

December 11, 2024  
Lunch & Learn Webinar

# 69<sup>th</sup> Washington State Legislature: 2025 Session Preview

# 2025 Legislative Session Preview

- 2025 Session Overview
- State Budget Update
  - 2025-27 Budget Outlook
- WASA 2025 Legislative Platform
- Advocacy Resources



# 2025 Legislative Session



# 2024 Candidate Elections—2025 Legislators

## Senate 2024: Democrats control 29-20

- 25 seats on ballot (12-D, 13-R on ballot)
- 8 open seats (4-D, 4-R)

## Senate 2025: Democrats control 30-19

- 11 new Senators (8-D, 3-R)—(3-D appointments TBD)
- 7 members from the House



# 2024 Candidate Elections—2025 Legislators

## House 2024: Democrats control 58-40

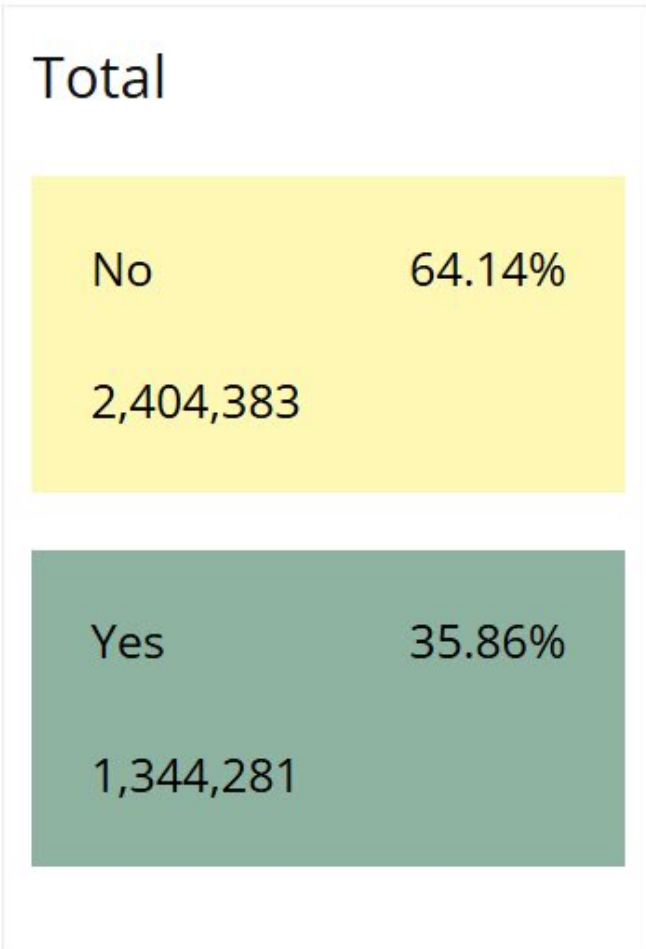
- All 98 seats on ballot (58-D, 40-R on ballot)
- 19 open seats (5-D, 14-R)

