


WASA Spring Conference
Wenatchee Convention Center
March 19, 2024

68th Washington State Legislature: 2024 Session Wrap-Up

2024 Legislative Session Wrap-up

- 2024 Session Overview
- 2023-25 Operating Budget
- 2024 Supplemental Operating Budget
- 2024 Capital Budget
- Next Steps

The image features a large, classical-style dome of a government building, likely the Washington State Capitol, partially hidden behind several tall, leafy green trees. The sky is a pale, overcast grey. In the upper right corner, the text "2024 Legislative Session" is written in a bold, dark blue, sans-serif font.

**2024
Legislative Session**

2024 Legislative Session

- Second year of the 68th Biennial Legislature
 - “Short,” non-budget session—limited to 60 days
 - January 8 to March 7

- Major focus:
 - Supplemental Operating, Capital, and Transportation Budgets
 - Mandatory caseload adjustments (that is, “Maintenance Level” changes)
 - Enhancements and/or new programs—usually limited
 - Policy—new or amended

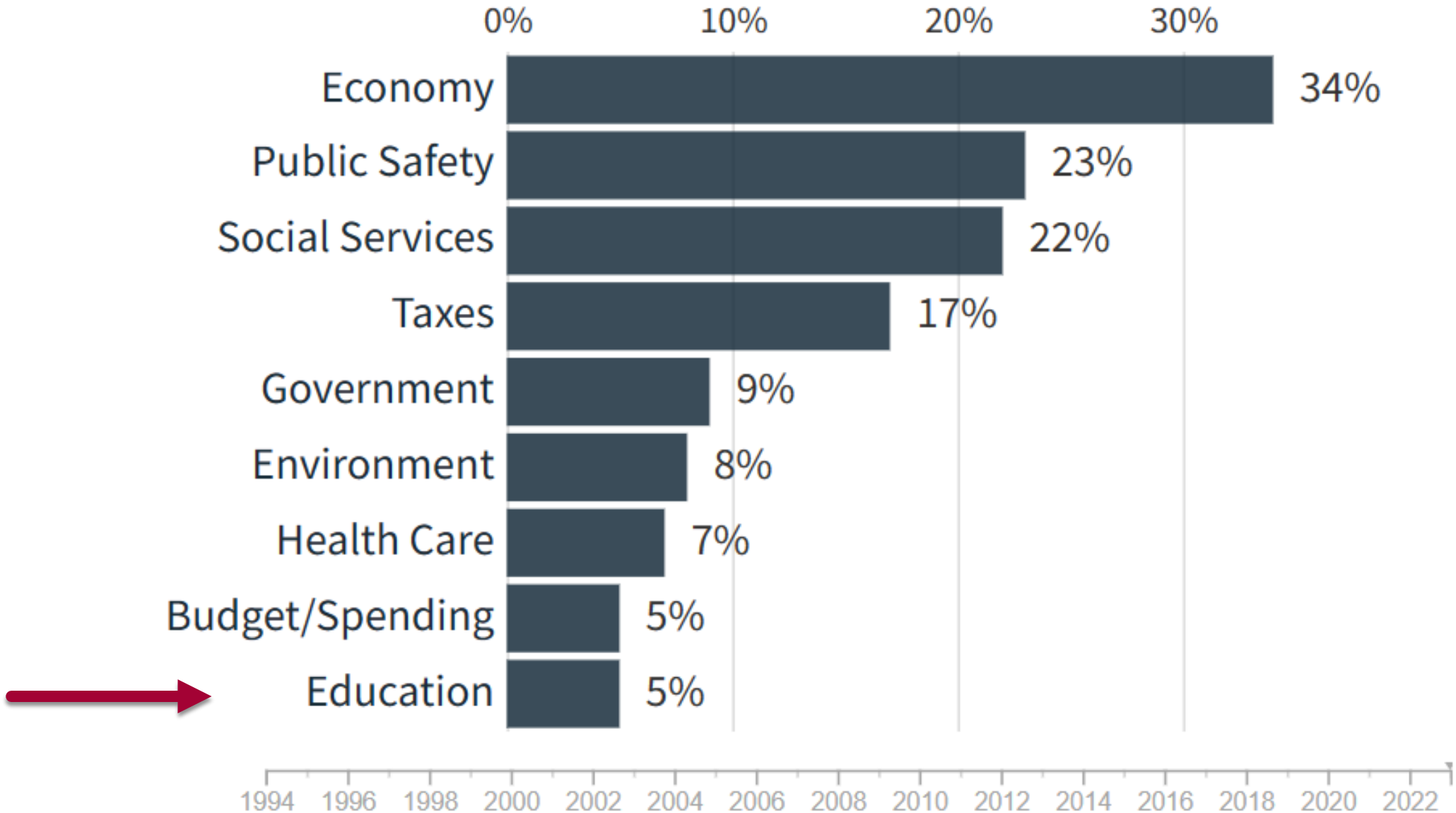
2024 Legislative Session

- Major Policy Discussions:
 - Housing & Rent Control
 - Behavioral Health/Mental Health
 - Reproductive/Gender-Affirming Care
 - Child Care
 - Climate Change
 - Opioid Use/Treatment

