

WASA Superintendents Conference
Campbell's Resort, Lake Chelan
May 7, 2024

2024 Legislative Session: What Superintendents Need to Know

2024 Legislative Session Wrap-up

- 2023-25 Operating Budget
- 2024 Supplemental Operating Budget
 - Details
- 2024 Supplemental Capital Budget
- Next Steps

2023-25 Operating Budget



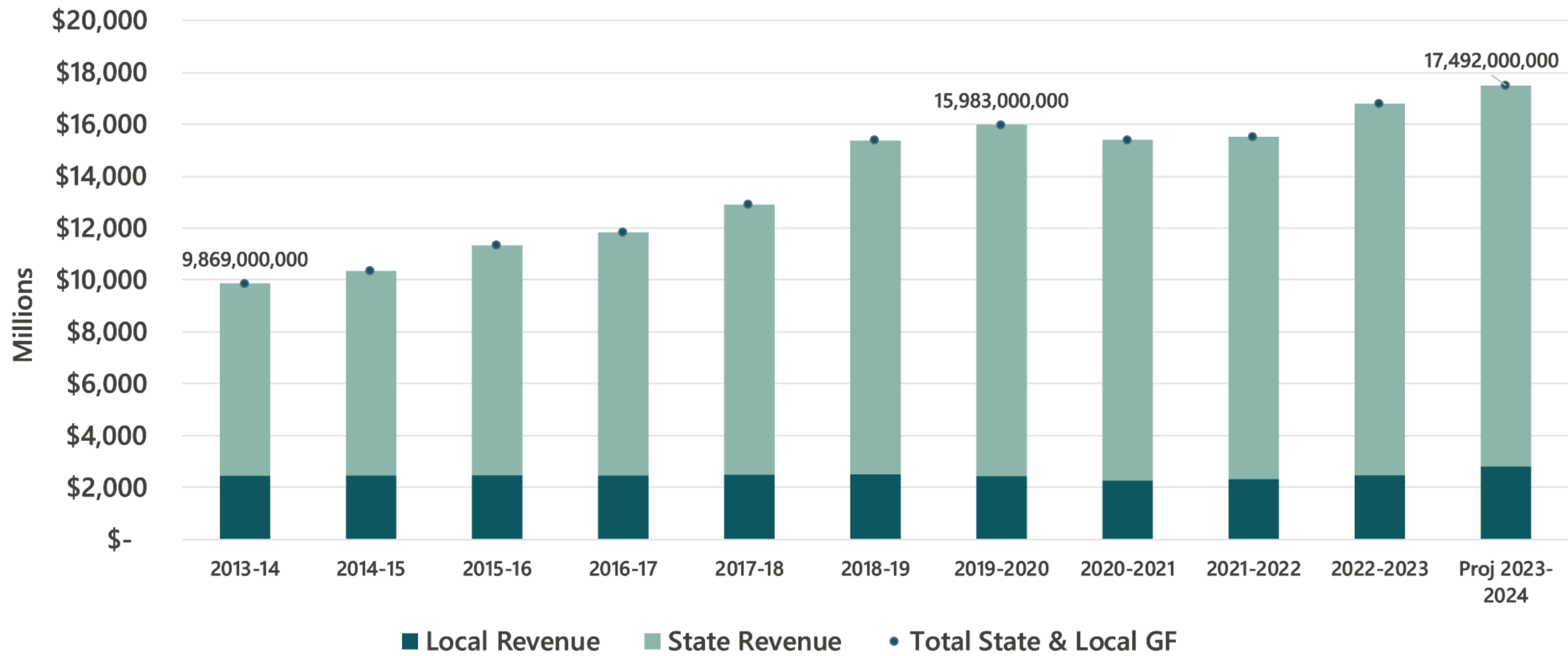
2023-25 Operating Budget (ESSB 5187)

• 2022 Supplemental		\$64.1 Billion
• '23-25 Maintenance Level	\$936 Million	
• '23-'25 Policy Level	\$4.7 Billion	
• Total Increase		<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

K-12 Spending Over Time



K-12 Spending Over Time vs. State Spending Over Time

K-12 Spending (biennial, dollars in thousands):

