



TWIO

This Week In Olympia

Week 7 | February 26, 2010

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This Week in Review

It was a big week in Olympia. Both the **House** and **Senate** unveiled their supplemental budget proposals (see [TWIO](#), February 23). The Governor signed [SB 6130](#) suspending I-960 and thereby paving the way for tax increases needed to balance both budget proposals. **Policy Committees** finished their business of hearing and taking executive action on bills from the opposite house. And everyone started asking the “sine die” question—will they finish on time? They still have a lot of work to do including reaching agreement on a revenue package and reconciling major differences between the budget proposals. Still—leadership in both houses said they were determined to end on March. 11.

Budgets

Both the House ([HB 2824](#)) and the Senate ([SB 6444](#)) supplemental budgets propose to close the \$2.8 billion shortfall through a combination of raising taxes, closing tax loopholes and cutting programs and services across the board. For K–12 this translates to net reductions of \$112,397,000 in the House and \$214,343,000 in the Senate. Both keep levy equalization. Both eliminate I-728 and the remaining LID day. The major differences are that

the reduction to the K–4 staffing ratio in the Senate is \$103,000,000 while it is reduced \$11,084,000 in the House. (The House also reduces K–6 ALE by \$23,000,000.) The Senate puts the per pupil inflator (PPI) at 1%—the House at 4%. Reducing the PPI to 1% is significant. Be sure to let your legislators know how this change and other reductions will impact your district. There are numerous other differences in reduction to smaller programs. [View chart of Governor/Senate/House budget proposals comparison.](#) The Senate “pays for” LEA and staff ratio with a .3% increase in the sales tax. The House is scheduled to roll out its revenue proposals today. Vigorous debates over the next two weeks will determine what will be in the final budget-for K–12 and every other area of the government.

Major Bills Still Alive

There are thirty-four education bills still alive. See [Bill Watch](#). Of these twenty-one must make it through the Ways and Means committees by March 1.

Because the education reform and finance bills are so important, detailed information is provided below.

This is the 47th day of the Jan. 11 through March 11 2010 Legislative Session.
13 to go

This Week In Olympia is emailed to active WASA and AEA members every Friday and is posted on WASA's [website](#). TWIO provides schedules for committee hearings, a Bill Watch (which tracks bills as they move through the legislature) and information on legislative issues important to school administrators.

E2SSB 6696 Education reform

Passed the House Education committee and was sent to Ways and Means. The bill sent over from the Senate-which is designed to meet Race To The Top/ESEA Title I criteria ([Click here for Q&A on Race To The Top](#)) and move education reform forward in Washington state-was amended extensively including adding a new section to specifically deal with Education Reform Finance. Two amendments aimed at requiring a common model of evaluation-one for teachers and one for principals (with provisions for modifications) and demonstrating effective teaching practice be measured to a material extent using student growth data-failed to be included in the amended bill.

The Striking Amendment makes the following changes to the underlying bill:

Accountability (Part I):

- Clarifies that a lowest-performing school is a Title I or Title I eligible school that is among the lowest-achieving 5 percent of all Title I or Title I eligible schools in the state.
- Creates a Required Action Review Panel composed of five individuals appointed by the Speaker of the House, President of the Senate, and Governor but convened by the SPI on an as-needed basis. Authorizes a district to request consideration by the Panel if a Required Action Plan is rejected by the State Board of Education. Provides that reconsideration is based on whether the SBE gave appropriate consideration to the unique circumstances of the district. Authorizes the Panel to reaffirm the rejection, recommend approval, or recommend changes to secure approval. Requires SBE to issue a final decision.
- Creates a Joint Select Committee of 8 legislative members to examine options and models for consequences and significant state action in the case of persistent lack of improvement by a Required Action district. Requires an interim report by September 1, 2011, and a final report by September 1, 2012.
- Authorizes both SPI and SBE to adopt rules to implement accountability provisions.

Evaluations (Part II):

- Rather than have the pilot school districts submit all available student data to SPI, requires them to submit district-collected student achievement, aptitude, and growth data so that SPI can analyze how the data is used or not used in evaluations.
- Requires the 2011 report from SPI to include recommendations for whether a single statewide evaluation model should be adopted, whether modified versions should be subject to state approval, and what the criteria would be for determining if a school district's evaluation model meets or exceeds a statewide model, and challenges posed by requiring a state approval process.
- Does not include a parent selected by the PTA in the state group developing model evaluation criteria and rating systems.

