

**WASA/AWSP Summer Conference  
Spokane Convention Center  
June 27, 2023**

# **68<sup>th</sup> Washington State Legislature: 2023 Session Review**

# 2023 Legislative Session Review

## ➤ 2023 Legislative Session

- Setting the Stage

## ➤ 2023-25 Operating Budget

## ➤ 2023-25 Capital Budget

## ➤ Major Issues Review

## ➤ Bills of Interest

## ➤ Next Steps



# 2023 Legislative Session



# 2023 Legislative Session

- First year of the 68<sup>th</sup> Biennial Legislature
  - “Long,” budget session—limited to 105 days
  - January 9 to April 23
  
- Major focus:
  - 2023-25 Operating, Capital, and Transportation Budgets
    - 2023 Supplemental Budgets (Mandatory caseload adjustments)
  - New and/ or updated Policy items

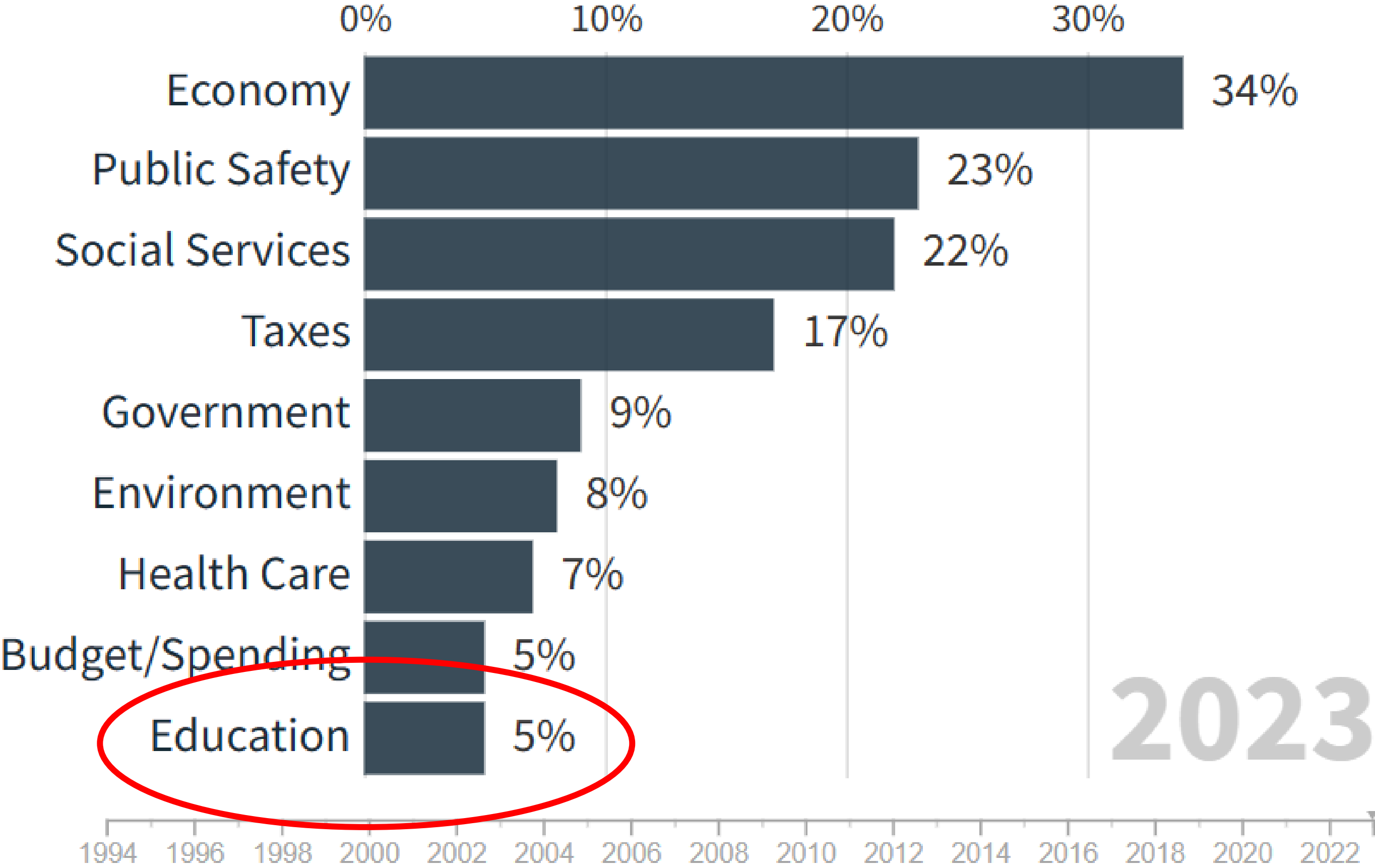


# 2023 Legislative Session

- Major Policy Discussions:
- Homelessness/ Housing
  - Climate Change
  - Behavioral Health
  - Salmon Recovery
  - Public Safety
  - Reproductive Health Care
  - Gun Violence
  - Child Care