2023

Voter Priority Issues

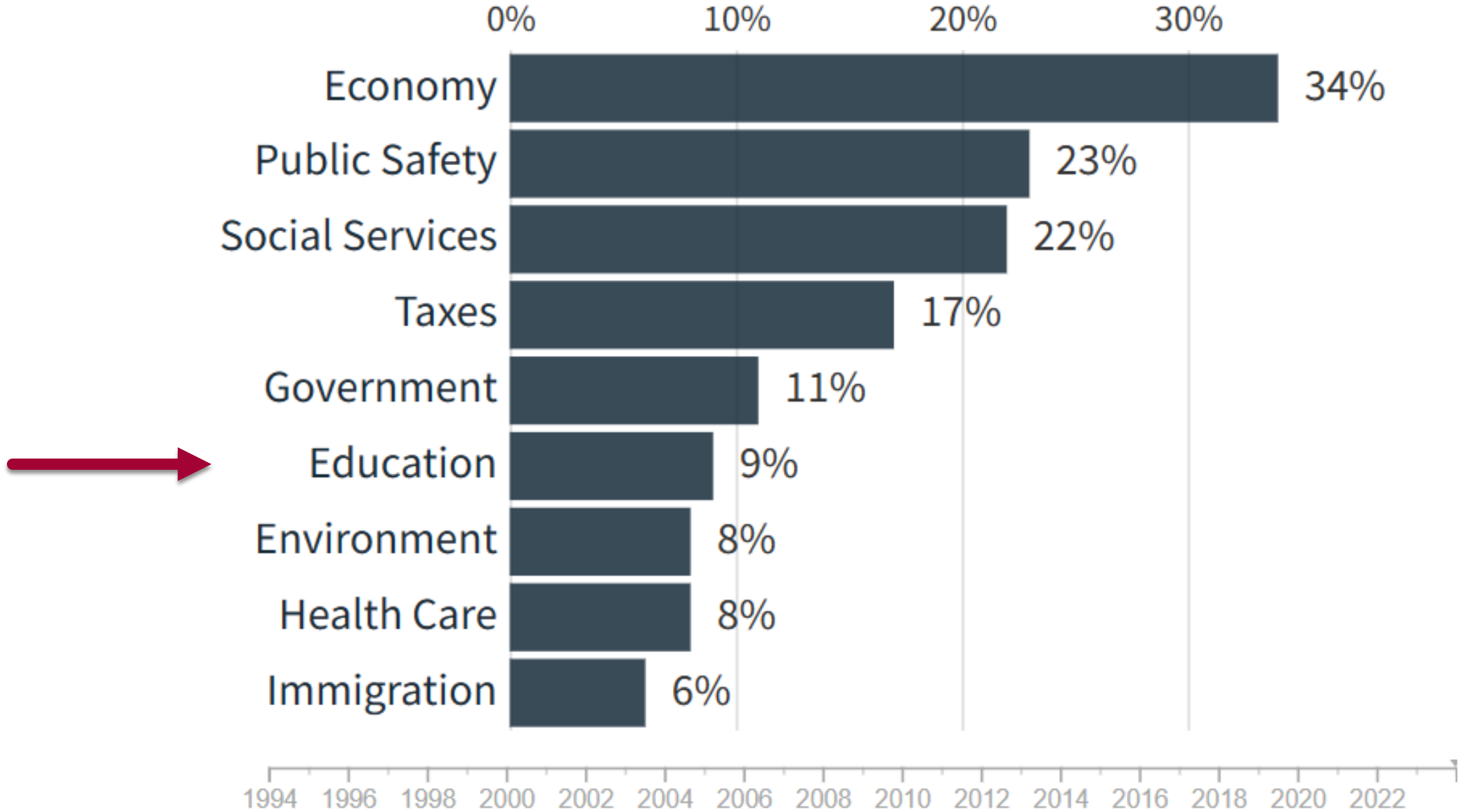
(December 2022)




2024

Voter Priority Issues

(December 2023)





