EOA will provide schools and districts with technical support and assistance to improve student postsecondary readiness, as well as data analytics and tools to assist the schools/districts in understanding current course-taking patterns, identifying gaps in postsecondary readiness, and developing action plans to address deficiencies. In addition to the EOA, it provides further technical assistance for schools to make progress on staffing efficiencies and innovative scheduling to bridge current opportunity gaps to rigorous coursework.

This proposal also expands school-based supports, strengthening family engagement and complementary community partnerships. It invests in robust family engagement services that increase knowledge and support for career and college readiness programming, as well as partnering with community organizations to extend college readiness support to families.

The proposal would also invest in the Rally for College (RFC) initiative serving students in 28 high schools statewide while providing extra supports to student groups that face systemic barriers to postsecondary education. Every student enrolled in a high school served by the College Success Foundation (CSF) has access to college and career services, resources, and the support of a skilled advisor to help them prepare and enroll in college immediately after high school graduation. Families in 12 of these high schools will be supported directly by a family engagement specialist.

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Year-round RFC services for students and families will include one-on-one advising, workshops and help sessions, guest speakers and panel presentations, community building activities, campus visits, workplace field trip, and college/career resources. To build awareness and create access to these services, advisors and family engagement specialists will conduct outreach to reach broad and targeted groups including presentations, communication campaigns, social media, tabling, and individualized contact. In addition to 53 advisors and seven family engagement specialists, RFC will employ 10 support staff who design, research, and evaluate programs to study and share learning, ensure quality of services, and promote achievement of performance objectives.

Finally, this proposal funds a 0.25 full-time equivalent (FTE) program supervisor and a 0.10 FTE administrative assistant at OSPI to manage grants and contracts and provide technical support to districts and community-based organizations engaging in this work.

Student Success Through Integrated Supports—\$8.7M

OSPI is requesting funding for a suite of targeted and integrated student supports aimed at reengaging and supporting students who need the most support to fully engage with their learning and exit the K–12 system with a diploma.

OSPI proposes key investments in supporting Washington’s school districts to provide targeted and integrated student supports to prevent students from disengaging with school and reengage students who have disengaged with the support they need to be successful. This proposal includes three key parts:

1. Building Robust Early Warning Data Collections and Sustaining Student Engagement (\$3.48M)
2. Supporting Ninth Grade Students to Stay on Track (\$2.9M)
3. Eliminating Barriers to High School Completion for Credit-Deficient Students Aged 16–21 (\$1.9M)

Funding would also provide OSPI with \$397,000 in FY25 and \$368,000 in FY26 to support 2.0 full-time equivalent (FTE) program supervisor staff to manage contracts and support contractors and community-based partners engaged in this work. The cost also accounts for 0.5 FTE administrative support staff.

Special Education Teacher Residencies—\$7.3M OSPI is requesting funding to support special education teacher residencies, and to offer professional development and career support and guidance to the 15,000 substitute teachers currently serving in Washington classrooms.

This proposal includes three key parts:

1. Recruit and Prepare Special Education Teachers
2. Develop the Emergency Substitute Teacher Pipeline
3. Provide for Data-Driven Workforce Investment

Investing in OSPI Staffing—\$5.1M

To ensure OSPI can continue to recruit qualified candidates with experience in K–12 education, the agency requests \$5.1 million to meet the expanding demands of providing the agency’s core services and meeting customer needs in a timely and targeted manner.

This funding will help OSPI compete with school district and Educational Service District salaries by increasing the base salary of all positions in the agency by 8.35 percent in Fiscal Year 2025. This additional investment, adjusted by inflation, is

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calculated as \$4.6 million in FY25, \$4.7 million in FY26, and \$4.8 million in FY27, and beyond.

Additionally, OSPI requests \$596,000 in FY25 and \$563,000 in ongoing funding to support three new positions focused on providing additional fiscal, policy, and research support to external partners, with a particular emphasis on providing services and improving response times to the Legislature.

Washington IT Academy—\$3M

The Microsoft IT Academy provides Washington students with a unique opportunity to gain industry certification while enrolled in a public middle school or high school. OSPI is requesting increased funding for the Microsoft IT Academy to expand the reach of services they provide, building a stronger bridge between Washington students and high-paying Washington jobs.