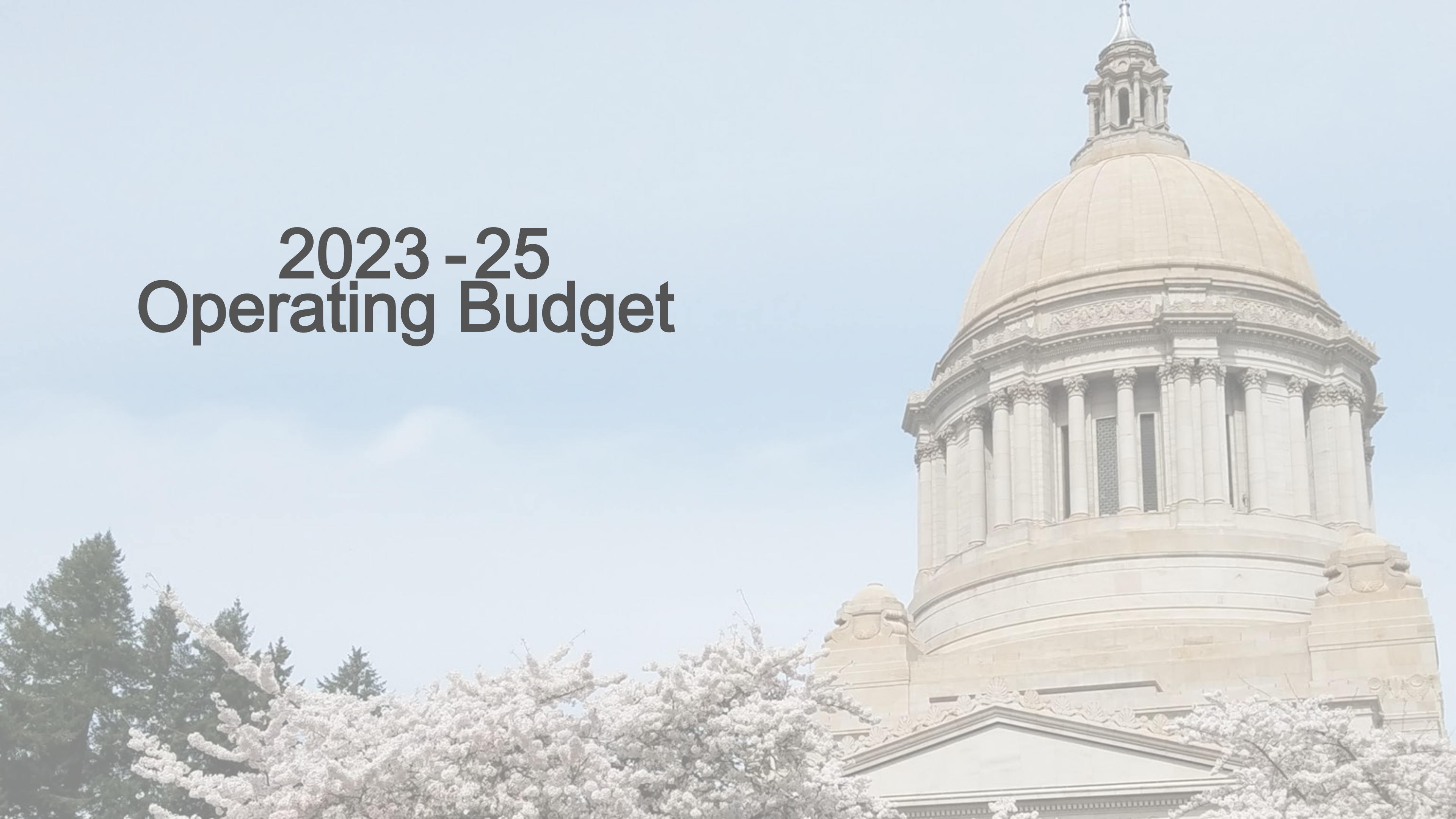
# Voter Priority Issues

(December 2022)



Source: [Crosscut/Elway, 2018-22, Elway Poll, 1994-2017](#)

# 2023 - 25 Operating Budget






# 2021-23 Operating Budget (ESSB 5092)

• 2021 Supplemental		\$52.6 Billion
• '21-'23 Maintenance Level	\$2.3 Billion	
• '21-'23 Policy Level	\$3.2 Billion	
• Total Increase		<u>\$5.5 Billion</u> ←
• 2021-23 Operating Budget		\$59.1 Billion
• 2021-23 K-12 Impacts		
• K-12 State Funding Increase		\$960.1 Million
• K-12 Federal Funding Increase		<u>\$2.9 Billion</u>
Total K-12 Increase		\$3.9 Billion ←



# 2022 Supplemental Operating Budget (ESSB 5693)

- **2021-23 Operating Budget** **\$59.1 Billion**
- '22 Maintenance Level (\$1.1 Billion)
- '22 Policy Level \$6.2 Billion
- **Total Increase** **\$5.1 Billion** 
- **2021-23 Operating Budget w/ Supplemental** **\$64.1 Billion**

# 2022 Supplemental Operating Budget (ESSB 5693)

## 2022 K-12 Impacts (Subject to Outlook)

K-12 Policy Level Increase	\$433.4 Million
K-12 Maintenance Level	<u>(\$925.8 Million)</u>
<b><u>Total K-12 <i>Net Reduction</i></u></b>	<b><i>(\$492.4 Million)</i></b> 