Principal Performance (Part III)

- Creates a new process and standard for transferring a principal to a subordinate position within the district, even if the principal has been employed for more than three years. Makes the provisions apply only to principals hired after the effective date of the bill and only in school districts with more than 35,000 students.

Encouraging Innovations (Part IV):

- Removes a requirement that school districts and SPI submit an annual report detailing how TRI contracts support innovative activities.

Preservice Assessment (Part V):

- Authorizes the PESB to contract with a third party to administer, score, and report the scores of the assessment. Provides that candidates who are charged a fee for the assessment by the contracted party will pay the contractor directly.
- Authorizes the PESB to establish through rule the date during the 2012–13 school year after which candidates must successfully pass the assessment for residency certification.

Preparation Programs (Part V):

- Requires all educator preparation program providers approved by the PESB to adhere to the same standards and comply with the same requirements.
- Requires the State Board for Community and Technical Colleges to select up to three community colleges to offer a BA plus teaching certificate in a subject matter shortage area. Specifies that programs are subject to degree and certificate program approval procedures by the SBCTC, HECB, and PESB.
- Clarifies that candidates in all alternative route programs have their performance evaluated by both their mentor and the preparation program supervisor before moving to less supervision.
- Removes a duplicate section pertaining to the HECB and needs assessments for the educator workforce.
- Repeals several additional sections of law pertaining to student teaching centers and the partnership grant aspects of the alternative route program.

Common Core Standards (Part VI):

Authorizes rather than requires the SPI to revise the EALRs by adopting a common set of standards by August 2, 2010. Provides that adoption of a common set of standards is "provisional." Stipulates that the SPI cannot implement the provisionally-adopted standards until the Education Committees have an opportunity for review. Requires the SPI to submit a detailed comparison of the new standards versus the current EALRs, by January 1, 2011, rather than by April 15 or 30 days after the standards are finalized. Also requires an estimated timeline and costs to implement the new standards. Authorizes the SPI to implement the revisions to the EALRS after the 2011 session unless otherwise

directed by the Legislature.

Parents and Community (**Part VII**):

- Requires schools to conduct outreach and seek feedback from a broad and diverse range of stakeholders in their communities. Requires a state working group to develop multiple feedback tools and strategies that districts are encouraged to adapt to their unique circumstances, and includes representatives of diverse communities and the Achievement Gap Committee on the group.
- Removes a requirement that the Center for Improvement of Student Learning recognize schools and school districts beginning in 2010–11 based on measures of parent involvement and instead directs CISL to identify and highlight successful models and practices.

Education Reform Finance (**Part X**).

- Declares that an essential aspect of overall education reform is reform in state financing for Basic Education, both in the way that funds are distributed and the overall level of state support to school districts.
- Sets forth in statute baseline values for Basic Education funding, as recommended by a technical working group and the Quality Education Council, for the prototypical school funding formula adopted in 2009 legislation, effective September 1, 2011. Modifies various prototypical school formula elements and allocation categories.
- Increases the maintenance, supplies, and operating costs (MSOC) factors in the funding formula to a total of \$1,082.76 per student over a three-year period. Provides a K–3 class size allocation of 15.0 students per classroom teacher, to be phased in over a five-year period starting with high poverty schools. Requires continued incremental phase-in of full-day kindergarten according to the statutory schedule, with full implementation in 2018. Implements a new pupil transportation funding formula as of 2011 rather than 2013, and states that full funding of the new pupil transportation formula is to be phased in over a three year period.
- Restores a requirement that school districts maintain a minimum staffing ratio for Basic Education of 46 Certified Instructional Staff per 1,000 students rather than repealing the requirement as of 2011.
- Requires a report from a Compensation Working Group by June 30, 2012, rather than December 1, 2012, and changes the lead agency to OSPI. Starts a Local Finance Working Group immediately with a report due November 30, 2010. Expands tasks of the Group. Continues the Funding Formula Technical Working Group to monitor implementation of the formula and provide technical advice to the Quality Education Council.
- Directs the Washington State Institute for Public Policy to calculate a savings from improvement in graduation rates and requires OSPI to publish this in an annual report. Directs OSPI to implement an internet portal displaying the prototype school allocations compared to actual allocations, by building.

SHB 2776 and 2SSB 6760 K–12 funding formulas

These bills would implement recommendations from the Funding Formula Technical Work Group to the Quality Education Council. 2SSB 6760 was amended to reflect most provisions in SHB 2776. It passed House Appropriations on February 24.