## House 2025: Democrats control 59-39

- 17 new Representatives (6-D, 11-R)
- Note: One Republican changed districts

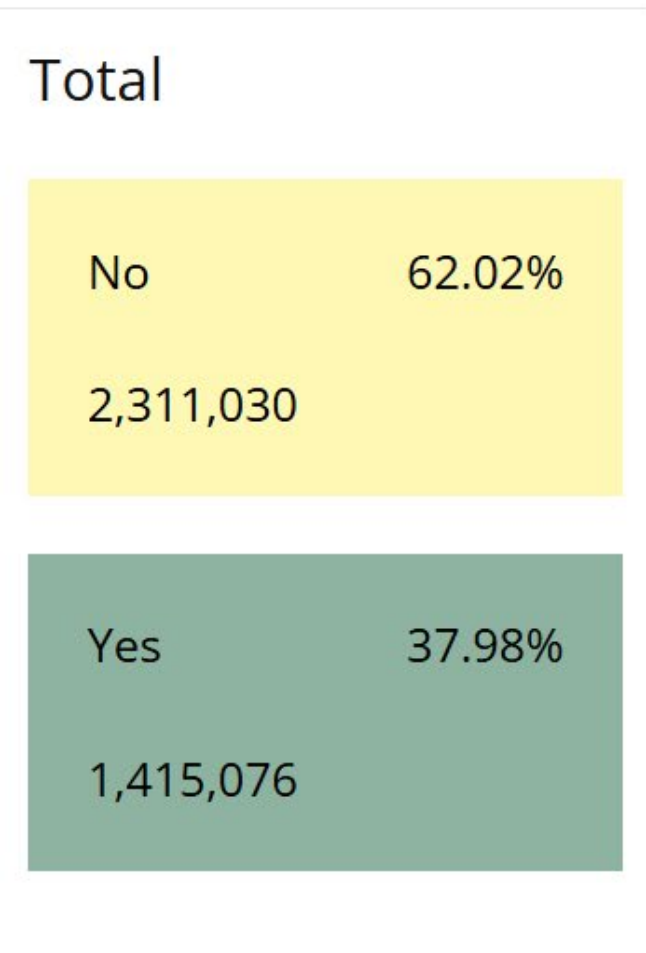
# Initiative Measure No. 2109

## Capital Gains Tax



# Initiative Measure No. 2117

## Climate Commitment Act

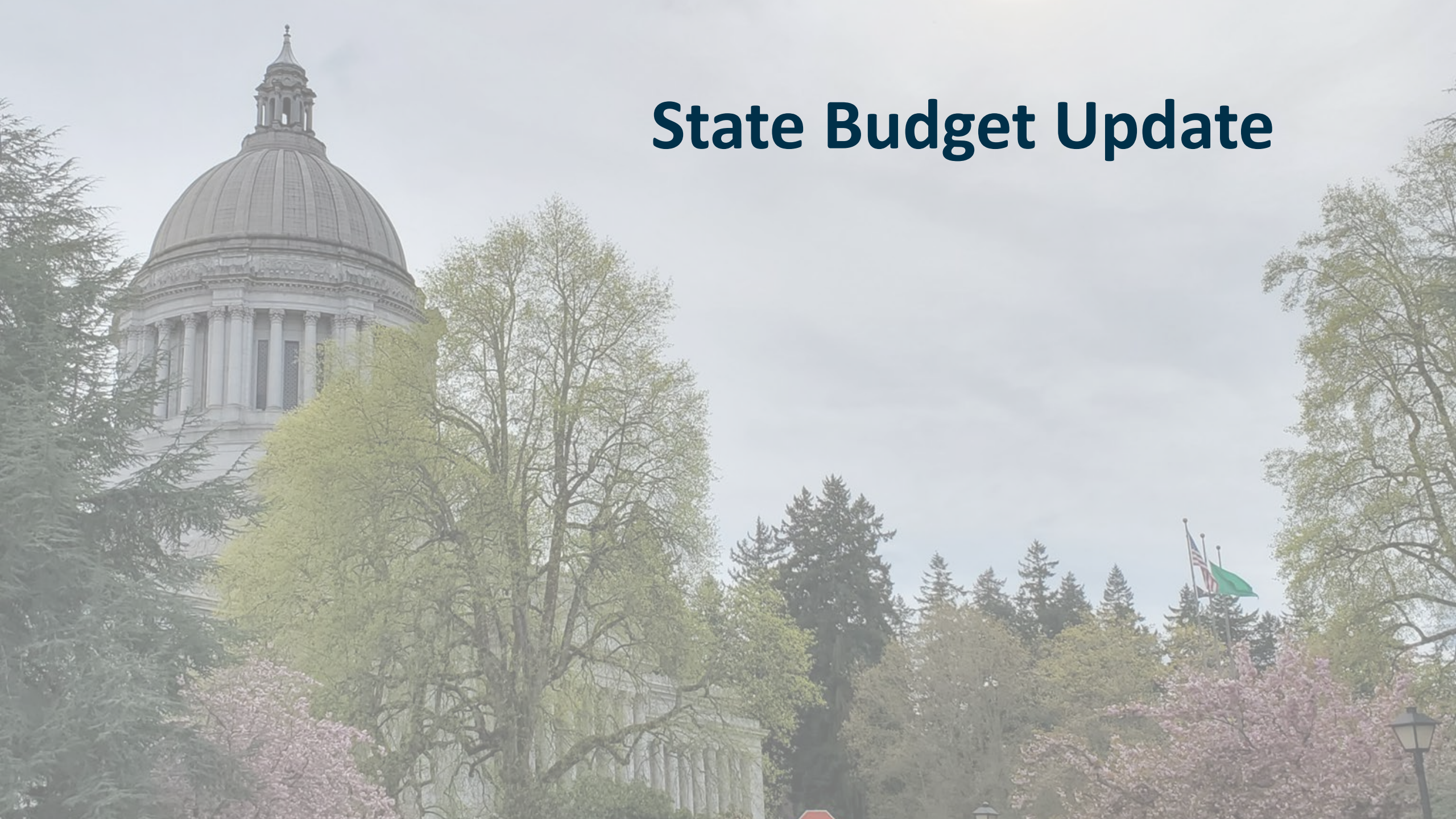


# 2025 Legislative Session

- First year of the 69<sup>th</sup> Biennial Legislature
  - “Long,” budget session—limited to 105 days
  - January 13 to April 27
- Major focus:
  - 2025-27 Operating, Capital, and Transportation Budgets
    - 2025 Supplemental Budgets (Mandatory caseload adjustments)
  - New and/or updated Policy items



# State Budget Update



## 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	<u>\$5.6 Billion</u>
• 2023-25 Operating Budget	\$69.8 Billion

## 2023-25 K-12 Impacts

Total K-12 Increase	\$2.9 Billion
K-12 Maintenance Level	\$2.56 Billion
K-12 Policy Level	\$345.6 Million

# 2024 Supplemental Operating Budget (ESSB 5950)

• 2023-25 Operating Budget	\$69.8 Billion
• '24 Maintenance Level	\$1.11 Billion
• '24 Policy Level	\$1.03 Billion
• Total Increase	<u>\$2.14 Billion</u>
• 2023-25 Operating Budget (Final)	\$71.95 Billion

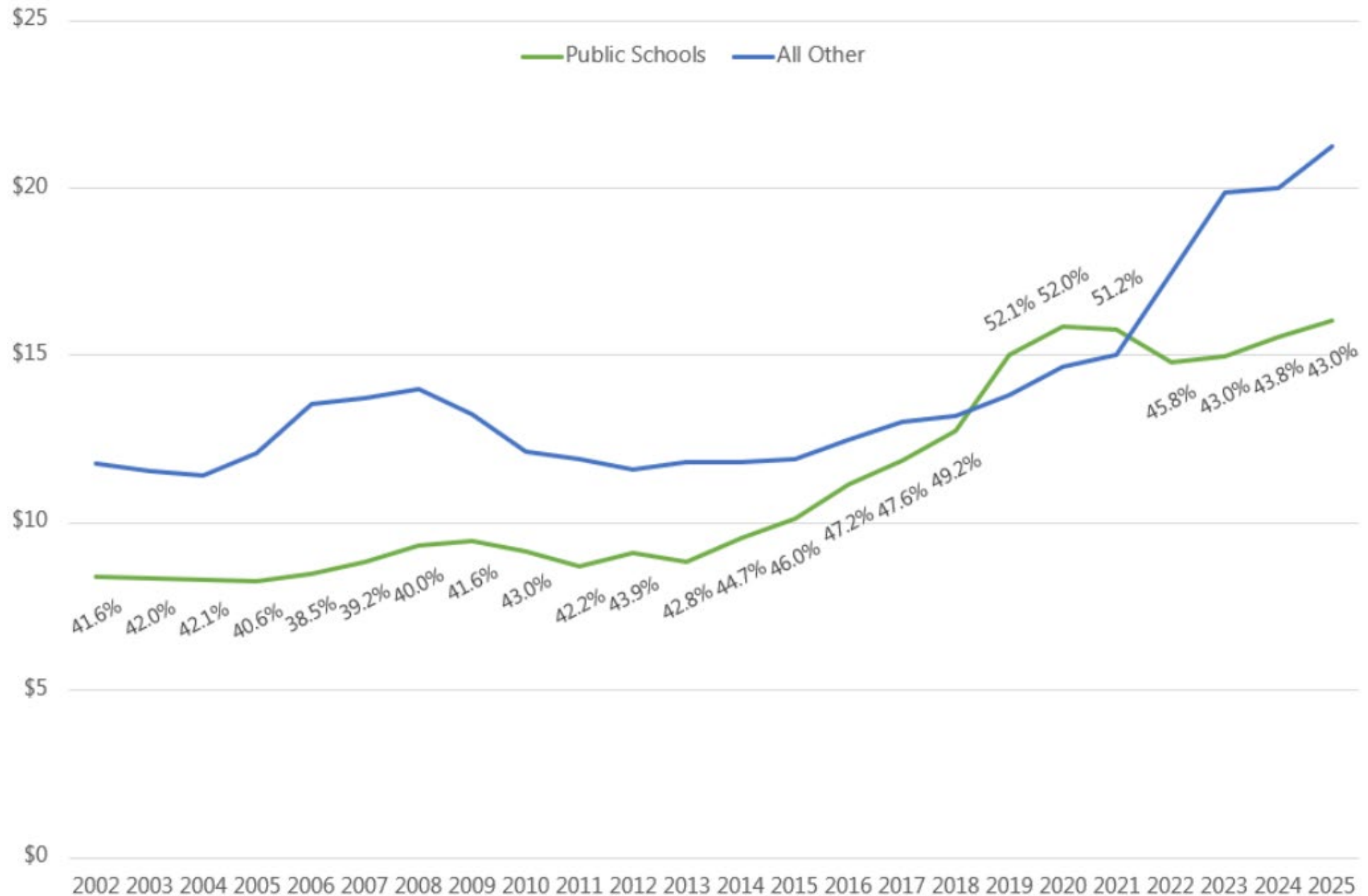
## 2024 K-12 Impacts

Total K-12 Increase	\$525.5 Million
K-12 Maintenance Level	\$190.5 Million
K-12 Policy Level	\$335.0 Million