## 2022 K-12 Impacts (Total Budgeted Funds)

K-12 Policy Level Increase	\$830.7 Million
K-12 Maintenance Level	<u>(\$919.9 Million)</u>
<b><u>Total K-12 <i>Net Reduction</i></u></b>	<b><i>(\$89.2 Million)</i></b> 



# K-12 Education Funding Trends

## Percentage of K-12 Funding in State Operating Budget

- 2015-17 biennium: 48%
  - 2016 Supplemental, 2015-17 final: 47%
- 2017-19 biennium: 50%
  - 2018 Supplemental, 2017-19 final: 51%
- 2019-21 biennium: 52%
  - 2020 Supplemental, 2019-21 final: 51%
- 2021-23 biennium: 48%
  - 2022 Supplemental, 2021-23 final: 43%

# 2023-25 Operating Budget (ESSB 5187)

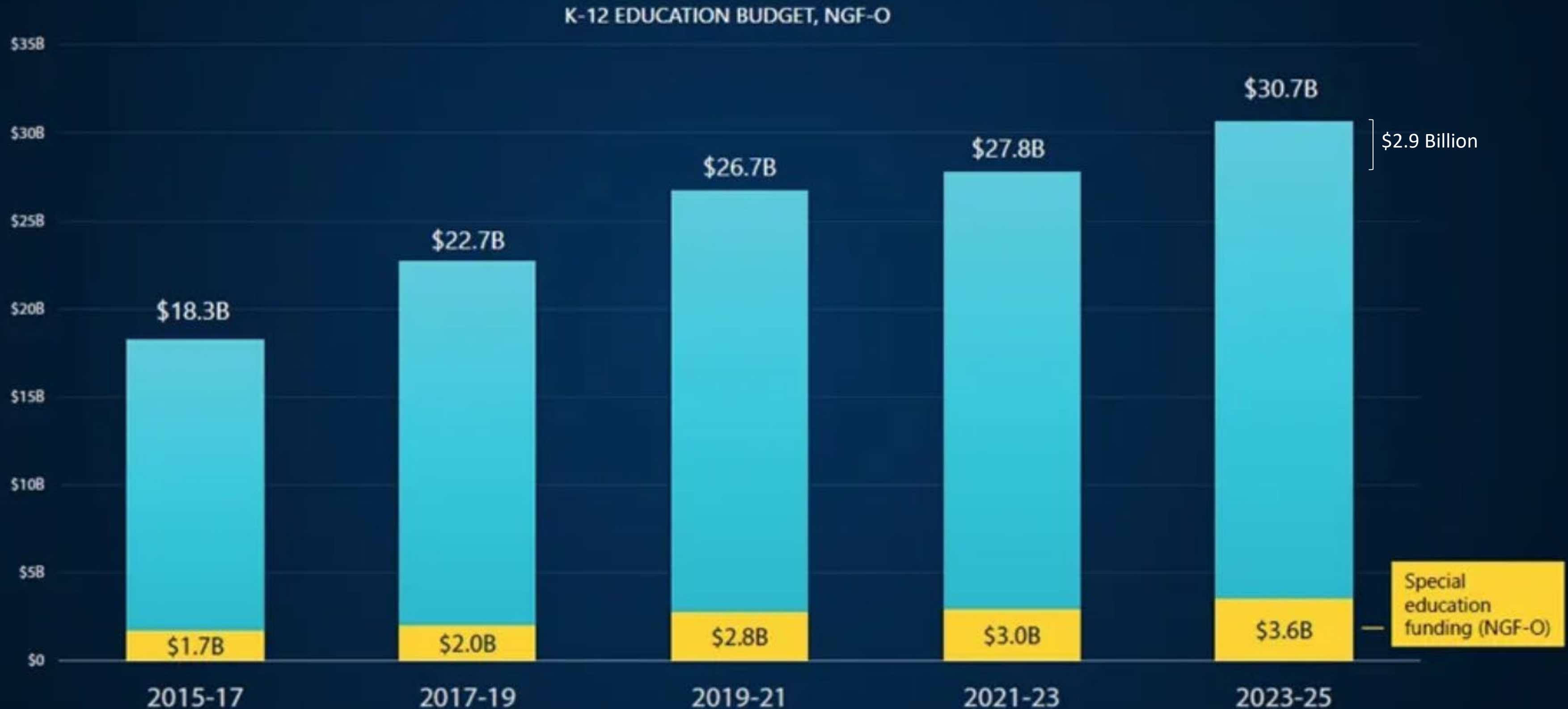
- **2022 Supplemental** **\$64.1 Billion**
- '23-25 Maintenance Level **\$936 Million**
- '23-'25 Policy Level **\$4.7 Billion**
- **Total Increase** **\$5.6 Billion**
- **2023 -25 Operating Budget** **\$69.8 Billion**

## 2023 -25 K-12 Impacts

**Total K-12 Increase** **\$2.9 Billion**



# The 2023-25 budget will include the largest increase in state K-12 education funding since the increases to address McCleary