Background

Basic Education Funding- Currently, the state funding allocation for the basic education instructional program is based on instructional, administrative, and classified staff per student ratios, staff compensation factors, and non-employee related costs. School districts receive additional categorical funding for the Learning Assistance Program, Transitional Bilingual Instructional Program, and Special Education Program.

Last session the Legislature passed ESHB 2261, expanding the definition of basic education by increasing the number of instructional hours; increasing the minimum number of credits required for high school graduation; and adding all-day kindergarten, the educational program for highly capable students; and student transportation to and from school. These changes are to be phased-in according to an implementation schedule adopted by the Legislature and fully implemented by September 1, 2018. Additionally, the legislation created the framework for a new K–12 funding allocation formula based on prototypical schools to take effect September 1, 2011. The new formulas have more categories of staff and discreet subsets of maintenance, supplies, and operating costs (MSOC). The Office of Financial Management (OFM), with the Office of the Superintendent of Public Instruction (OSPI), were directed to convene the Funding Formula Technical Working Group (FFTWG) to develop the details of the prototypical school funding formulas. The FFTWG reviewed the components of the new prototypical school formulas, discussed the distribution methodology for individual elements of the formula, and determined the values in the formulas that represent the baseline funding using the level of basic education ratios, the baseline using the level of current funding, and the baseline with Initiative 728 resources included, all of which was included in its December 1, 2009, report to the Legislature.

Student Transportation Funding- ESHB 2261 added student transportation to and from school to the definition of basic education. A new funding formula was also adopted based on an average of the predicted costs using the number of basic and special education students transported and site characteristics that are significant. The new formula is to be phased-in according to an implementation schedule adopted by the Legislature beginning no later than the 2013–14 school year.

Working Groups- Local Finance Working Group. ESHB 2261 directs OFM with OSPI to convene a Local Finance Group, with specified representation, beginning July 2010 to develop a new system of supplemental school funding through local levies and levy equalization, and report to the Legislature by December 1, 2011.

Compensation Working Group- ESHB 2261 requires OFM to convene a Compensation Working Group beginning July 1, 2011, to begin the process of developing an enhanced salary allocation model that is collaboratively designed; recommend the details of an enhanced salary allocation model that aligns educator development and certification with compensation; and report to the Legislature by December 1, 2012.

Quality Education Council (QEC)- ESHB 2261 also created the QEC, which is composed of eight legislators, a representative of the Governor's Office, and representatives of the four state-level educational agencies: OSPI, the State Board of Education (SBE), the Professional Educator Standards Board, and the Department of Early Learning. The QEC is to recommend and inform the ongoing implementation by the Legislature of an evolving program of basic education. The QEC submitted an initial report to the Governor and the Legislature on January 13, 2010.

The QEC submitted 13 recommendations, including the following for the 2010 Legislature:

Beginning in the 2011–12 school year:

1. Enact the prototypical school funding allocation formula using the baseline values determined by the FFTWG.
2. Phase-in over three years class size reductions in grades K–3 to provide 15 students per classroom teacher in the prototypical school funding allocation formula, beginning with schools that have the highest poverty levels.
3. Phase-in over three years an increase in the MSOC amounts in the prototypical school funding formula based on information collected by OSPI regarding the costs incurred by districts.
4. Continue incremental phase-in of full-day kindergarten beginning with schools that have the highest poverty levels.
5. Phase-in over three years the new student transportation funding formula.

The QEC recommendations also addressed the working groups created under ESHB 2261:

1. Begin the work of the Compensation Working Group immediately with a report due November 30, 2010, and change the lead staff agency to OSPI.
2. Begin the work of the Local Finance Working Group immediately, including additional tasks, with a report due November 30, 2010.
3. Continue the FFTWG to monitor early implementation of the prototypical school formula, provide technical advice to the QEC and OSPI.

Summary

Many of the QEC recommendations are enacted and other topics are addressed.

Basic Education Funding-Beginning in the 2011–12 school year, the current funding formulas in statute are replaced with the new prototypical school funding allocation formula using the basic education funding level as determined by the FFTWG as the baseline values with some additional technical refinements, except that the funding for classified education support employees is funded at the current funding level, which is above the basic education funding level.