- 2013-15 \$15,208,877
- 2019-21 \$27,304,334
- 2023-25 \$31,202,962 (not including vetoes)

K-12 Ten Year Spending Increase: 105.2% increase

State Spending (biennial, dollars in thousands):

- 2013-15 \$33,631,274
- 2019-21 \$52,598,622
- 2023-25 \$71,947,256 (not including vetoes)

State Ten Year Spending Increase: 113.9% increase

K-12 Education Funding Trends

Percentage of K-12 Funding in State Operating Budget

- 2015-17 biennium: 47.5%
 - 2016 Supplemental, 2015-17 final: 47.3%
- 2017-19 biennium: 50.3%
 - 2018 Supplemental, 2017-19 final: 51.0%
- 2019-21 biennium: 52.0%
 - 2020 Supplemental, 2019-21 final: 51.1%
- 2021-23 biennium: 47.8%
 - 2022 Supplemental, 2021-23 final: 43.3%
- 2023-25 biennium: 43.7%

2024 Supplemental Operating Budget



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		\$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: 47.5%
 - 2016 Supplemental, 2015-17 final: 47.3%
- 2017-19 biennium: 50.3%
 - 2018 Supplemental, 2017-19 final: 51.0%
- 2019-21 biennium: 52.0%
 - 2020 Supplemental, 2019-21 final: 51.1%
- 2021-23 biennium: 47.8%
 - 2022 Supplemental, 2021-23 final: 43.3%
- 2023-25 biennium: 43.7%
 - 2024 Supplemental, 2023-25 final: 43.4%

The background of the slide features a photograph of the Wisconsin State Capitol building, characterized by its large, ornate dome. In the foreground, to the left, is the Soldiers' and Sailors' Monument, a bronze statue depicting World War I soldiers in uniform, some holding rifles, and a winged figure of Victory standing behind them. The scene is framed by various green trees, including evergreens and deciduous trees with fresh spring foliage. The sky is a pale, overcast grey.

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

➤ 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

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

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)
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

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 Prototypical School Funding Model ratio increases of 0.076 in 2023-24 (no phase-in)
 - Replaces “teaching assistance” with “paraeducators”
 - Requires use of funds to **increase staffing, prevent layoffs, or increase salaries** for paraeducators, office support, and noninstructional aides; OSPI will adopt rules for 2024-25 school year
 - Requires OSPI data collection on use of funds

School Level Staffing Allocations—2023-24 vs. Initiative 1351

School Level Staffing	Elementary (K-6) 2023-24	Elementary (K-6) I-1351	Middle (7-8) 2023-24	Middle (7-8) I-1351	High (9-12) 2023-24	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
Health & Social Services:						
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

@Final 3-year PSES phase-in, 2023-24 School Year

*Paraeducators/Office Support, 2023-24 School Year

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	1.012	1.195	0.776	1.295	0.728	1.121
Office Support	2.088	3.220	2.401	3.029	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—Certificate Program

➤ Paraeducator Certificate Program

- **ESSB 5950**
- Underlying 2023-25 Operating Budget provided funding for grants to districts to provide required training in the Paraeducator Certificate Program
- 2024 Supplemental Operating Budget includes new proviso language specifying that school districts receiving these grants “**must prioritize funding toward compensation for paraeducators**” who complete the required hours of instruction per school year.”
-ESSB 5950, Section 503(5)

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)

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

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

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)
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
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
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