# 2023-25 Operating Budget (ESSB 5187)

- **2022 Supplemental** **\$64.1 Billion**
- '23-25 Maintenance Level \$936 Million
- '23-'25 Policy Level \$4.7 Billion
- **Total Increase** **\$5.6 Billion**
- **2023 -25 Operating Budget** **\$69.8 Billion**

## 2023 -25 K-12 Impacts

<b>Total K-12 Increase</b>	<b>\$2.9 Billion</b>
K-12 Maintenance Level	\$2.56 Billion
K-12 Policy Level	\$345.6 Million



# K-12 Education Funding Trends

## Percentage of K-12 Funding in State Operating Budget

- 2015-17 biennium: 48%
  - 2016 Supplemental, 2015-17 final: 47%
- 2017-19 biennium: 50%
  - 2018 Supplemental, 2017-19 final: 51%
- 2019-21 biennium: 52%
  - 2020 Supplemental, 2019-21 final: 51%
- 2021-23 biennium: 48%
  - 2022 Supplemental, 2021-23 final: 43%
- 2023-25 biennium: 44%

# 2023 - 25 Operating Budget —Details—





2023 -25 Operating Budget:

*Major* K-12 Highlights

Special Education	<div>\$371.0 million</div> <div>Funding provided to implement ESHB 1436: enrollment cap increase to 15.0% (\$106.9 million); increase PreK and K-2 tiered multipliers (\$253.6 million); lower safety net threshold (\$5.5 million); continue Inclusionary Practice Project (\$5.0 million)</div>
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# Special Education: ESHB 1436

- **OSPI requirements:**
  - Disproportionality review
  - Assistance: disproportionality; and inclusionary teaching practices (putting the Inclusionary Practices Project, or IPP, in statute)
- **JLARC/~~State Auditor~~**: performance audit
- **Enrollment Cap:** 13.5%15%
- **Multiplier Increases:** Pre-K to K12; Accelerated in 2023-24 only
- **Safety Net:** <1,000 FTE = 2 times APPE; >1,000 =2.2 times APPE
- **Accountability:** OSPI allocation and cost accounting methodology

# Special Education Multipliers: ESHB 1436

	Current	FY 2024	FY 2025	FY 2026	FY 2027
K-12 Multiplier LRE 1	1.0075	1.1200	1.1200	1.1200	1.1200
K-12 Multiplier LRE 2-3	0.9950	1.0600	1.0600	1.0600	1.0600
Pre-K	1.1500	1.2000	1.2000	1.2000	1.2000



2023 -25 Operating Budget:

Major K-12 Highlights

Special Education	<div>\$371.0 million</div> <div>Funding provided to implement ESHB 1436: enrollment cap increase to 15.0% (\$106.9 million); increase PreK and K12 tiered multipliers (\$253.6 million); lower safety net threshold (\$5.5 million); continue Inclusionary Practice Project (\$5.0 million)</div>
Inflationary Factor	<div>\$261.4 million</div> <div>Inflationary factor, IPD, is 3.7% in 2023-24 school year; projected 2024-25 IPD is 3.9%. As required by ESB 5650, 202425 inflationary factor will be IPD in Calendar Year 2023.</div>

# Educator Compensation: ESB 5650

- ESB 5650, passed full Legislature and signed by governor (C48 L23)
- Inflationary Adjustment Index means:
  - For the 2023 -24 school year, 3.7 percent ; and
  - Beginning with the 2024 -25 school year , the IPD for “the previous calendar year as of the beginning of the school year ”
- ❖ 2023-25 Operating Budget includes:
  - 3.7 percent increase in 2023-24;
  - 3.9 percent (projected) increase in 2024-25

# Educator Compensation: ESB 5650

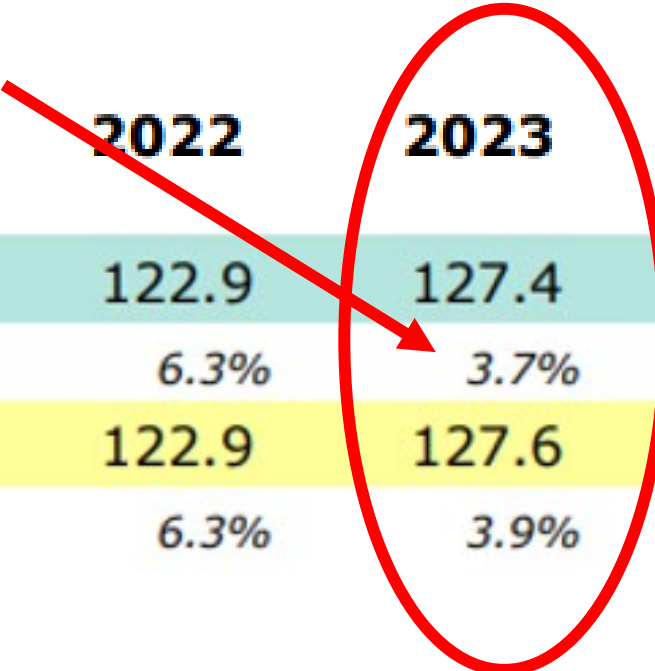
	<b>PCE Price Index*</b>		<b>U.S. CPI#</b>		<b>Seattle CPI+</b>	
	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>
2023	127.6	3.9	3.049	4.2	3.413	5.9
2024	130.8	2.4	3.124	2.4	3.508	2.8
2025	133.2	1.9	3.183	1.9	3.575	1.9
2026	135.8	1.9	3.246	2.0	3.646	2.0
2027	138.4	2.0	3.316	2.2	3.724	2.2