Basic Education Enhancements- Beginning in the 2011–12 school year, the following enhancements will be phased-in over the next three years: K–3 class size reduction to 15 students per classroom teacher in the prototypical school funding allocation model; and an increase in MSOC based on costs incurred by school districts. Full-day kindergarten will continue to be phased-in with full implementation by 2018.

Student Transportation Funding- Beginning no later than the 2011–12 (not 2013) phase-in, the new student transportation funding formula with full implementation by the 2013–14 school year. Technical changes are made to align dates and effective dates.

Working Groups-Local Finance Working Group- The Group will begin April 10, 2010, but the report is not due until June 30, 2011. The Group is required to examine options based on specified principals, and must consider and analyze innovative proposals that have been previously developed, examine the impact on taxpayers in the various regions of the state and identify possible alternatives. The Department of Revenue must provide technical assistance to the Group.

Compensation Working Group- The start date of July 1, 2011, is maintained and the report date is extended until June 30, 2012. The lead staff is changed from OFM to OSPI.

FFTWG. FFTWG is continued to advise the QEC and OSPI.

Other-The Washington State Institute for Public Policy must calculate an annual estimate of the savings to taxpayers resulting from any improvement in the extended graduation rate. OSPI must annually report the estimate.

The OSPI must implement and maintain an internet-based portal that provides for each school building, the staffing levels and other funding elements assumed in the prototypical school funding formula, with a comparison of how school districts actually deploy staff and resources in the building.

Effect of changes made by Early Learning & K–12 Education Committee (Recommended Amendments): The level of funding in the prototypical school model for classified education support employees is changed from the basic education level

to the current funding level. The local funding technical working group is required to examine options based on specified principles, must consider and analyze innovative proposals that have been previously developed, examine the impact on taxpayers in the various regions of the state, and identify possible alternatives. The Department of Revenue must provide technical assistance to the Group.

SHB 2983 Changing school levy provisions

This bill passed the Senate education committee and is now in Ways and Means.

For levy collections through calendar year 2017 a district's levy base will include the amounts the districts would have received from state funding for Student Achievement Funds (I-728) and educator cost of living increases (I-732) – including the 2009–11 suspensions of these payments. Districts are allowed to include any cuts to the kindergarten through four classroom enhancement initiative into the levy base.

The requirement that the Office of the Superintendent of Public Instruction must offset the amount added to a district's levy base is removed. The levy lid is increased by 4 percent, including districts which are grandfathered in. For non-grandfathered districts, a district's maximum levy percentage is increased from 24 percent to 28 percent in 2011 through 2017 and returns to 24 percent every year thereafter. The levy-equalization percentage is increased to 14 percent for calendar years 2011 through 2017 and returns to 12 percent in calendar year 2018.

Additional levies to provide for subsequently-enacted increases affecting the districts' levy base or maximum levy percentages may be authorized by voters in the middle of the levy collection period.

The bill declares that its provisions constitute a comprehensive plan for revising school levy laws, such that if any section passed by the Legislature is invalidated or not signed into law, or if the Superintendent of Public Instruction does not certify by June 30, 2010, that full funding has been appropriated for the LEA rates specified in the bill, the bill is null and void.

ESSB 6604 Education system flexibility

This bill is an attempt to continue the efforts to reduce unfunded mandates started last year. The bill as it was introduced in the Senate would have replaced, amended or suspended thirty-one requirements. It was amended in the House education committee and now has only one provision: the bill repeals a requirement that school districts prepare Student Learning Plans for all students in grades 5, and 9 through 12 who are not successful on state assessments of student learning or not on track to graduate. It is now in House Rules.

Other

E2SHB 3026 School district compliance with state and federal civil rights laws

OSPI must develop rules and guidelines to monitor compliance and enforce these state and federal laws to eliminate discrimination in public schools. A requirement that OSPI post information about violations and district achievement gap data was removed. The bill passed the Senate education committee and is scheduled for a hearing in Ways and Means.

Legislative Wrap-Up

OSPI will hold a K–20 legislative wrap-up video conference on Thursday, March 18, 2010, 1:30–3:30 p.m. Click [here](#) for details.

Tracking “Tell Your Story”

Make sure *your* legislators know what impact the cuts proposed in the budgets would have on *your* district.

Tally: 19 school districts-84 legislators

View the stories.