- **HB 2494**
- Increases MSOC per pupil rates in the current 2023-24 school year
- Proposed increases:
 - \$48 per student (as introduced)
 - \$23 per student (House Appropriations)
 - \$21 per student (House Floor)
 - \$28.81 per student (Senate Ways & Means)
 - \$21 per student (Senate Floor)
- FINAL MSOC increase: \$21 per student, beginning 2023-24 school year; increases Utilities & Insurance, Professional Development, and Security & Central Office Administration
- Bill language notes: 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	2023-24 SY	2024-25 SY
	Technology	\$178.98	\$182.72	\$178.98	\$182.37
	Utilities/Insurance	\$416.26	\$425.01	\$430.26	\$438.43
	Curriculum/Textbooks	\$164.48	\$167.94	\$164.48	\$167.61
	Other Supplies	\$326.54	\$333.40	\$326.54	\$332.74
	Library Materials	\$22.65	\$23.13	\$22.65	\$23.09
	Prof Development	\$25.44	\$25.97	\$28.94	\$29.50
	Facilities Maintenance	\$206.22	\$210.55	\$206.22	\$210.13
	Security/Central Ofc	\$142.87	\$145.87	\$146.37	\$149.15
9-12 per FTE	MSOC Component	2023-24 SY	2024-25 SY	2023-24 SY	2024-25 SY
	Technology	\$44.04	\$44.97	\$44.04	\$44.88
	Curriculum/Textbooks	\$48.06	\$49.06	\$48.06	\$48.97
	Other Supplies	\$94.07	\$96.04	\$94.07	\$95.86
	Library Materials	\$6.05	\$6.18	\$6.05	\$6.16
	Prof Development	\$8.01	\$8.18	\$8.01	\$8.16

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)
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
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
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
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 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

2024 Supplemental Capital Budget



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

PO Box 14459 | Tumwater, WA 98511 | 360.943.5717 or 800.859.9272 | www.wasa-oly.org

2024 End of Session Report:

- 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

Next Steps



2025 Legislative Platform & Strategy

- WASA's underlying Goal is to prioritize K-12 funding in 2025
- 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, fiscal data, and other resources to assist/ensure engagement with “Message Discipline”

2025 Focus:

Three Major Budget Priorities:

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

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

2025 Legislative Platform & Strategy

- Why focus on Special Education; Pupil Transportation; and Materials, Supplies & Operating Costs (MSOC)?
 - 1) Success in 2025 will positively impact ALL 295 school districts; automatically serves to unify/align 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

- While the Goal is to focus on a narrow set of K-12 funding issues, school administrators—and other associations that will support the effort—will want to address additional issues

With a narrow, focused Platform, what happens with other issues?

- WASA—and our partners—will continue to engage on important education issues; however, most of our focus and energy will be fixed on the three Platform issues



Legislative Priorities

School administrators have ongoing concerns that must be addressed and legislators should be reminded about these needs, especially as many districts face a potential fiscal crisis:

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

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

Daniel P. Steele
Assistant Executive Director,
Government Relations

PO Box 14459
Tumwater, WA 98511

360.489.3642

dsteele@wasa-oly.org



2024 Supplemental Operating Budget —Compensation—



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+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
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

SEBB Rate Adjustment

➤ 2022-23 School Year:	\$1,026 per employee per month (includes \$80.04/month retiree subsidy)
➤ 2023-24 School Year	\$1,100 per employee per month (includes \$68.41/month retiree subsidy)
➤ 2024-25 School Year	\$1,178 per employee per month (includes \$80.32/month retiree subsidy)

Pension Contributions—Employer Rates, 2024-25

➤ TRS	9.86%
➤ PERS	9.04%
➤ SERS	10.51%

Fringe Benefit Allocations (Maintenance)

	2022-23	2023-24	2024-25
CIS	22.98%	17.97%	18.15%
CAS	22.98%	17.97%	18.15%
CLS	22.80%	22.06%	21.66%

Fringe Benefit Allocations (Increase)

	2022-23	2023-24	2024-25
CIS	22.34%	17.33%	17.51%
CAS	22.34%	17.33%	17.51%
CLS	19.30%	18.56%	18.16%

Substitute Teachers

➤ 2022-23 School Year:	\$151.86/day, four days
➤ 2023-24 School Year:	\$151.86/day, four days
➤ 2024-25 School Year:	\$151.86/day, four days

No Change; last
updated, 2011-12

National Board Bonus—First Year

➤ 2022-23 School Year:	\$3,611
➤ 2023-24 School Year:	\$3,723
➤ 2024-25 School Year:	\$3,801

National Board Bonus—Subsequent Years

➤ 2022-23 School Year:	\$6,019
➤ 2023-24 School Year:	\$6,206
➤ 2024-25 School Year:	\$6,336