PCE Price Index: Personal Consumption Expenditures or Implicit Price Deflator (IPD)



# Educator Compensation: ESB 5650

<b>PCE Price Index (2012=100)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
June Forecast, Preliminary	115.6	122.9	127.4	130.5	133.0	135.6	138.3
Percent Change	4.0%	6.3%	3.7%	2.4%	1.9%	1.9%	2.0%
March Forecast	115.6	122.9	127.6	130.8	133.2	135.8	138.4
Percent Change	4.0%	6.3%	3.9%	2.4%	1.9%	1.9%	2.0%



# Educator Compensation: ESB 5650

Inflationary Factor increase adjusts statewide minimum salary allocations:

	2022-23	2023-24	2024-25
CIS	\$72,728	\$75,419	\$78,360
CAS	\$107,955	\$111,950	\$116,316
CLS	\$52,173	\$54,103	\$56,213

2023 -25 Operating Budget:

Major K-12 Highlights

Special Education	<div>\$371.0 million</div> <div>Funding provided to implement ESHB 1436: enrollment cap increase to 15.0% (\$106.9 million); increase PreK and K-12 tiered multipliers (\$253.6 million); lower safety net threshold (\$5.5 million); continue Inclusionary Practice Project (\$5.0 million).</div>
Inflationary Factor	<div>\$261.4 million</div> <div>Inflationary factor, IPD, is 3.7% in 2023-24 school year; projected 2024-25 IPD is 3.9%. As required by ESB 5650, 2024-25 inflationary factor will be IPD in Calendar Year 2023.</div>
Pupil Transportation	<div>\$26.0 million</div> <div>Special passenger excess cost reimbursement is provided for school districts with a “convincingly demonstrated need” for funding beyond the amounts provided through the STARS allocation for special passengers. No bill adopted.</div>
Regionalization/Exp Factor “Rebase”	<div>\$23.4 million</div> <div>Funding provided to “phase down” reductions of regionalization and/or experience factor over two years (2023-24 and 2024-25 school years).</div>
Local Effort Assistance	<div>\$31.6 million (Fiscal Year 2023)</div> <div>Funding provided in the 2023 Supplemental Operating Budget to assist school districts that are set to lose some—or all—of their LEA due to unexpected and extraordinary spikes in housing values.</div>
School Meal Expansion	<div>\$82.4 million</div> <div>Funding provided to support expanded access to free meals through the federal Community Eligibility Provision under 2022’s SHB 1878 (\$59.0 million) and free meals for K-4 students under E2SHB 1238 (\$23.4 million)</div>



# 2023-25 *Operating* Budget—Details

## ➤ WASA Operating & Capital Budget summary:

- This Week in Olympia (TWIO), April 24 Sine Die Edition <https://bit.ly/43ZEoJm>

## ➤ Legislative Budget Website: <https://fiscal.wa.gov>

- Complete text; statewide summary; agency detail:  
<https://fiscal.wa.gov/statebudgets/2023proposals/so2325bien>
- Budget Overview/Highlights:  
<https://fiscal.wa.gov/statebudgets/2023proposals/Documents/co/cohSummary.pdf>