2023-25 Operating Budget

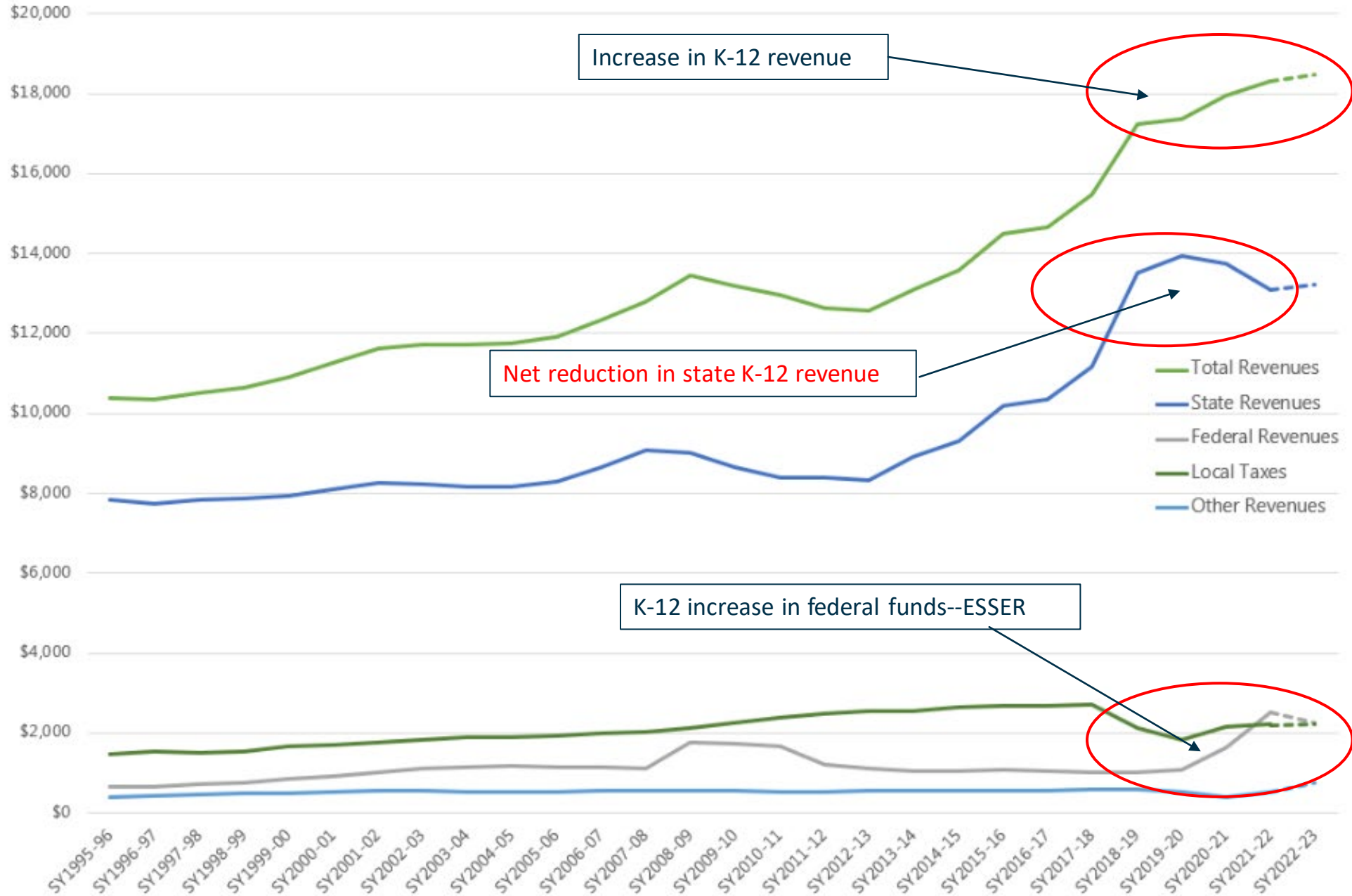
2023-25 Operating Budget (ESSB 5187)