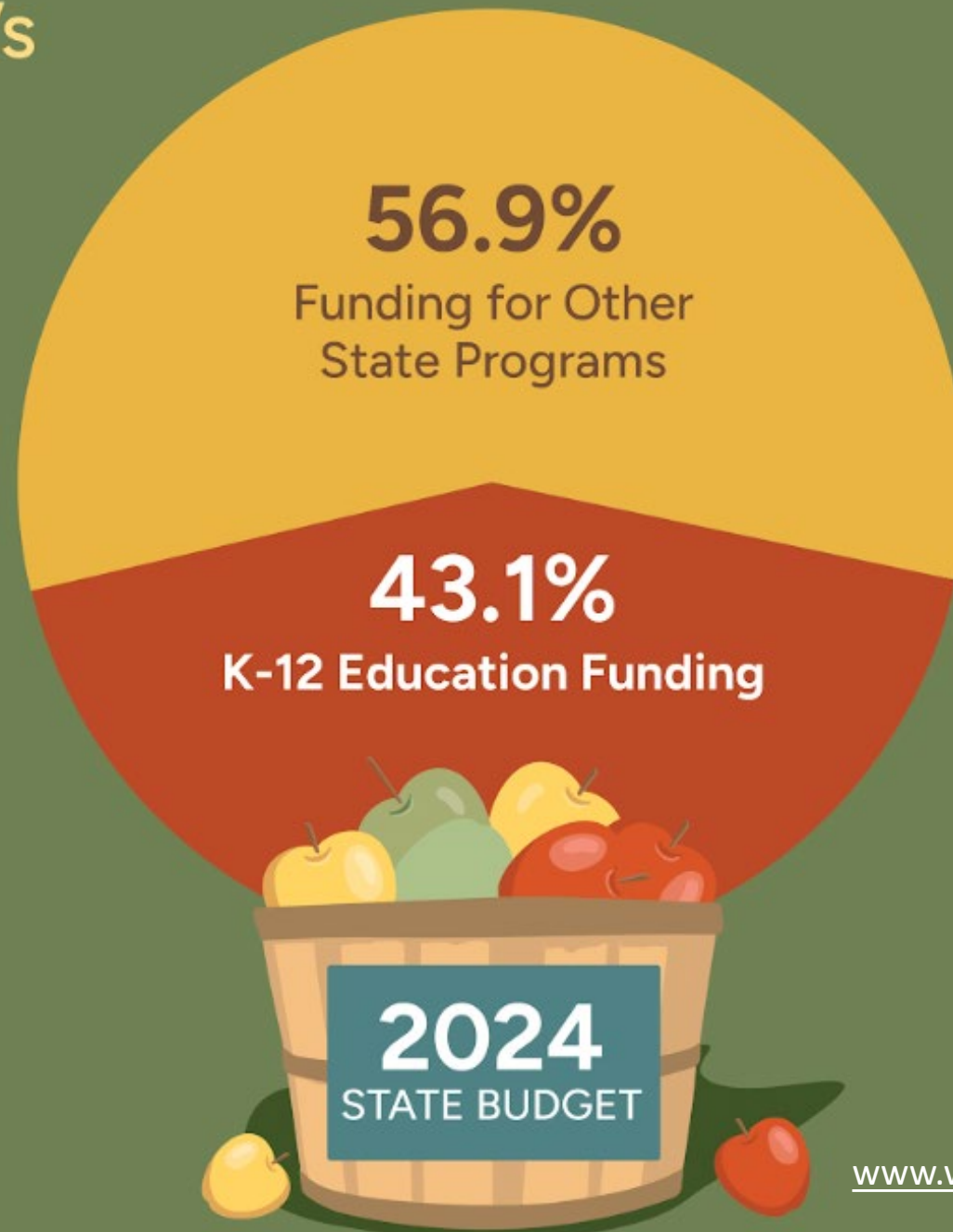
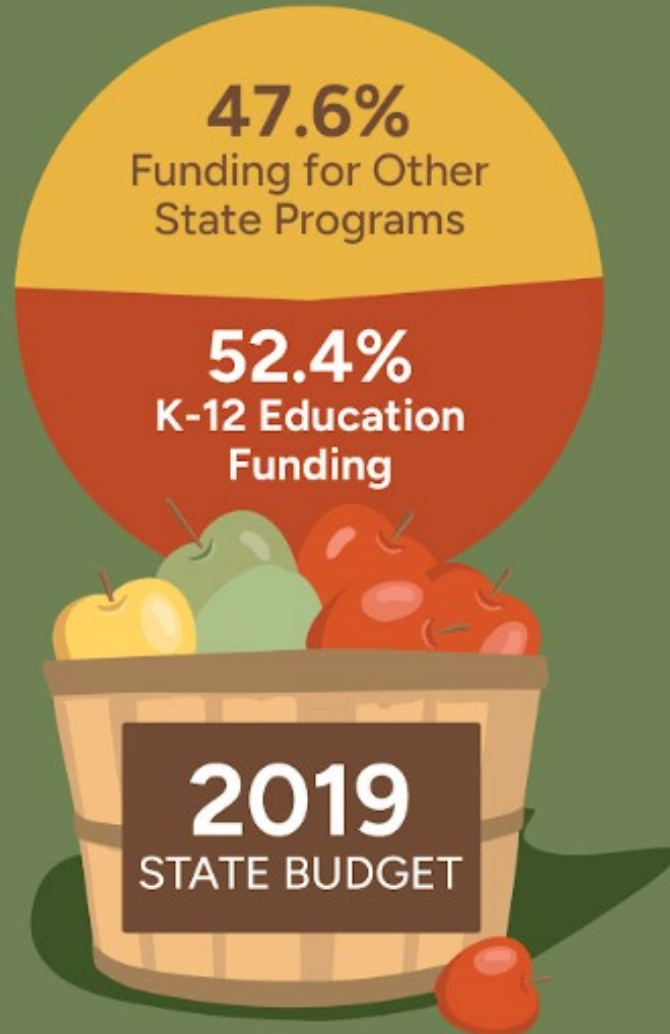


# Legislative Spending—Funds Subject to Outlook

(Dollars in Billions, Adjusted for Inflation. Percentages Are K-12's Share of NGFO Budget)