OSPI requests \$3 million per year, ongoing, to continue offering industry certifications and credentials to Washington's middle and high school students and teachers. Funding will allow Microsoft to continue offering the program in Washington's schools. In addition, funding will ensure that Washington's students continue to have access to these industry certifications while in school, while also providing our state workforce with a qualified pool of applicants for high paying jobs in the computing sector.

Developing and Sustaining Strong School Leaders—\$1.9M

Principals have a unique and critical role as building-level school leaders. OSPI is requesting increased funding for programs that serve new and incoming principals, while also funding centralized supports for new and veteran school leaders seeking guidance on academics, student discipline and behavior, and implementation of K-12 education policy.

OSPI is requesting \$1,000,000 per year to be added to the existing State Intern Grant Program. The additional funds will buy instructional time from educators who are training to become principals by funding substitute teachers. These hours of classroom time, once freed up through substitutes, are spent shadowing working principals, giving intern principals unique and invaluable insight into the complexities of the job, exposure to effective leadership styles and strategies, and the chance to build strong mentor-mentee relationships that can serve them throughout their time as principals. This combination of on-the-job training and professional networking will allow new principals to enter the role with a wide array of situation-specific strategies and skills developed under the guidance of an experienced mentor, and the ongoing support of that mentor, which in turn will build capacity and reduce burnout.

In addition, OSPI is requesting \$860,000 for Fiscal Year 2024, ongoing, to contract with a statewide professional association (AWSP) that supports principals to fund four full-time equivalent (FTE) positions: 3.0 FTE Associate Director positions and 1.0 administrative support position. These positions will be charged with providing technical assistance, engaging in problem-solving, and advising school principals. In partnership and collaboration with OSPI, these positions would be responsible for delivering professional learning and technical assistance around behavior and discipline policy and best practice; instructional models, pathways, and academic success; and providing comprehensive, timely, and informative teacher evaluations.

Federal Funding Adjustments—\$227.4M (Maintenance Level)

OSPI receives federal funds primarily from the Departments of Education and Agriculture. The majority of those funds (approximately 96 percent) are expended

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as grants to school districts. OSPI's expenditures are a function of the federal award amounts and the grant draw rates by school districts. When OSPI's federal expenditure authority is less than that of the anticipated awards and disbursement rates of federal funds, the agency is unable to grant funds to school districts at the maximum allowable capacity.

Special Education Safety Net—\$44.2M (Maintenance Level)

The state budget provides funding dedicated to serving students with disabilities in Washington's schools. The funding is based on an enhanced basic education rate that varies depending on the learning environment in which students with disabilities participate in learning activities. The Safety Net program provides additional funding to address extraordinary costs associated with the services provided to students with exceptional needs. OSPI is requesting that the Legislature provide additional funding for Fiscal Year 2024 to align with the actual expenditures paid in August 2023.

Community Eligibility Provision—\$15.2M FY24; \$15.2M FY25 (Maintenance Level)

State law requires that school districts participate in the federal Community Eligibility Provision (CEP) in all eligible schools, and to group schools to the maximum extent possible. The program allows schools to provide school meals at no cost to all students in the school, regardless of their income status. Since the 2023 Legislative Session, state cost has increased due to changes at the federal level and the addition of new CEP schools. OSPI is requesting additional funding to continue reimbursing CEP school districts, in accordance with state law.

AGO Central Services Costs—\$465,000 (Maintenance Level)

OSPI is requesting a Maintenance Level increase to cover additional expenses due to the Washington State Attorney General's Office (AGO). These costs are related to pending litigation which defends Washington's statutory implementation of the Individuals with Disabilities Education Act (IDEA) and OSPI's oversight of Northwest School of Innovative Learning (NW SOIL), a Nonpublic Agency serving students with disabilities. OSPI and the AGO believe costs related to litigating this matter will exceed our historical appropriation when compared to historical spending.

Governor Inslee 2024 Supplemental Operating Budget Request

Each year, by law, the governor is required to submit budget proposals (Operating Budget, Capital Construction Budget, and Transportation Budget) to the Legislature by December 20. On Wednesday, December 13, Governor Inslee held a press conference to roll out his required budget proposals. We will focus on the Operating Budget proposal below.