- **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**

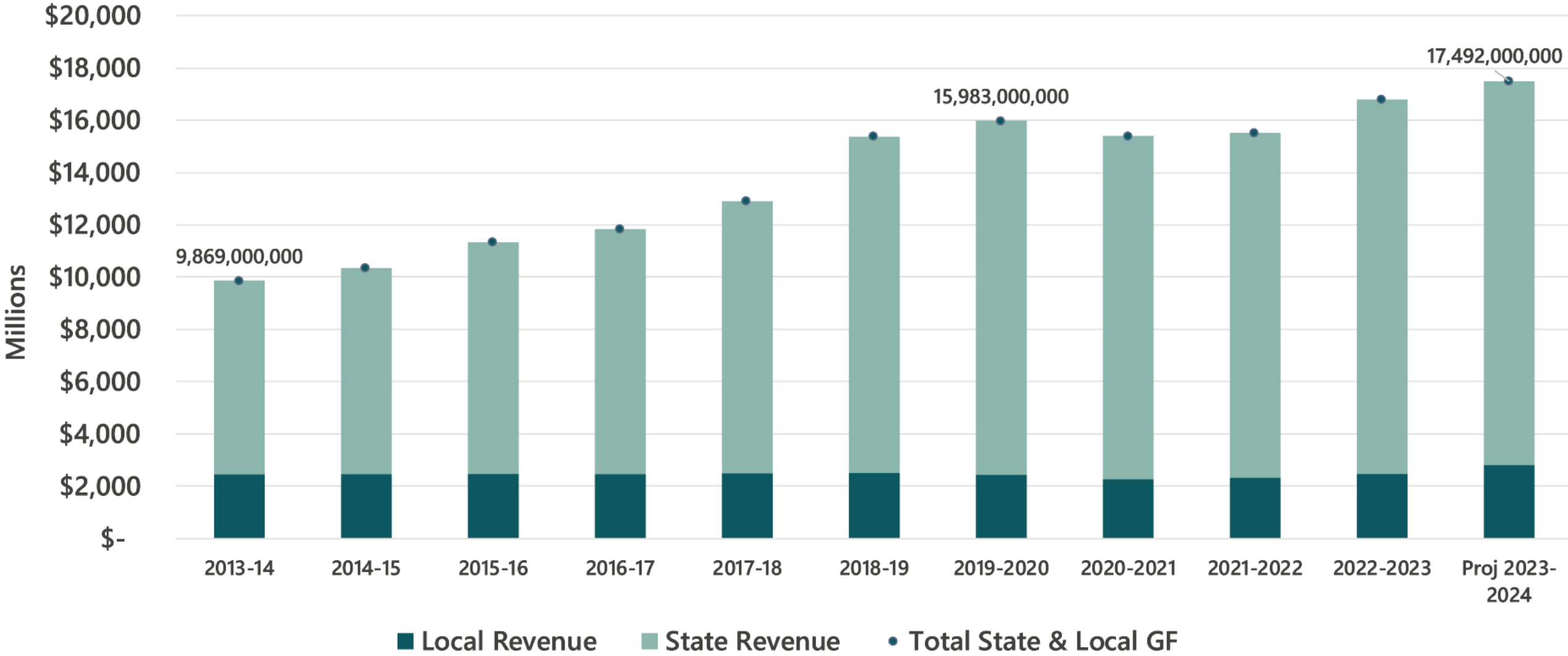
2023-25 K-12 Impacts

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

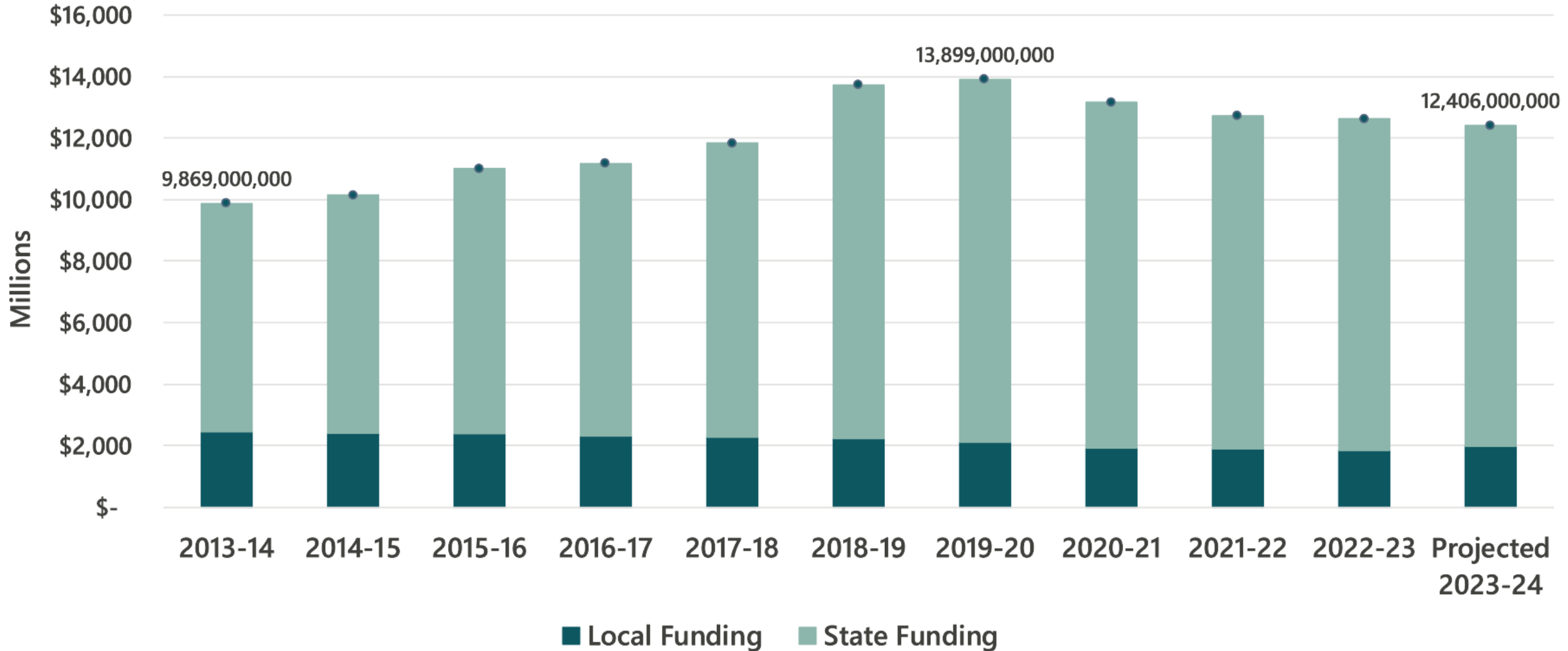
Per Pupil Revenues to School Districts (Adjusted for Inflation)