# Washington State's Operating Budget Over Time:



# State Budget Update

## Forecast Change—November 2024:

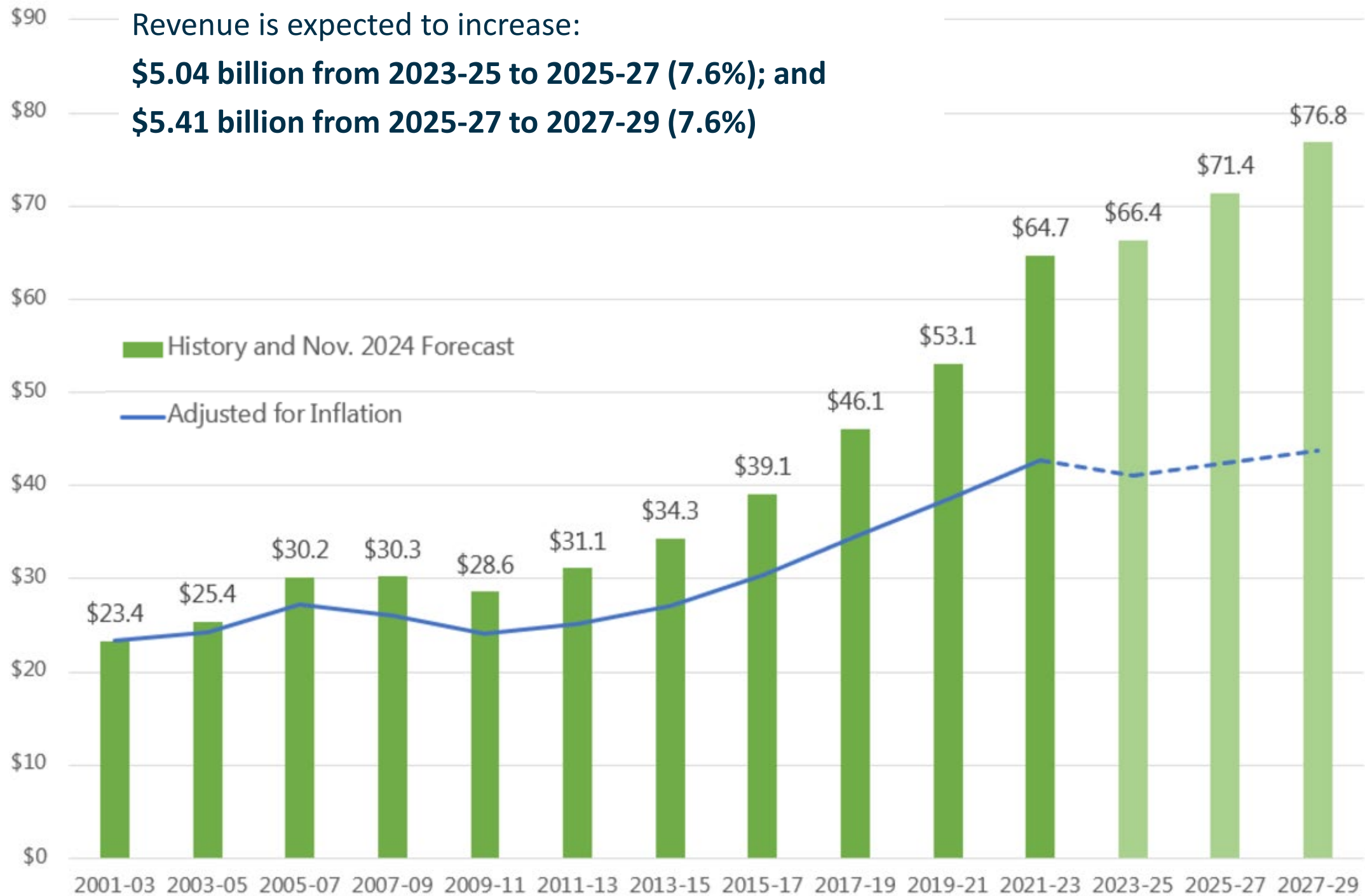
- Projected Revenue for **2023-25** is \$615 Million **below** February forecast
- Projected Revenue for **2025-27** is \$292 Million **below** February forecast
- Total projected revenue **below** 2024 February forecast: \$907 million
- Four-year projection, **2025-27** and **2027-29**: **\$1.01 billion below** February



Revenue is expected to increase:

**\$5.04 billion from 2023-25 to 2025-27 (7.6%); and**

**\$5.41 billion from 2025-27 to 2027-29 (7.6%)**



# State Budget Update

## OFM June Memo:

### 2025-27 OPERATING, TRANSPORTATION, AND CAPITAL BUDGET INSTRUCTIONS

- “Recently, state budgets have focused on continuing services that address the basic needs of the people of Washington. While much of this focus must continue, the 2025-27 biennium will face a greater number of people needing services, thereby increasing the costs for these programs.”
- “This year’s revenue forecasts will likely support the maintenance of current programs, but not growth. Therefore, operating budget requests should focus on continuing these programs and only addressing caseload increases while not expanding existing programs and services. Agencies should also consider potentially pausing the phase-in of new programs, and the creation of additional programs should be limited to only the highest priorities.”

# State Budget Update

## OFM Nov. Memo:

### BUDGET REDUCTIONS FOR FISCAL YEAR 2025 AND 2025-27 BIENNIUM

- “This year’s revenue forecasts, rising costs, and expanding needs require reductions to propose a balanced budget. The Governor’s operating budget will prioritize **continuing essential programs** and addressing **caseload increases**, while **not expanding existing programs** and services.”
- “The magnitude of the operating budget deficit is between \$10 and \$12 billion over the four-year outlook period.”
- “To assist with this effort, I direct agencies to **propose operating** and transportation **budget reductions** starting with pauses or delays of programs, and to identify savings options.... Please consider measures that will result in immediate savings, such as hiring and other freezes.”



# State Budget Update

## Directive of the Governor (24-19):

FREEZE ON HIRING, SERVICES CONTRACTS, GOODS AND EQUIPMENT PURCHASES, AND TRAVEL

- “Because the latest revenue forecasts show the cost and need for services are increasing faster than revenue, the state is facing a significant operating budget deficit.”
- “Effective December 2, 2024, for all agencies under my direction and control, I am directing a freeze on the following: (1) hiring not related to public safety or other non-discretionary activities as listed below, (2) execution of non-essential services contracts, (3) discretionary purchasing of goods and equipment, and (4) travel.”
- “I call upon non-cabinet agencies, higher education institutions, boards and commissions, and other separately elected officials to impose similar restrictions within their agencies and jurisdictions.”

# State Budget Update

Where does the projected shortfall come from?