Prior to releasing his full budget proposal, he "slow rolled" individual components of the budget over the last ten days. On December 4, he released the first piece of his budget—a strategy to [address the fentanyl crisis](#), including the provision of \$50 million to augment investments made in the underlying 2023–25 Operating Budget regarding opioid use and treatment. Among other things, his proposal would provide funding to ESDs to hire staff to teach families about opioids and provide service referrals as needed. Additionally, OSPI would be charged to work with ESDs to update opioid prevention curriculum in grades 8–12. (In working with the governor's staff, it has been made clear this is not intended to be yet another mandate; updated resources would be made available for current health classes—or other educational programs at a district's option.)

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A few days later, on December 7, Inslee addressed an ongoing priority: [homelessness](#). Specifically, Inslee would provide an additional \$100 million to maintain the Rapid Capital Housing Acquisition (RCHA) fund, providing state agencies and local partners assistance in resolving homeless encampments by quickly opening new emergency housing options such as converted hotels and tiny home villages.

On Monday, December 11, Inslee unveiled his 2024 [climate agenda](#)—one of his highest (if not THE highest) priorities as governor. Inslee highlighted three policy proposals aimed at oil company accountability, strengthening the state’s cap-and-invest program to facilitate connecting it with others, and phasing out methane gas. He specifically noted that part of his package would assist school districts to convert their diesel bus fleets to electric busses and to upgrade school buildings to improve air quality.

Finally, on Wednesday, as noted above, Governor Inslee rolled out his full 2024 Supplemental Operating Budget (as well as Supplemental Capital and Transportation Budgets). In total, Inslee’s proposal would increase appropriations in the underlying 2023–25 Operating Budget by \$1.96 billion, a 2.8 percent increase. If adopted, the final 2023–25 Operating Budget would appropriate \$71.76 billion, a 15.5 percent increase above the 2021–23 Operating Budget.

Inslee’s proposal would not increase revenues; however, it would utilize reserve funds. It would drain the remaining funds (\$798 million) from the Washington Rescue Plan Transition Account (WRPTA). The WRPTA is a new reserve account created in 2021 to set aside funds to address pandemic-related issues. Unlike the constitutional “Rainy Day” account—the Budget Stabilization Account (BSA)—WRPTA funds can be used with a simple majority vote of the Legislature. A three-fifths vote of the Legislature is necessary to access BSA funds, unless the governor declares an emergency. Interestingly, a part of his budget package is to spend \$19.4 million for the Department of Natural Resources to use for wildfire response. Inslee included a [standalone bill](#) with his budget proposal, which includes an emergency clause, allowing the necessary funds to be accessed by a simple majority.

For K–12 education, Inslee’s proposal would appropriate a total of \$808.6 million. The bulk of that increase (\$667.3 million) is comprised of required Maintenance Level funding. The remaining \$141.4 million is for Policy Level issues. Over half (\$72.7 million) of the Policy Level is for compensation issues, including \$64.4 million to provide salary increases to paraeducators.

Following below is a high-level (i.e., not all of the details) review of Governor Inslee’s 2024 Supplemental Operating Budget request, focused on K–12 funding. For more in-depth information, the [Office of Financial Management website](#) houses a number of resources, including [Budget Highlights](#), complete [Agency Recommendation Summaries](#), and the actual proposed [appropriations bill](#). We will review Inslee’s 2024 Supplemental Capital Budget in a future *TWIO*; full details are available on the [Capital section](#) of the OFM website (the proposed Capital Budget bill is [HERE](#)).

Governor Inslee’s 2024 Supplemental Operating Budget—K–12 Details**Paraeducator Compensation—\$64.4M**

Paraeducators are critical members of a student’s learning and instructional support team. Despite their necessity, paraeducators across Washington state are not compensated equitably, and for many of them, compensation is not a living wage. This makes it difficult for school districts to hire and retain talented individuals in these positions. Grant funding will provide school districts with an allocation equal to \$3 per hour plus benefits for all paraeducators hired in the 2022–23 school year,

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adjusted for inflation, and the same regionalization adjustments provided for school districts under current law. These dollars are intended to be added to the current salary for paraeducators. NOTE: Budget language explicitly states this funding is “not part of the state’s program of basic education”—which calls into question whether this funding will be ongoing or not.

Community Eligibility Provision—\$30.2M

Current law requires districts to participate in the federal Community Eligibility Provision (CEP) in all eligible schools and to group schools to the maximum extent possible. The program allows schools to provide meals at no cost to all students in the school, regardless of their income status. Since the 2023 Legislative Session, state costs have increased due to changes at the federal level and the addition of new CEP schools for which OSPI is responsible for funding.