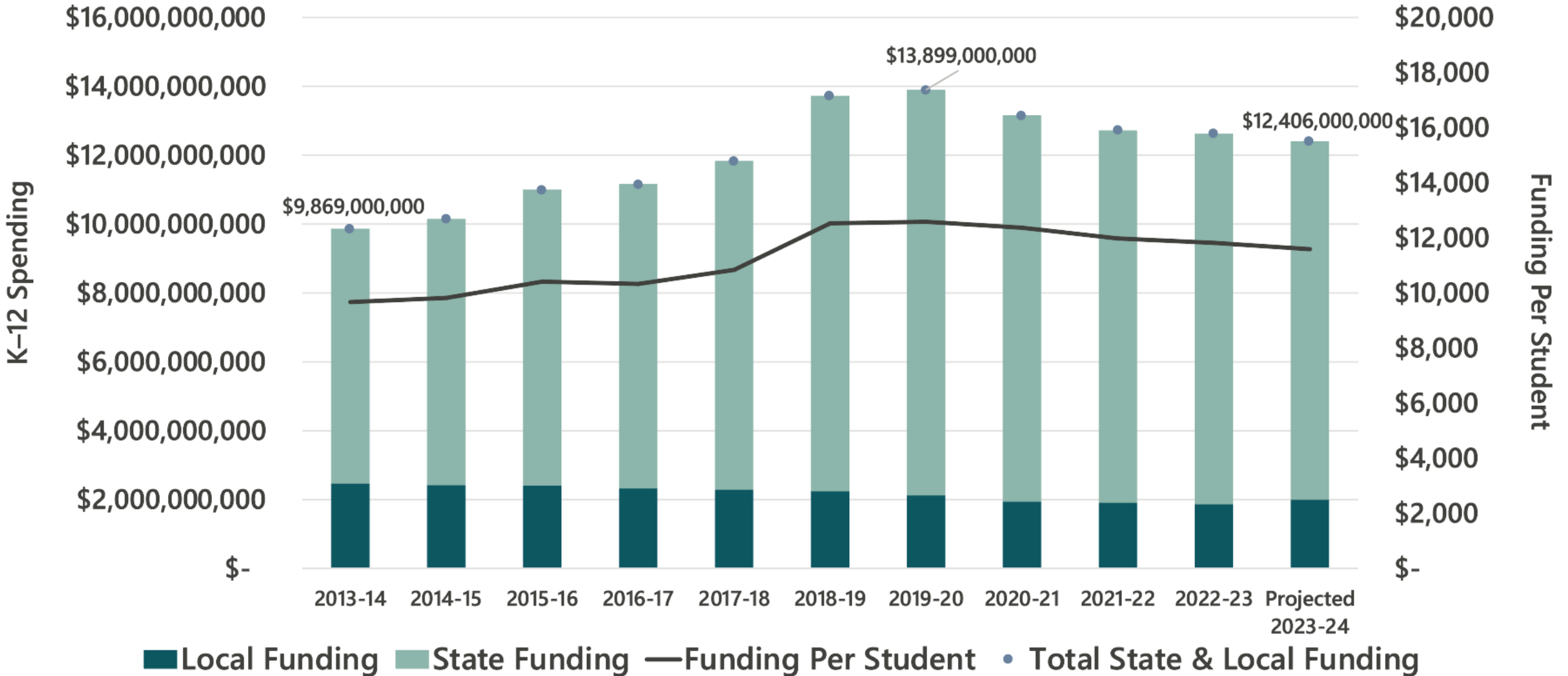
K-12 Spending Over Time



K-12 Spending Over Time – Inflation Adjusted to 2013 Dollars



Inflation Adjusted K-12 Spending & Funding Per Student



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% (43.7%)



2024 Supplemental Operating Budget

FINAL 2024 Supplemental Operating Budget (ESSB 5950)

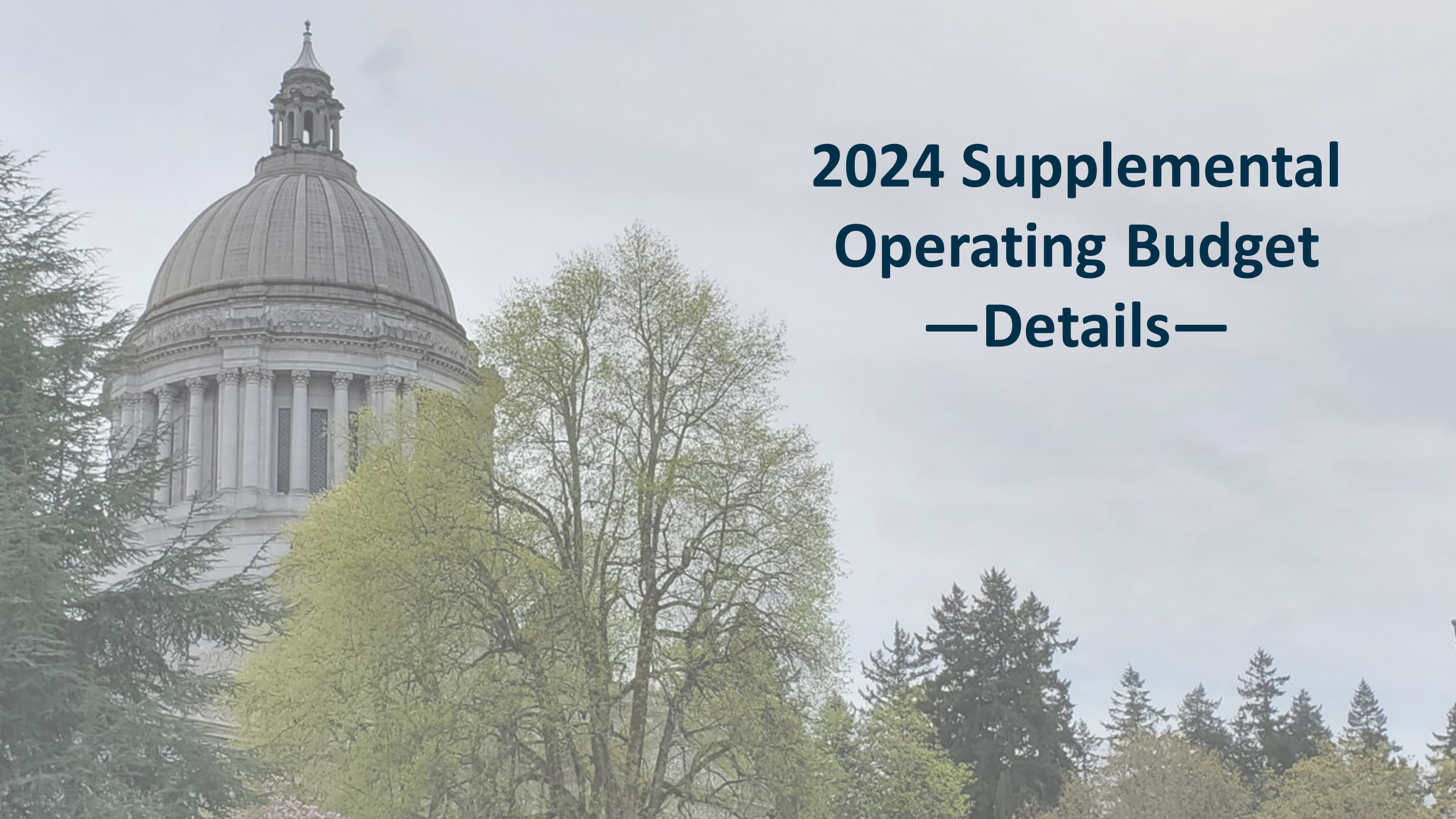
- **2023-25 Operating Budget** **\$69.8 Billion**
 - '24 Maintenance Level \$1.11 Billion
 - '24 Policy Level \$1.03 Billion
- **Total Increase** **\$2.14 Billion**
- **2023-25 Operating Budget** **\$71.95 Billion**