## Major Budget Drivers:

- Maintenance Level Changes, 2025 Supplemental: \$870 Million
- Maintenance Level Changes, 2025-27: \$3.8 Billion
  - (Projected “Bow-wave” ML Changes, 2027-29: \$4.0 Billion)
- State Employee CBA, 2025-29: \$2.8 Billion

**Total 2025-2029: \$11.47 billion**

# Preliminary Maintenance Level Outlook

## Dollars in Millions

	2023-25
Beginning NGF-O Balance	5,287
Total Revenues and Resources (Including Beginning Balance)	73,362
Appropriations	
Base: (Enacted + Carry Forward Adjustments)	71,945
Preliminary Maintenance Level Estimate	742
Reversion Assumptions	-604
Revised Appropriations	72,083
NGF-O Projected Ending Balance	1,279



# Preliminary Maintenance Level Outlook

## Dollars in Millions

	2023-25	2025-27
Beginning NGF-O Balance	5,287	1,279
Total Revenues and Resources (Including Beginning Balance)	73,362	72,067
Appropriations		
Base: (Enacted + Carry Forward Adjustments)	71,945	72,424
Preliminary Maintenance Level Estimate	742	4,377
Reversion Assumptions	-604	-383
Revised Appropriations	72,083	76,418
NGF-O Projected Ending Balance	1,279	-4,351





# Preliminary Maintenance Level Outlook

## Dollars in Millions

	2023-25	2025-27	2027-29
Beginning NGF-O Balance	5,287	1,279	-4,351
<b>Total Revenues and Resources (Including Beginning Balance)</b>	<b>73,362</b>	<b>72,067</b>	<b>72,850</b>
<b>Appropriations</b>			
Base: (Enacted + Carry Forward Adjustments)	71,945	72,424	73,561
Preliminary Maintenance Level Estimate	742	4,377	6,367
Reversion Assumptions	-604	-383	-379
<b>Revised Appropriations</b>	<b>72,083</b>	<b>76,418</b>	<b>79,550</b>
<b>NGF-O Projected Ending Balance</b>	<b>1,279</b>	<b>-4,351</b>	<b>-6,700</b>



# 2025 Priorities



# WASA Legislative Platform

## Legislative Platform Philosophy:

- WASA's ongoing strategy is to be **BOLD** and **HONEST**, advocating for what our students and school districts **NEED**—not what we think we might be able to achieve
- WASA will also continue to play the “long game,” building momentum and laying the groundwork for future success

# WASA 2025 Legislative Platform

**WASA's underlying Goal in 2025  
is to prioritize K-12 Education funding**



# 2025 Legislative Platform & Strategy

## ➤ The Strategy:

- Adopt a Platform that narrowly focuses on key Basic Education issues;
- Align school administrators—*and education community*—to speak with one voice; and
- Provide members with a Tool Kit with key messages, talking points, videos, social media content, and other communications to assist/ensure engagement with “Message Discipline”

# WASA Legislative Platform Development

## Why change course for 2025 Legislative Session?

- K-12 Education is not being prioritized by the Legislature
- Education Community has been accused of being “out of alignment”
- Legislative leaders continue to move their prioritization process forward

## 2025 Focus:

### Three Major Budget Priorities:

- **Special Education**
- **MSOC**
- **Pupil Transportation**

# 2025 Legislative Platform & Strategy

- Why focus on Special Education; Materials, Supplies & Operating Costs (MSOC); and Pupil Transportation?
  - 1) Success in 2025 will positively impact ALL 295 school districts; automatically serves to unify WASA members
  - 2) Each issue is a Basic Education program, constitutionally required to be fully funded; there is clear, documented evidence none are fully funded
  - 3) School administrators are committed to ensuring each and every student is provided with the opportunity to learn and achieve their educational goals and aspirations—full funding of the three priorities will provide needed resources



# Additional Priority Issues

- We will address and engage in issues that fall outside of the “Big 3”
- Our larger amount of time and energy, however, will be focused on Special Education, MSOC, and Pupil Transportation; we will strive to “stay on message” and not be distracted by other issues
- Understanding school administrators have ongoing concerns about the state’s K–12 funding structure that must be addressed, WASA adopted a set of long-term Priorities to ensure these issues remain on legislators’ radar—to be addressed in 2026 and beyond



# Legislative Priorities

School administrators have ongoing concerns about the state's K-12 funding structure that must be addressed. These issues must continue to remain on legislators' radar:

- **Update Staff Allocations**
- **Modify Regionalization/Experience Factor**
- **Reform Levy/Local Effort Assistance**
- **Support Capital Facilities**

<https://bit.ly/4ayesaA>

## — *Caution* —

- Beware the growing conversation about completely overhauling the current K-12 finance system
  - We have told legislators we will support this necessary conversation—in 2026
  - Many districts are struggling financially and we will be taking a “First Things First” attitude, urging legislators to address the full funding of basic education in 2025



# 2025 Legislative Platform

## Partners supporting the “Big 3”:

- Association of Educational School Districts (AESD)
- Washington State School Directors’ Association (WSSDA)
- Washington Association of School Business Officials (WASBO)
- Association of Washington School Principals (AWSP)
- Alliance of Educational Associations (AEA):
  - Washington Association of Maintenance and Operations Administrators (WAMOA)
  - Washington School Nutrition Association (WSNA)
- Washington Association of Career and Technical Administrators (WACTA)
- Washington State Parent Teacher Association (WSPTA)