## ➤ Regionalization/Experience Factor adjustments:

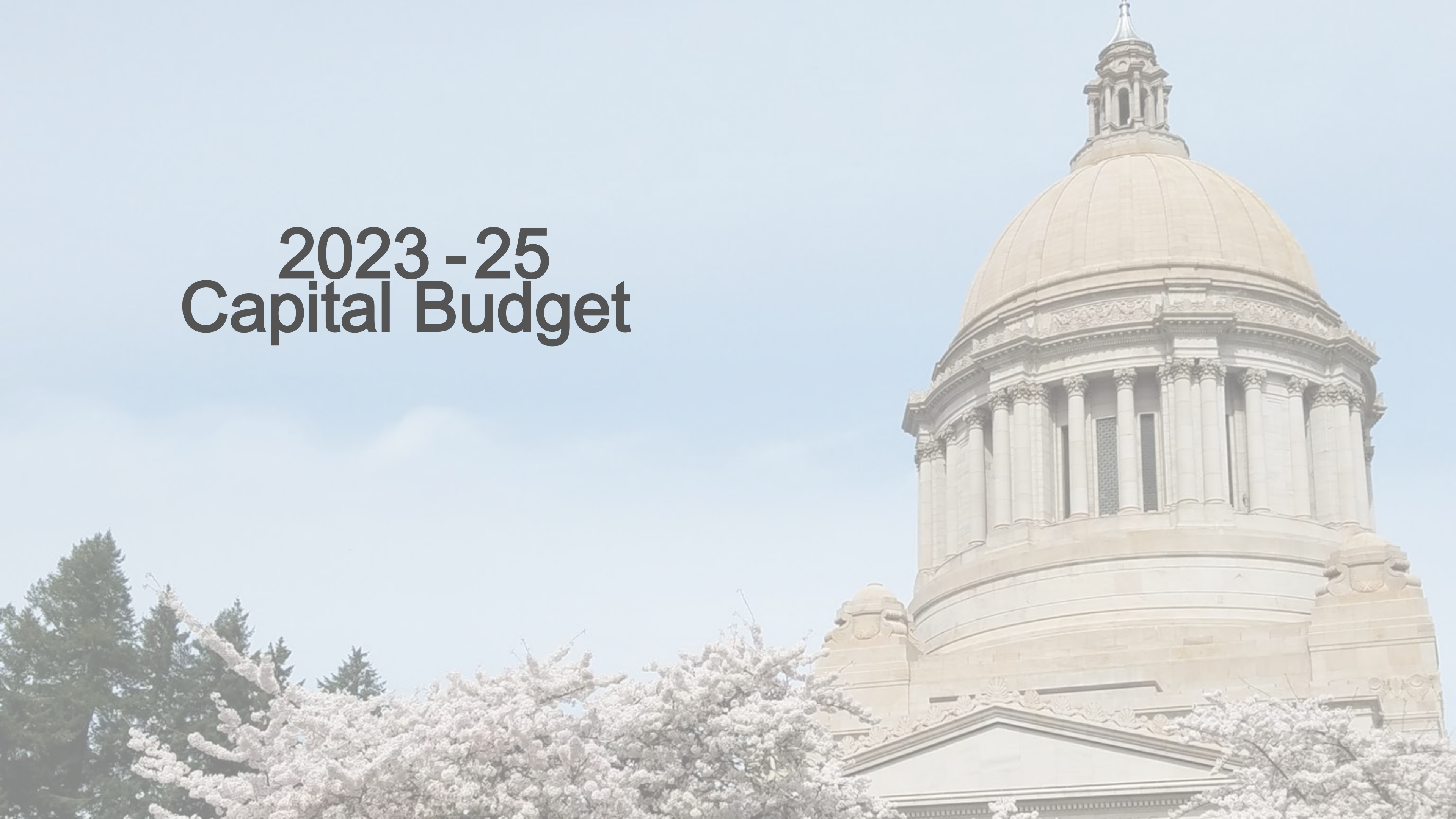
- LEAP Document 3 (April 20, 2023) <https://fiscal.wa.gov/leapdocs/2023C3.pdf>

## ➤ Local Effort Assistance “Hold Harmless”:

- LEAP Document 4 (April 20, 2023) <https://fiscal.wa.gov/leapdocs/2023C4.pdf>



# 2023 - 25 Capital Budget



# 2023-25 Capital Budget: K-12 Details

(Dollars in Thousands)

School Construction Assistance Program	588,200
Small District Modernization	100,000
Skills Centers	48,200
School Seismic Safety	40,000
Distressed Schools	21,700
School District Health & Safety	20,200
Healthy Kids/ Healthy Schools	11,500
Ag Science in Schools	5,000
K-12 Capital Program Admin	4,800
Career Prep Launch Grants	4,000
Green Schools: Stormwater Infrastructure	3,200
<b>TOTAL K12 Capital Funding</b>	<b>871,500</b>



# 2023-25 *Capital* Budget—Details

## ➤ WASA Operating & Capital Budget summary:

- This Week in Olympia (TWIO), April 24 Sine Die Edition <https://bit.ly/43ZEoJm>

## ➤ Legislative Budget Website: <https://fiscal.wa.gov>

- Complete text; LEAP documents; project lists <https://fiscal.wa.gov/statebudgets/2023proposals/sc2325bien>
- Budget Summary and Project Lists:  
<https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccSenateProposedCompromiseSummaryProjectLists042123.pdf>

## ➤ Small District/Tribal Compact Schools Modernization:

- LEAP Capital Document No. OSPI 2023: [https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccOSPI\\_1-2023SDSTCMod.pdf](https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccOSPI_1-2023SDSTCMod.pdf)

## ➤ 2023 -25 Distressed Schools: [https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccOSPI\\_2023\\_25DistressedSchools.pdf](https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccOSPI_2023_25DistressedSchools.pdf)

## ➤ 2023 -25 Early Learning Facilities —School Districts:

[https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccCommerce\\_2023\\_25EarlyLearningFacilitiesSchoolDistricts.pdf](https://fiscal.wa.gov/statebudgets/2023proposals/Documents/cc/ccCommerce_2023_25EarlyLearningFacilitiesSchoolDistricts.pdf)



# Major Issues Review





# 2023 LEGISLATIVE PLATFORM

- Advance Equity
- Support Basic Education Compensation Rebase
- Fully Fund Special Education
- Fix Pupil Transportation
- Update Staffing Allocations
- Invest in Learning Recovery
- Support Capital Facilities

2023 Legislative Platform: <https://bit.ly/3PrVlo6>





# 2023 LEGISLATIVE PLATFORM

## ADVANCEEQUITY

Multiple pieces of legislation and budget-related issues addressed equity issues, including:

- HB 1565 to support the professional education workforce
- Funding for: learning recovery; free student meals; transportation of special passengers; homelessness services; language access; dual language programs; native education; bilingual educators; African immigrant services; and arts and culture programs