Special Education Cap—\$17.1M

Many schools throughout our state do not have the necessary resources to provide students with disabilities with the services to which they are legally entitled. Washington has made recent policy shifts to support the inclusion of students receiving special education services in general education settings, but the financial support needed to implement these shifts with fidelity has not kept pace. This funding will allow the Legislature to lift the 15 percent cap on state special education funding to 17.25 percent.

Special Education Teacher Residency—\$7.3M

Washington students learn best from dedicated and prepared educators. Students receiving special education services, especially those in rural communities, are most likely to be served by out-of-endorsement teachers and emergency substitutes. Funding will support special education teacher residencies, professional development, and career support opportunities for the 15,000 substitute teachers currently serving in Washington classrooms.

Medicare Retiree Subsidy—\$4.7M

This item provides a \$4 per member per month rate increase associated with the Medicare explicit rate subsidy.

Next Generation Science Standards—\$4.0M

Funding will support programs for science teacher training, linking the Next Generation Science Standards (NGSS) and climate science. In addition to teacher professional development, the project supports the development of instructional materials, design-related assessment and evaluation strategies, and facilitation of student events.

Pension Rate Month of Death Bill—\$3.5M

Funding is provided for contribution rate impacts associated with proposed legislation that ensures the continuation of benefit payments through the end of the month in which a retiree or beneficiary dies.

IT Academy—\$3.0M

The Microsoft IT Academy provides Washington students with a unique opportunity to gain industry certification while enrolled in a public middle school or high

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school. Students in our state have unique access to high-paying jobs in their own communities if they are given access to the pathways and skills that lead to career opportunities in technology.

Supporting College Success—\$3.0M

Washington’s public K–12 education system is charged with preparing each student for postsecondary success in alignment with their goals and interests. This proposal invests in the Rally for College (RFC) initiative serving students in 28 high schools statewide while providing extra supports to student groups that face systemic barriers to postsecondary education.

Behavioral Health Supports—\$2.4M

Funds are provided to continue Behavioral Health Regional Grants to support school districts with the least access to behavioral health services.

Central Services Changes—\$720,000

Adjustments are made for each agency’s (including OSPI’s) anticipated costs of using “Central Services,” including legal services from the Attorney General’s Office, administrative hearings performed by the Office of Administrative Hearings, the use of statewide applications from the Office of Financial Management, among others. In total, OSPI is provided with \$720,000 to cover those agency-to-agency charges.

OSPI Customer Support Staff—\$596,000

OSPI serves a wide customer base across the K–12 education system, from school districts to community partners, and to news media and lawmakers. To enhance OSPI’s level of service, three positions will be added to focus on serving customers who come to the agency for data and fiscal expertise.

Contract Bus Driver SEBB Membership—\$425,000

The School Employees Benefits Board (SEBB) was created in large part to provide benefits to classified school district staff such as bus drivers, custodians, and paraeducators. Because some districts contract out their student transportation services, those employees are not eligible for SEBB benefits. This funding would allow contract bus drivers and related staff to opt in to SEBB and retirement benefits as proposed in HB 1248 (2023).

Tribal Liaison—\$180,000

The Professional Educator Standards Board (PESB) and the State Board of Education (SBE) are responsible for various aspects of the state’s education policy development. With the goal of fostering culturally competent educators and students, a shared tribal liaison will be funded within PESB and the SBE.

Update Opioid Prevention Standards—\$125,000

Funding is provided to OSPI to work with ESDs, the Health Care Authority, and the Department of Health to review and update materials for information sessions provided to students in grades 8–12. These sessions are designed to prevent the use of opioids, including fentanyl, specifically outlining the risks of death related to uneven dosages and pills that look like prescription drugs.

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State Employee Benefits—\$23,000

Funding is provided to increase the retiree health insurance subsidy, adjusting the cap from \$183 to \$193 per month and raising the base subsidy percentage from 50 percent to 60 percent. The insurance funding rates are set at \$1,145 per month for Fiscal Year 2024 and \$1,158 per month for Fiscal Year 2025.

Cannabis Revenue Distributions—(\$361,000)

Appropriations from the Dedicated Cannabis Account are adjusted pursuant to E2SSB 5796 (2022) and the November 2023 revenue forecast.