# The “Big Three” — Details —



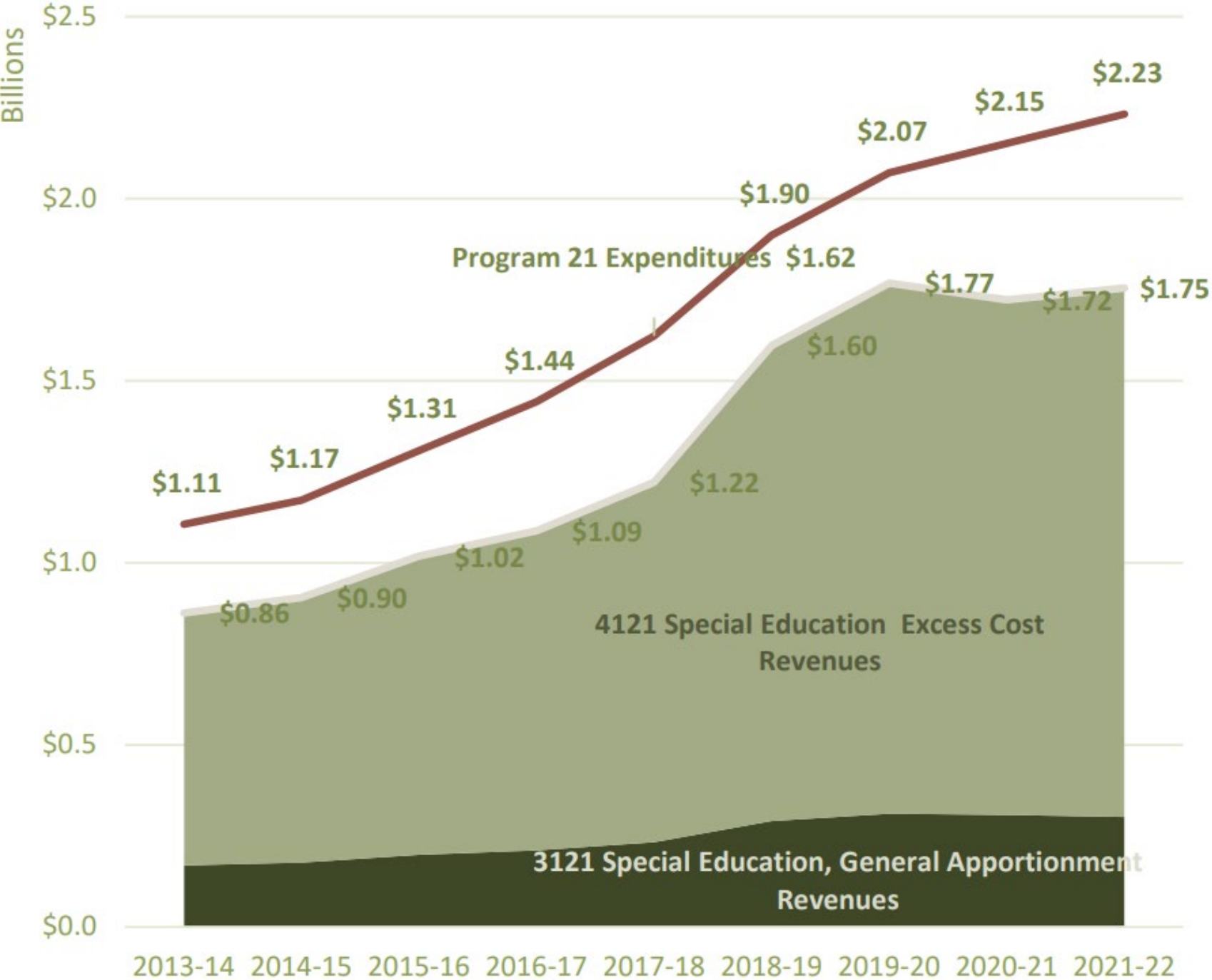
# Special Education

**The 2025 Legislature must fully fund  
the cost of special education services**

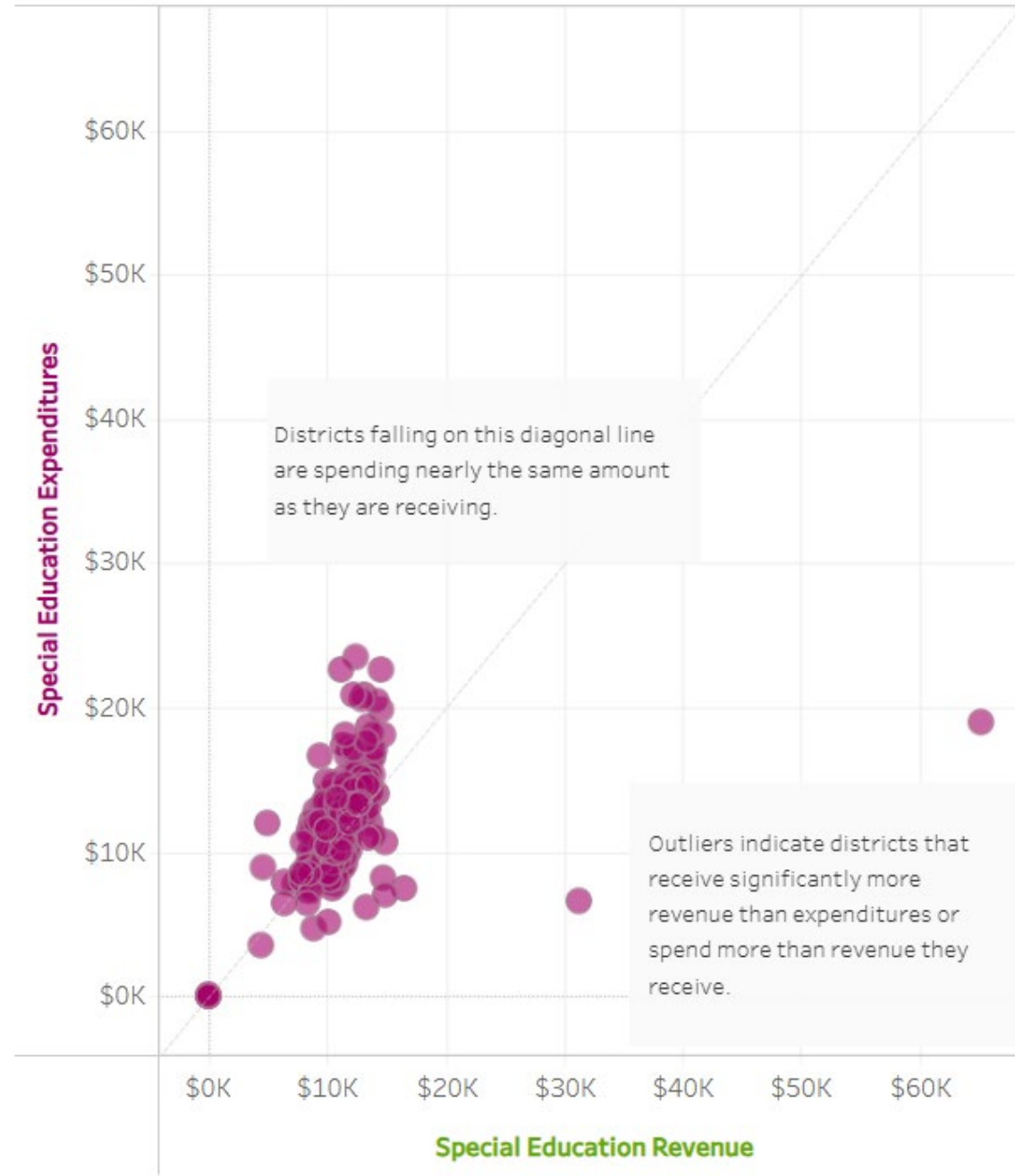
School districts have a legal obligation to serve all students with disabilities in Washington, regardless of cost of services, yet they do not have the necessary resources to provide those services



Special Education Expenditures vs. Revenues (billions)



## Special Education Expenditures vs Revenues Per Student (SY 2018-19)



# Special Education

- Our “ask” is to reduce the safety net threshold and significantly increase the special education tiered multipliers to eliminate the gap between state funding and school district expenditures
- There are three multipliers:
  - Pre-K, Ages 3-5
  - Ages K-21 in Tier 1; students placed in general education classrooms for 80-100% of the school day
  - Ages K-21 in Tiers 2 & 3\*; students placed in general education classrooms for 40-79% or 0-39% of the school day

\*NOTE: Tiers 2 & 3 use the same multiplier



# Special Education

- There are multiple additional potential “asks” for special education, including:
  - Eliminate the Enrollment Cap;
  - Professional Development for special education staff;
  - Continue Inclusionary Practices Technical Assistance Network;
  - Implement statewide online IEP system;
  - Fund Paraeducators/Instructional Aides to support special education;
  - Increase special education funding to Age 22

**We intend to stay focused on:**

**increasing the Tiered Multipliers and reducing the Safety Net threshold**

# Materials, Supplies & Operating Costs

**The 2025 Legislature must immediately address the significant underfunding of allocations for Materials, Supplies, & Operating Costs (MSOC)**

- State funding for MSOC has not kept pace with actual school district costs; when required costs of running a school district exceed state funding, local revenues, mostly levies, must be used to fill the gap, reducing local resources for school district and community expectations