# 2023 LEGISLATIVE PLATFORM

## SUPPORT BASIC EDUCATION COMPENSATION REBASE

Discussion of K-12 Basic Education Compensation Advisory Committee recommendations was a non-starter; however, there was progress:

- SB 5650 adopted to redefine Inflationary Factor
- Funding provided in Operating Budget to support losses of Regionalization and/or Experience Factor funding (SB 5671 would have modified Experience Factor; heard, but not adopted)
- HB 1565 introduced (but failed) to: develop online teacher recruitment platform; establish teacher residency and teacher exchange program; modify BEST program; and collect educator workforce data



# 2023 LEGISLATIVE PLATFORM

## FULLY FUND SPECIAL EDUCATION

HB 1436 Adopted:

- \$371 million enhancement in 2023-25 Operating Budget
- Enrollment funding cap increased from 13.5% to 15.0%
- Tiered excess cost multipliers increased, PreK and 1-2
- Safety Net threshold lowered
- Inclusionary Practices Project continues to be funded

## FIX PUPIL TRANSPORTATION

SB 5174 & HB 1248 introduced to fix pupil transportation funding formula to ensure it was transparent, predictable, and adequately funded

- Neither bill was adopted
- Funding provided (\$26.0 million) to support transportation of “special passengers”: special education, homeless, and foster students
- Language requiring pupil transportation contractors to provide contracted employees with health/pension benefits similar to K12 employees



# 2023 LEGISLATIVE PLATFORM

## UPDATE STAFFING ALLOCATIONS

HB 1741 introduced (but not acted upon) to complete Phase I of Staffing Enrichment Workgroup recommendations

- Increase principal staffing allocations
- Increase professional development days
- Add Continuous Improvement Coaches to Prototypical Model

Bill also provided additional OSPI requested enhancements: counselors; family engagement coordinators; funding for classroom supplies; and increase substitute days and funding



# School Funding Coalition



- Coalition members have agreed to maintain a singular focus: advocating for updated and realistic staffing ratios in the Prototypical School Funding Model (PSFM)
- The Model is a core, foundational part of the current school funding structure and the goal is to achieve more realistic state-funded staffing levels in all schools
- The 2023 Coalition priority is to advocate for the continued implementation of the Phase I recommendations of the 2019 Staffing Enrichment Workgroup. Specifically, we support: improving Prototypical funding levels for school principals to support students and address increased responsibilities in supervisory duties; providing additional professional development to close achievement gaps; and adding continuous improvement coaches as an enhancement to the Prototypical School Funding Model



# 2023 LEGISLATIVE PLATFORM

## INVEST IN LEARNING RECOVERY

- Legislation to invest onetime funding on learning recovery, including tutoring and extended learning programs was introduced and heard, but failed to move beyond Senate fiscal committee (SB 5248)
- Final 2023-25 Operating Budget includes \$65.5 million (onetime) for learning recovery grants