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

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% (43.7%)
 - 2024 Supplemental, 2023-25 final: 43.4%



**2024 Supplemental
Operating Budget
—Details—**

2024 Operating Budget: *Major* K-12 Highlights

Pupil Transportation

\$77.7 million

Funding provided for: “Transportation Correction” (\$76.9 million); and supplemental allocations to districts with higher costs due to pupil transportation contracts requiring employees to receive health/retirement benefits under ESHB 1248 (\$425,000)

➤ Pupil Transportation

- **SB 5873**
- Transportation formula based on rider counts and miles driven; multipliers for urban and large district challenges; 100 reimbursement for special passengers
- Analysis required by OSPI
- Contracted employee must receive health/retirement benefits
- SUB—Deletes major provisions of underlying bill; Adds:
 - OSPI must provide analysis of transportation costs/allocations by June 1, 2027; must use analysis to develop a transparent, predictable, and comprehensive transportation funding model
 - Provides additional funding (\$400/FTE) for McKinney-Vento students
 - Maintains contracted employee health/retirement benefit provisions, but contracts must include detail of any cost increases

Pupil Transportation

➤ Pupil Transportation

- **HB 1248**
- Established new Pupil Transportation formula
- Required OSPI to establish safety net program for districts with additional costs to transport special passengers
- Created alternative grant program for districts with unique characteristics
- Contracted employee must receive health/retirement benefits

- **AS AMENDED:**
 - Deletes major provisions of underlying bill
 - School district pupil transportation contracts services must require the contracting employer to provide health benefits and pension contributions equivalent to those of school district classified employees
 - Provides supplemental allocations to districts that demonstrate higher costs because of the new contract requirements, **SUBJECT TO APPROPRIATION**

Pupil Transportation

➤ Pupil Transportation

- **HB 1368—Zero-emission buses**
- Required school districts to transition 75 percent of bus fleets to zero-emission buses by September 1, 2030; after September 1, 2033, all buses purchased must be zero-emission
- Department of Ecology required to establish a competitive grant program
- AS AMENDED:
- Zero-emission bus purchase deadlines removed
- Formula-based grant program changed to a voluntary grant program for districts that choose to apply
- All new buses must be zero-emission when it is determine Total Cost of Ownership is equal or less than Total Cost of Ownership of diesel buses

2024 Operating Budget: *Major* K-12 Highlights

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Paraeducator Staffing Allocations

\$71.8 million

Funding provided to implement 2SSB 5882, enhancing staffing ratios in the Prototypical School Funding Model for paraeducators, office supports, and noninstructional aides, beginning in the current 2023-24 school year

Paraeducators

DEAD

SB 6082—Increasing compensation for paraeducators Superintendent Reykdal request bill

- Increase paraeducator compensation by \$7/hour, plus benefits, adjusted for inflation and regionalization (\$193.6 million)
- Increased allocation based on paraeducators hired in 2022-23

Concerns:

- Intent is to provide additional allocations to “all” paraeducators—state, local, federal, grant funded—legislators have never done this
- “Compliance mechanism” proposed to ensure student-to-paraeducator ratio is retained—2018-19 baseline
- Increases provided for singular category of staff will create dissention and bargaining difficulties
- Fiscal projections assume 182-day contracts; most paras have 191-day contracts

➤ Inslee Proposal:

No bill; budget proviso only—\$64.4M

- Increase of \$3 per hour (plus benefits) for all paraeducators, adjusted for inflation and regionalization (based on paraeducators hired in 2022-23)
- Funding is specifically “not part of the state's program of basic education”