Average increase in the  
cost of milk since 2018



Average increase in the  
cost of diesel fuel since  
2018



Average increase in  
electricity costs since  
2018



Average increase in the  
cost of insurance since  
2020



Average salary increase  
for teachers since 2018

# Materials, Supplies & Operating Costs

- Our “ask” is to increase the per student allocations for MSOC to close the significant gap between the actual operational costs districts face and what the state provides for these expenses
- Specifically, we seek four things:
  - A one-time “catch up” to eliminate the underfunding of MSOC since the 2018-19 school year;
  - Adjust future MSOC allocations by inflation, as determined by the Consumer Price Index (CPI);
  - Rebase the MSOC formula at least every four years to ensure allocations keep up with cost increases that are beyond a district’s control;
  - Enhance the MSOC Small School Factor

# Materials, Supplies & Operating Costs

## NOTE:

- Insurance and Utilities costs have far outpaced other categories in the MSOC formula
- Strategically, we are asking legislators to address allocations in all categories of MSOC, rather than seeking fixes for insurance and/or utilities alone
  - Singling out insurance and/or utilities will detract from our effort to ensure MSOC allocations are fully funded

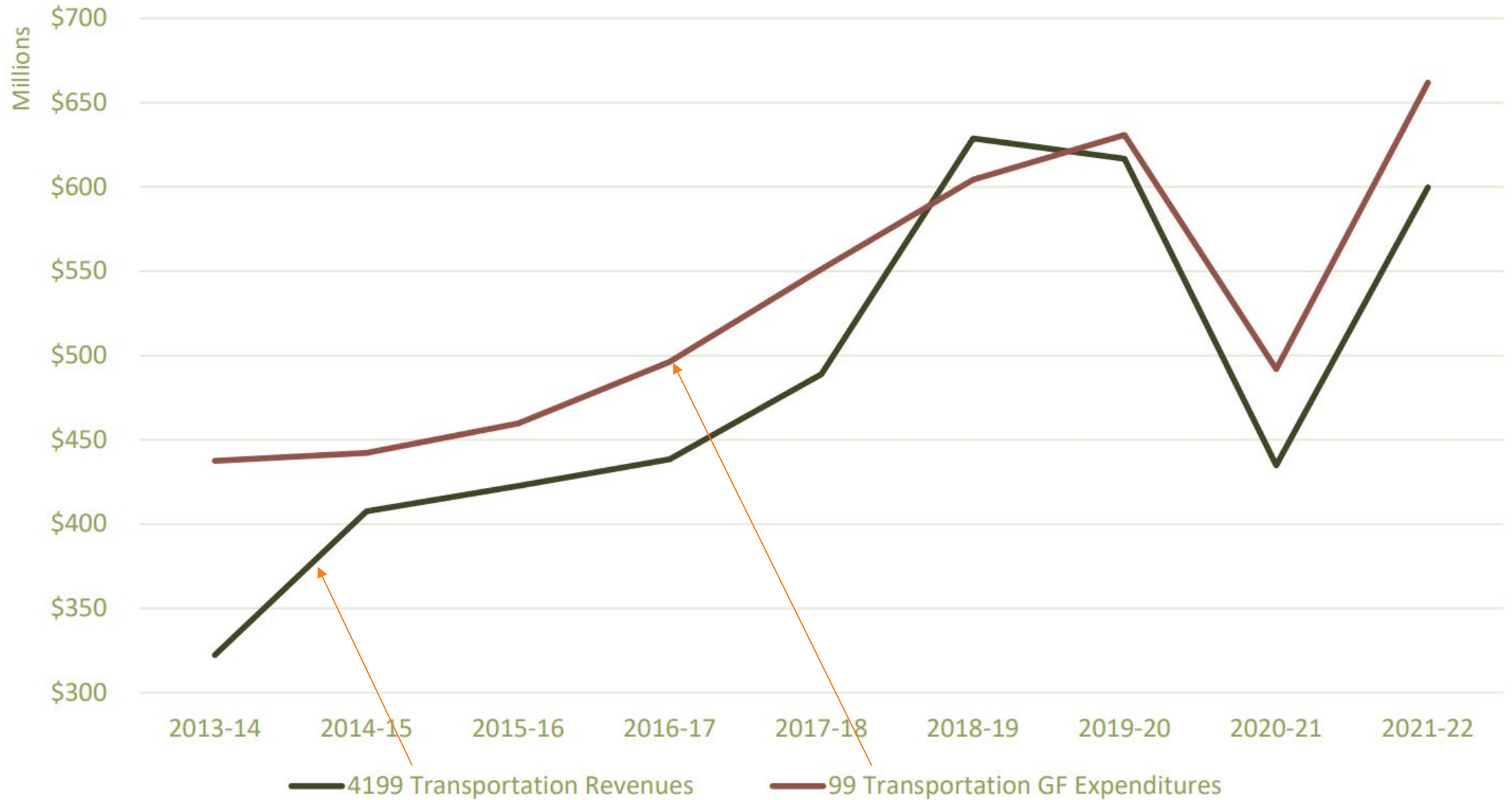


# Pupil Transportation

**The 2025 Legislature must comprehensively fix the pupil transportation formula to ensure it is more transparent, predictable, and adequately funded**

- State the current transportation formula consistently underfunds districts' actual pupil transportation expenditures; the formula cannot forecast allocations with credible accuracy, calculates a final allocation in February which complicates budget decisions for school districts and the Legislature, and uses an efficiency rating that is detrimental to efficient districts because they are at risk of less funding in the model

## Pupil Transportation Revenues and Expenditures



# Pupil Transportation

- Our “ask” is to overhaul the current Student Transportation Allocation Reporting System (STARS) to allow the Legislature to allocate funding to districts that aligns with actual costs of providing school transportation services



# Resources





# Core Issues with School Funding

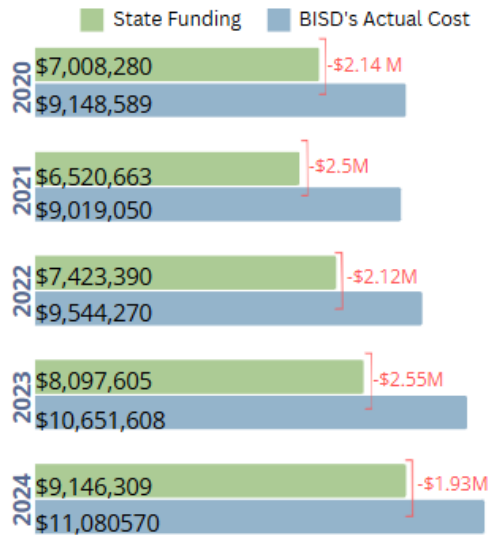
- **School Funding website:** [www.waschoolfunding.org](http://www.waschoolfunding.org)
  - Useful—and easy to understand—information on the current funding dilemma so many school districts currently face
- **School Funding Toolkit** (or: <https://bit.ly/46yIFFp>)
  - Includes key messages, talking points, sample social media content, graphics, school funding FAQs, and other resources to assist and align our members (and partners) as you engage with your own legislators