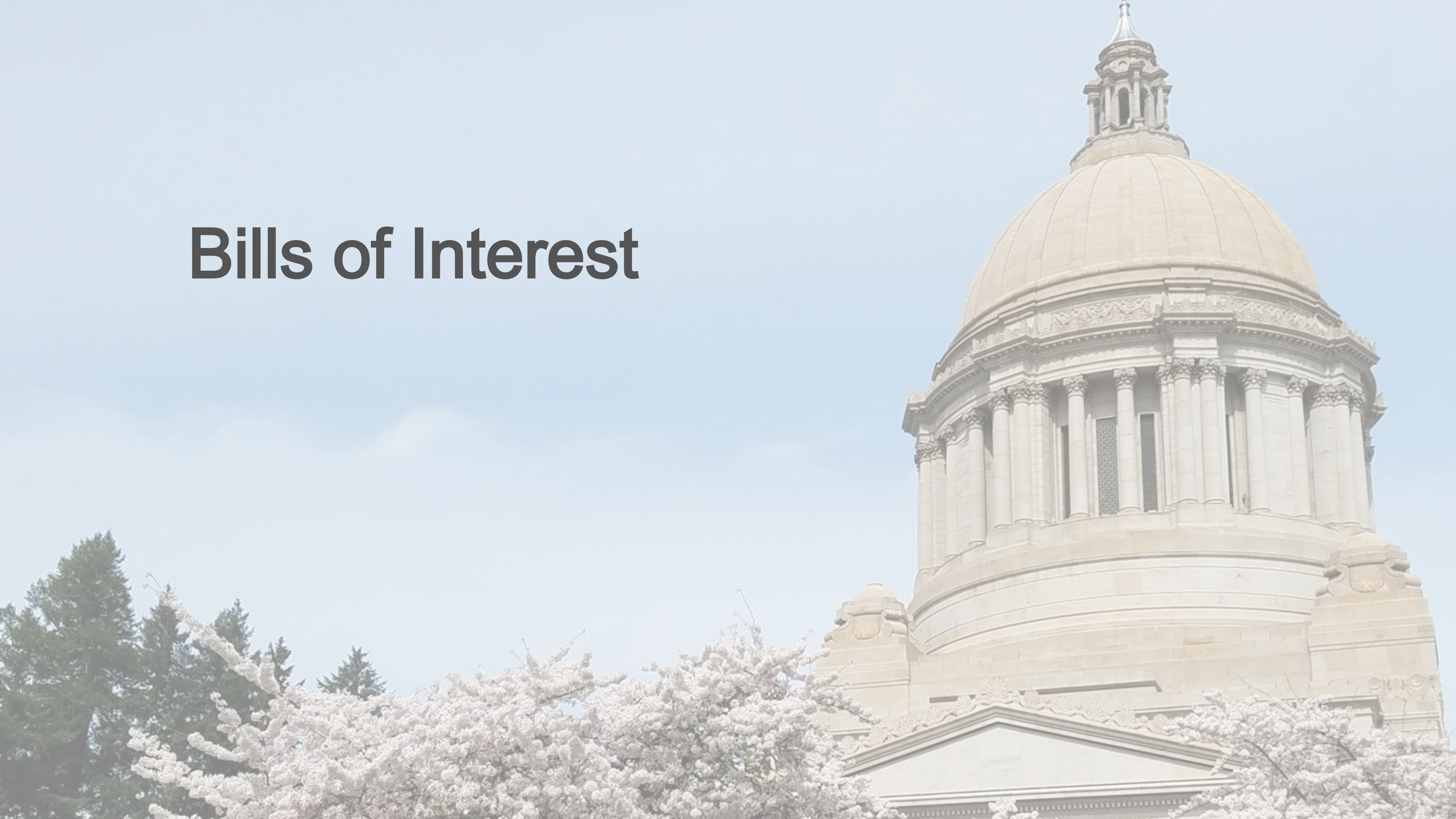
# 2023 LEGISLATIVE PLATFORM

## SUPPORT CAPITAL FACILITIES

- 2023-25 Capital Budget provides \$871.5 million enhancement (including \$588.2 million for SCAP)
- SB 5126 to dedicate increased funding to Small District Modernization program failed, but \$100 million enhancement in Capital Budget
- HB 1044 would have provided facilities assistance to small school districts; funded in Capital Budget, but bill failed, voiding funding
- HJR 4203/HB 1353 to authorize Simple Majority for bonds introduced, but never acted upon



# Bills of Interest





# Transitional Kindergarten

HB 1550 adopted to convert Transitional Kindergarten (TK) to a new Transitional to Kindergarten (TKK) program:

- Clarifies TKK is established by the Legislature (and prohibits creation of state-funded program based on kindergarten entry qualification exceptions)
- Clarifies TKK is not basic education
- Funding is provided through Prototypical School Funding Model, including class size, MSOC, LAP, transportation, and special education
- OSPI required to adopt initial Rules “in time for 2023-24 school year” and permanent Rules “by beginning of 2024-25 school year”

# Transitional Kindergarten

OSPI Rules must include minimum standards and requirements:

- A definition of eligible child, with priority for lowest income families and children most in need of additional preparation;
- Administration of Wa KIDS assessment twice a school year;
- Enrolled children must have a statewide student identifier;
- A local child care and early learning needs assessment must be conducted;
- School districts, charter schools, and state-tribal education compact schools must adhere WA KIDS to OSPI guidelines;
- Charging tuition/ fees is prohibited;
- Excluding an eligible child due only to the presence of a disability is prohibited

# 2023 LEGISLATIVE REPORT

A PUBLICATION OF THE WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

PO Box 14459 | Tumwater, WA 98511 | 360.943.5717 or 800.859.9272 | [www.wasa-oly.org](http://www.wasa-oly.org)

2023 End of Session Report will include:

- Comprehensive review of 2023-25 Operating Budget
- Comprehensive review of 2023-25 Capital Budget
- Detailed review of all education-related bills adopted in 2023
- Summary of all education-related bills that died in 2023

<https://bit.ly/3Pcou9w>

# Bills of Interest

- HB 1207: Discrimination policies
- HB 1210: School board recordings
- HB 1230: DOH information
- SB 5000: Chinese American/Americans of Chinese Descent History Month
- SB 5065: Bone marrow donation
- SB 5257: School recess policy
- SB 5355: Sex trafficking education
- SB 5403: Depreciation subfund
- SB 5593: Student data transfer



# Bills of Interest

- HB 1015: Paraeducator assessments
- HB 1200: Employee/union information
- HB 1533: PRA/employee information exemption
- HB 1308: Performance-based graduation pathway
- HB 1658: Work experience credit
- SB 5243: High School and Beyond Plans

# Next Steps





# 194

## Days left until 2024 Legislative Session

- Second Session of the 68<sup>th</sup> Biennial Legislature—convenes January 8
- “Short” Session—limited to 60 days
- Opportunity to make necessary updates to two-year Budgets, but mostly focused on new or updated policy issues

# Advocacy is a Year-Round Activity

- Continue to engage with your local legislators
- Build (or begin, if necessary) a relationship with your legislators
- It is incumbent upon YOU to establish ongoing, personal relationships with legislators. Work with your superintendent and other administrators
- Use this interim to meet with legislators: invite them for coffee; provide a tour of schools; invite them to a board meeting
- Remember: Advocacy doesn't have to be hard, time-consuming or intimidating



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