Retirement and Health Benefits

Neither the Senate operating budget, SSB 6444, nor the House operating budget, SHB 2824, makes significant funding changes from last year's biennial operating budget in the areas impacting school employee retirement or health benefits. SSB 6444 does reduce the remittance (carve-out) from the health benefit allocation which goes to the HCA for retirees from \$64.90 to \$60.00. SHB 2824 references the two issues that were given recommendation by the Select Committee on Pension Policy at their December 2009 meeting. \$30,000 is made available in the House budget to continue last year's study of the long-term disability issues for TRS, SERS and PERS plans. It also references HB 1541 which deals with past part-time service credit. The Senate budget, SSB 6444, does not reference any pension or health benefit bills that impact school employees.

There has been continued dialogue with the State Auditor's Office regarding an impending performance audit of school employee health benefits. Senator Brandland has also made contact with the State Auditor's Office.

Four pension and two health benefit bills that remain alive. They are HB 1541-Part Time Service Credit, 2EHB 1547-Death Benefit, HB2877-Stock in Lieu of Salary, ESSB 6426-Eliminating the ERBB or SCPP, SHB 2875 HSAs or Interstate Compacts and SSB 6584-Review of HCA Complaint Resolution.

Additional updated information on pension and health benefit bills can be found on our association's web site under ["Retirement/Health Benefit" bill watch](#).

AEA

AEA watched the budget process carefully this week.

We appreciate the levy equalization funding in both House and Senate budgets. We are also pleased that the funding for the elimination of reduced price copay for K-12 breakfast and K-3 lunch was not reduced or eliminated. In addition, both budgets positively address the restoration of the levy base. With the Senate budget, we are concerned about the reduction of the per-pupil inflator for assisting the levy base from the current 4% to 1%; the 4% is maintained in the House budget. We are also concerned in the Senate budget about the significant reduction of the K-4 staffing enhancement as opposed to the slight reduction in the House budget.

We are pleased that the House capital budget provides for state assistance funding for all approved school construction projects. In addition, we support the \$200M school district energy grant through OSPI. At the time of writing, the Senate had not released their capital budget.

AEA has expressed concerns about unfunded local district costs by ESB 6724-shared leave, that would lengthen the time that shared leave could last; from one year to three years based on the recipients length of service, and sharing leave outside school district boundaries with another school district, ESD or state agency. Though the granting and use of shared leave is permissive, we are currently working on these fiscal impacts with House Ways and Means members.

Hearing Schedule Week of March 1-5

Hearing schedules and meeting times listed are current at time of publication but are subject to change daily. Please confirm [meeting times and agendas](#) if you are travelling to the Capitol to attend a hearing.

Monday, March 1

SENATE WAYS & MEANS

1:30-3:30 p.m. JAC Room 4

Public Hearing:

To be announced.

Possible Executive Session:

Bills heard in committee.

HOUSE WAYS & MEANS

1:30-3:30 p.m. JLOB Room A

Public Hearing:

Bills referred to committee.

Possible Executive Session:

Bills referred to committee.

SENATE WAYS & MEANS

3:30-5:30 p.m. JAC Room 4

Public Hearing:

To be announced.

Possible Executive Session:

Bills heard in committee.

Friday, March 5

HOUSE EDUCATION

9:00-11:00 a.m. JLOB Room A

Work Session:

Interim Planning

Committee Members/Keeping up with the Legislative Session-Useful Links

Legislative Hotline: (800) 562-6000

[Washington State Government](#)

[State Legislature](#)

[Senate](#)

[House of Representatives](#)

[Office of the Governor](#)

[OSPI](#)

[Senate Early Learning & K-12 Education](#)

[House Education](#)

[Senate Ways and Means](#)

[House Ways and Means](#)

[House Education Appropriations](#)

[House Capital Budget](#)

[TVW](#)

Bill Watch

Each week in TWIO, we track bills that are moving through the legislature. A bill's "status" changes as it is heard in committees and then either dies or moves on to the floor of the House or Senate. It then crosses over to the opposite house and goes through the same process. Bills, including sponsors, amendments, actions and history can be found by clicking on the bill number. In the bill page, scroll down and click on the last item under "Bill Documents". You can view a shorter bill analysis under "Bill Reports". Again, the last item relates to the bill in its *current* status.

March 1-last day for bills to be out of budget committees.

March 5-last day for bills to be out of the opposite house.
(Unless they are necessary to implement the budget.)

March 11-sine die.

The bills in **Bill Watch** are still moving.

WASA's 2010 Legislative Session Guide, which includes legislator's phone numbers and email addresses, is available online at www.wasa-oly.org/2010sessionguide



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