Paraeducators—Staffing Allocations

➤ Classified Staff Allocations

- **SB 5882**
- Phases in additional staff allocations for teaching assistance, office support staff, and noninstructional aides in the Prototypical School Funding Model
- AS AMENDED:
- Provides for immediate increases (2023-24) rather than 3-year phase in, with lower final increases
- Replaces “teaching assistance” with “paraeducators”
- Requires use of funds to increase staffing, prevent layoffs, or increase salaries for paraeducators, office support, and noninstructional aides
- Requires OSPI data collection on use of funds

School Level Staffing Allocations—2024-25 vs. Initiative 1351

School Level Staffing	Elementary (K-6) 2024-25	Elementary (K-6) I-1351	Middle (7-8) 2024-25	Middle (7-8) I-1351	High (9-12) 2024-25	High (9-12) I-1351
Base Enrollment	400	400	432	432	600	600
Principals	1.253	1.300	1.353	1.400	1.880	1.900
Teacher Librarians	0.663	1.000	0.519	1.000	0.523	1.000
Guidance Counselors	0.993	0.500	1.716	2.000	3.039	3.500
<u>Health & Social Services:</u>						
School Nurses	0.585	0.585	0.888	0.888	0.824	0.824
Social Workers	0.311	0.311	0.088	0.088	0.127	0.127
Psychologists	0.104	0.104	0.024	0.024	0.049	0.049
* PARAEDUCATORS	0.936 1.012	1.195	0.700 0.776	1.295	0.652 0.728	1.121
* Office Support	2.012 2.088	3.220	2.325 2.401	3.029	3.269 3.345	3.382
Custodians	1.657	3.524	1.942	3.454	2.965	4.412
Student & Staff Safety	0.079	0.099	0.092	0.506	0.141	0.723
Parent Involvement Coordinators	0.0825	0.676	0.000	0.676	0.000	0.676

*Paraeducators/Office Support, 2023-24 School Year

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Community Eligibility Provision

\$45.0 million

Additional funding is provided for reimbursements to school districts for schools and groups of schools required to participate in the federal Community Eligibility Provision (CEP) for meals not reimbursed at the federal free meal rate

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MSOC Adjustment

\$43.6 million

Funding is increased for Materials, Supplies, and Operating Costs (MSOC), as required under ESHB 2494. Per student funding for all general education students is increased by \$21 in the current 2023–24 school year

Materials, Supplies, and Operating Costs

➤ MSOC Request:

Increase Materials, Supplies and Operating Costs (MSOC) by approximately \$255 million in a catch-up payment to school districts to cover the 2023 school year, and to cover the expected costs for the current 2024 school year.

Adjust the school district MSOC funding levels for the upcoming 2024-25 school year in an amount that covers the actual projected MSOC costs, not the usual arbitrary “inflation” amount that has been used in the past several biennial budgets.

Materials, Supplies, and Operating Costs

➤ MSOC

- **HB 2494**
- Would have increased MSOC per pupil rates by **\$48**
- **AS AMENDED—House Appropriations:**
- Increases MSOC per pupil rates by **\$23**—lowers increase for Utilities & Insurance; Professional Development; and Security & Central Office Administration
- **HOUSE FLOOR AMENDMENT:**
- Increases MSOC allocations by **\$21** per pupil in **2023-24 school year**.

Materials, Supplies, and Operating Costs

➤ MSOC

- **HB 2494**

- AS AMENDED—Snte Early Learning & K-12 Education:
- New language: Increased MSOC rates “intended to address growing costs in the enumerated categories and may not be expended for any other purpose”

- AS AMENDED—Snte Ways & Means:
- Increases MSOC allocations by **\$28.81** per pupil in **2023-24 school year**.

- SENATE FLOOR AMENDMENT—FINAL BILL:
- Increases MSOC allocations by **\$21** per pupil in **2023-24 school year**.
- Increased MSOC rates “intended to address growing costs in the enumerated categories and may not be expended for any other purpose”

Materials, Supplies, and Operating Costs (MSOC) Per Pupil Rates

—Original Bdgt—

—Supplemental Bdgt—

K-12 per FTE

MSOC Component	2023-24 SY	2024-25 SY
Technology	\$178.98	\$182.72
Utilities/Insurance	\$416.26	\$425.01
Curriculum/Textbooks	\$164.48	\$167.94
Other Supplies	\$326.54	\$333.40
Library Materials	\$22.65	\$23.13
Prof Development	\$25.44	\$25.97
Facilities Maintenance	\$206.22	\$210.55
Security/Central Ofc	\$142.87	\$145.87

2023-24 SY	2024-25 SY
\$178.98	\$182.37
\$430.26	\$438.43
\$164.48	\$167.61
\$326.54	\$332.74
\$22.65	\$23.09
\$28.94	\$29.50
\$206.22	\$210.13
\$146.37	\$149.15

9-12 per FTE

MSOC Component	2023-24 SY	2024-25 SY
Technology	\$44.04	\$44.97
Curriculum/Textbooks	\$48.06	\$49.06
Other Supplies	\$94.07	\$96.04
Library Materials	\$6.05	\$6.18
Prof Development	\$8.01	\$8.18