# GAPS IN STATE FUNDING



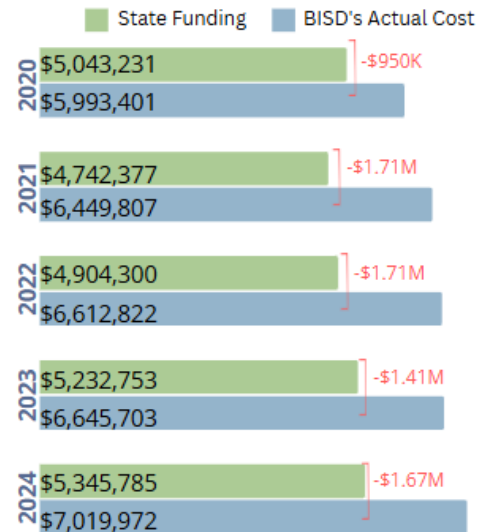
## SPECIAL EDUCATION



Since 2020, BISD has been underfunded for Special Education by **\$11.25 million.**



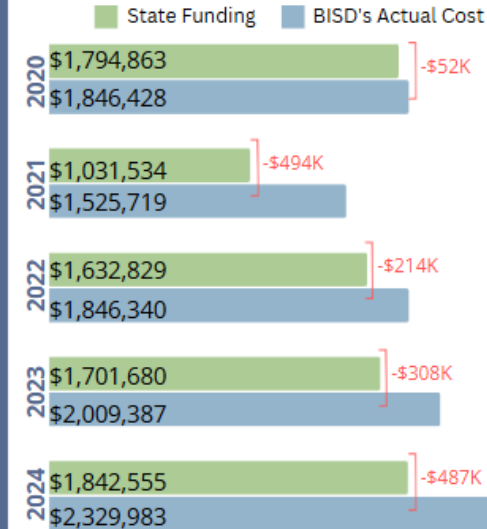
## MATERIALS, SUPPLIES & OPERATING COSTS (MSOC)



Since 2020, BISD has been underfunded for MSOC by **\$7.45 million.**



## TRANSPORTATION



Since 2020, BISD has been underfunded for Transportation by **\$1.55 million.**

**SINCE 2020, FUNDING GAPS HAVE COST BISD \$20.25 M.**

Templates



# FUNDING THE FUTURE

SUPPORTING PUBLIC EDUCATION



**JANUARY 11**

3:30 PM – 8:00 PM

**JANUARY 12**

8:00 AM – NOON

# 2025

SeaTac Hilton and Convention Center

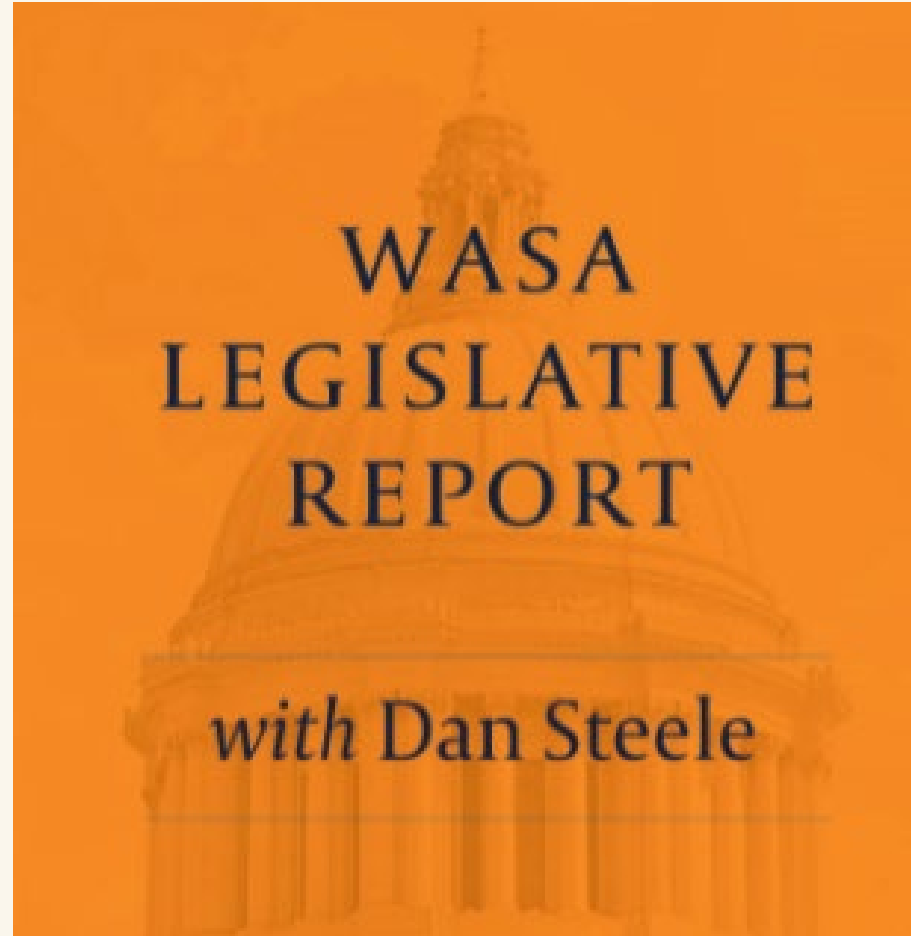
[DETAILS](#)

[REGISTER](#)



- Legislative newsletter e-mailed every Friday during the Legislative Session, along with intermittent “special editions” covering budget proposals and other extraordinary events
- All issues are also archived on the WASA website at:  
[www.wasa-oly.org/TWIO](http://www.wasa-oly.org/TWIO)

# WASA Legislative Podcast



Archived Podcasts and Subscription Information:

<https://bit.ly/2QlgWT0>

# WASA Legislative Advocacy Training

"Finding Your Voice"

Two-Part Lunch & Learn Webinar

Part I:

Examining WASA's Legislative Platform

September 25, 2024, 12:00–1:00pm

—Webinar RECORDING:

<https://bit.ly/3ZUZdG3>

—Webinar POWERPOINT:

<https://bit.ly/4gZ3rmb>

September 25, 2024  
Lunch & Learn Webinar



- This webinar will provide a comprehensive review of WASA's 2025 Legislative Platform; an overview of our Advocacy Toolkit; and an update on the progress of implementing our 2025 advocacy plan. These tools will assist you in effectively informing your legislators of administrators' collective priorities.



# WASA Legislative Advocacy Training

"Finding Your Voice"

Two-Part Lunch & Learn Webinar

Part II:

The Importance of Legislative Advocacy

October 25, 2024, 12:00–1:00pm

—Webinar RECORDING:

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

—Webinar POWERPOINT:

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

October 25, 2024  
Lunch & Learn Webinar

## Finding Your Voice—Part II: The Importance of Legislative Advocacy



- To help you ease you into your advocacy role—especially if you have not engaged in the process before—this webinar will provide tips, tools, and resources to help you engage with the Legislature and effectively advocate for your schools, your students, and your staff

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