2023-24 SY	2024-25 SY
\$44.04	\$44.88
\$48.06	\$48.97
\$94.07	\$95.86
\$6.05	\$6.16
\$8.01	\$8.16

2024 Operating Budget: *Major K-12 Highlights*

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Special Education Cap

\$19.6 million

Funding is provided increase the special education enrollment cap to 16.0 percent, beginning in the 2024–25 school year, as required by SHB 2180

Special Education

➤ Special Education—Enrollment Funding Cap

- **HB 1923**—Would have would have phased in increases of the enrollment cap, from the current 15.0 percent in 2023–24, to 15.5 percent in 2024–25, to 16.0 percent in 2025–26 and 2026–27, then eliminated beginning in 2027–28. Enrollment cap would have been immediately eliminated for districts that: have fewer than 2,500 students; received a safety net award due to community characteristics; or have at least ten percent of students that identify as having a military parent **DEAD**
- **HB 2174**—Would have eliminated the enrollment funding cap (Supt. Reykdal request) **DEAD**
- **HB 2180**—Would have increased the current funding cap from 15.0 percent to 17.25 percent
 - AS ADOPTED: Enrollment funding cap increases to 16.0 percent

Educator Compensation: IPD

2023-25 Operating Budget—ESSB 5187 Section 506(1). The salary increases provided in this section are 3.7 percent for the 2023-24 school year, and 3.9 percent for the 2024-25 school year, the annual inflationary adjustments pursuant to RCW 28A.400.205

Projected IPD

RCW 28A.400.205(2)(b): Beginning with the 2024-25 school year, the Implicit Price Deflator for the previous calendar year as of the beginning of the school year

Actual 2024-25 IPD

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>
2023	127.3	3.7	3.047	4.1	3.412	5.8
Forecast						
2024	129.7	1.9	3.125	2.6	3.524	3.3
2025	132.4	2.1	3.192	2.1	3.599	2.1
2026	135.3	2.2	3.267	2.4	3.684	2.4
2027	138.1	2.1	3.341	2.3	3.768	2.3
2028	141.0	2.1	3.418	2.3	3.854	2.3
2029	143.9	2.1	3.494	2.2	3.940	2.2

Educator Compensation: Salary Allocations

Inflationary Factor increase adjusts statewide minimum salary allocations:

	2022-23	2023-24	2024-25	2024-25 REVISED
CIS	\$72,728	\$75,419	\$78,360	\$78,209
CAS	\$107,955	\$111,950	\$116,316	\$116,092
CLS	\$52,173	\$54,103	\$56,213	\$56,105



2024 Supplemental Capital Budget

FINAL 2024 Supplemental Capital Budget (ESSB 5949)

- **2024 Supplemental Capital Budget** **\$1.3 Billion**

- Bonds \$130.6 Million
- Climate Commitment Act \$688.4 Million
- Common School Const \$307.5 Million
- Federal \$124.6 Million
- Model Toxic Control \$24.4 Million
- Alternate Finance \$11.3 Million
- Other \$50.2 Million

K-12 Funding

\$40.8 Million

CSCA, 307.5M; CCA, \$36.7M; Bonds (-\$303.4M)

2024 Supplemental Capital Budget: K-12 Details

(Dollars in Thousands)

→	School Construction Assistance Program	(294,500)
→	Small District Modernization	114,800
→	SCAP Enhancement	79,200
	CTE Projects	68,200
	Indoor Air Quality & Energy Efficiency	45,000
	Distressed Schools	10,400
	School District Health & Safety	8,100
	Energy Assessment Grants	5,000
	School-based Health Clinics	2,100
	Healthy Kids/Healthy Schools	1,500
→	SCAPR Planning	1,000
	TOTAL K-12 Capital Funding	40,800

- **HB 1044—Small School Capital Assistance**
 - Would have provided capital financial assistance to small school districts with demonstrated funding challenges
- **SB 5789—Construction Sales Tax**
 - State would have paid for sales and use tax on all costs chargeable to a school construction project
- **SB 5344—School Modernization Loan Program**
 - Would have allowed a school district to contract indebtedness for school construction
- **SJR 8207/SB 5823—Simple Majority Bonds**
 - Would have allowed school district bonds to be approved with a simple majority vote
- **HJR 4207/HB 1843—Bond approval**
 - Would have allowed school district bonds to be approved with a 55 percent vote

2024 LEGISLATIVE REPORT

A PUBLICATION OF THE WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

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2024 End of Session Report will include:

- Comprehensive review of 2024 Supplemental Operating Budget
- Comprehensive review of 2024 Supplemental Capital Budget
- Detailed review of all education-related bills adopted in 2024
- Summary of all education-related bills that died in 2024

Report will be e-mailed to all TWIO subscribers and archived on the WASA website

The image shows the iconic dome of the Washington State Capitol building, a large neoclassical structure with a prominent dome and a lantern on top. The building is partially hidden behind several trees with fresh green leaves, suggesting a spring setting. The sky is a pale, overcast grey. In the upper right corner, the words "Next Steps" are written in a bold, dark blue, sans-serif font.

Next Steps



2025 Legislative Platform

2025 Strategy:

With the Association of Educational Service Districts and other education associations, align and speak with one voice on a limited set of issues

Three Major Budget Priorities:

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

Daniel P. Steele
Assistant Executive Director,
Government Relations

PO Box 14459
Tumwater, WA 98511

360.489.3642

dsteele@wasa-oly.org

