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About TWIO

This Week in Olympia is emailed to active WASA, AEA, and WASBO members each Friday during the Legislative Session and is posted on WASA's website at www.wasa-oly.org/TWIO.

Special Edition

Superintendent Reykdal Releases Budget Requests

2019–21 Operating Budget Request

One of the first signals that the next legislative session is on the horizon is the transformation of the discussion of broad ideas into concrete budget proposals. On Tuesday, October 8, State Superintendent Chris Reykdal held a press conference to announce the release of his 2019–21 Operating Budget request, setting up the first stage of the coming 2019 Legislative Session. A fully detailed “decision package,” which must be submitted to the Office of Financial Management (the governor’s budget office), has not yet been made available; however, a [summary of his plan](#) is available on OSPI’s website and discussed below. (Reykdal also publicly unveiled his 2019–21 Capital Budget request, although that package was released several weeks ago; more on the Capital Budget below.) When the full decision package is released, it should be available on OSPI’s website at: <http://k12.wa.us/LegisGov/LegisSessions.aspx>

Superintendent Reykdal’s budget proposal is based on six “foundational ideas,” many of which he unveiled in his [long-term vision for K–12 education](#) in May last year:

1. Dual Language for All
2. Inclusive and Effective Learning and Teaching
3. Comprehensive Supports
4. Multiple Pathways to Graduation
5. Expanded Learning Opportunities
6. Safe and Effective School Facilities

Much of the budget proposal, grounded in the above principles, are initial requests in the superintendent’s long-range plan. The funding requested in 2019–21 is intended to be prioritized in schools which are most in need of support and then is intended to be phased-in to full funding across all buildings. It is unclear how long this “full funding” would take—if the Legislature actually accepted the plan.

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While complete details of the superintendent's budget proposal are not available, it appears he is requesting approximately \$348.0 million dollars for K–12 education programs in the next biennial budget. The major parts of Reykdal's budget are reviewed below; however, it is important to know that, along with a request for increased funding, the superintendent is also proposing additional revenues. He proposes a new Capital Gains Tax of eight percent, projected to raise \$2.0 billion per biennium. He also proposes that half of these new revenues be used to reduce the State Property Tax by \$.35 per \$1,000 of assessed valuation, and the remaining half be used to assist with the funding of K–12 education spending.

Reykdal's proposal to reduce the State Property Tax would be coupled with another proposal: eliminating the new levy limitation of \$1.50 per \$1,000AV or \$2,500 per pupil, whichever is less. His proposal is to return to the previous model of limiting local levies as a percentage of a district's state and federal revenues; he suggests a 22 percent lid. The theory is that, with a reduction in the State Property Tax, voters would be more amendable to adopting a local school district levy that is higher than the current \$1.50 per \$1,000AV cap.

Again, details are thin; however, from what has been stated the proposal would allow districts to send levy requests to voters that are up to 22 percent of their state and federal funds. An additional cap of \$3,500 per student would be put in place for those districts that would exceed \$3,500 per student with a 22 percent levy. The new Local Effort Assistance (LEA or "levy equalization") model adopted in HB 2242 (2017) would also be scrapped. As proposed, any district whose 22 percent levy would force their local levy rate to exceed \$3.75 per \$1,000AV would receive state-funded LEA providing the district the same amount of total resources as they would if they levied their full 22 percent maximum. It is unclear how much a district would be eligible to receive if they levied less than a maximum 22 percent levy. It is also unclear if a district would be eligible for any LEA if they failed to pass a levy; however, it is presumed that in order to receive LEA, the district would be required to request and the voters would be required to adopt a levy to be eligible for any levy equalization payment.

The new levy/LEA proposal is intended to eliminate the increased inequities created by the \$1.50 per \$1,000AV or \$2,500 per student model. The concept is creative and seems to work in theory; however, districts will have to run local scenarios to determine whether it would work in practice. And even if the numbers do pencil out, administrators and school boards will have to think long and hard about whether their community would be willing to accept a return to a higher local levy when they may have already become accustomed to a \$1.50 cap. As you run your numbers, examine the level of community support, and come to potential conclusions about this proposal, we encourage you to reach out to us and keep us apprised.

Many of Superintendent Reykdal's budget proposals align with WASA's recently adopted Legislative Platform for 2019 (more on that below). One of the areas in which we align is regionalization. A plan or proposed solution from the superintendent is not entirely fleshed out and was not introduced as a budget item or specific policy proposal this week; however, WASA's message about regionalization is similar to Reykdal's. Reykdal is urging the Legislature to "reexamine its regionalization model," noting that it is a "unique calculation for each district and not regionally based." We concur the regionalization methodology adopted in HB 2242 (2017) and slightly adjusted in SB 6362 (2018) needs a thorough examination.

The major funding components of Superintendent Reykdal's 2019–21 Operating Budget proposal follow:

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*continued***Dual Language for All – \$13.6 million**

This request would support: expansion of the current K–12 Dual Language Grant Program; workforce development through incentives for bilingual teachers and paraeducators; and recognize students for achieving bilingualism and biliteracy.

Equity in Expanded Learning Opportunities – \$10.0 million

This request would support a pilot program to allow school districts and tribal compact schools to extend or expand the school day or school year and share best practices. The funding would also support staffing at the state level to administer the programs.

Educator Career Supports – \$8.7 million

New educators and administrators require additional supports for early skill development and retention. This funding would: provide for phased-in support for novice principals and Educational Staff Associates (ESAs); enhance mentoring assistance for teachers of students with disabilities; provide more robust assistance for those teaching under a conditional certificate; and fund the critical internship period for administrative interns.

Special Education Multiplier – \$86.6 million

In 2018, the Legislature provided funding to slightly increase the special education excess cost multiplier. Because the current funding model uses a single multiplier, funding that districts receive for special education services is not well-aligned with their expenditures. This leaves some districts to continue to rely on local levies to supplement their special education programs. This additional requested funding would support the implementation of a tiered multiplier to target funds to individual student needs and promote inclusionary practices.

Professional Learning Days – \$37.6 million

Three new, state-funded Professional Learning Days are currently being phased-in. This request would add three additional days of professional learning for state-allocated Certificated Instructional Staff (CIS) and Classified Staff (CLS). The additional days would be phased in over two biennia.

Safety and Mental Health Supports – \$13.0 million

This funding would be used to develop a coordinated system of prevention, early identification, and intervention in place at every school by establishing regional school safety centers at each ESD.

School Nurse Corps – \$10.9 million

Established in 1999, the Washington School Nurse Corps is a regional delivery model to provide nursing services to small school districts. Since then, an increasing number of children come to school each day with chronic, complex, and life-threatening health conditions that must be managed while at school. This funding would provide additional support to adequately meet the nursing service demands for small school districts.

Comprehensive Supports – \$71.8 million

In order to be successful in schools, students' basic physical, social, and emotional needs must be met. Many schools do not have the staffing capacity to implement a comprehensive system of support that would allow staff to ensure students have the supports they need. This request would increase funding allocations for School Counselors, Nurses, and Family & Community Engagement Coordinators.

Institutional Education – \$38.0 million

Washington state provides K–12 education services to incarcerated youth under the age of 18. During this time, educators have an opportunity to re-engage students in school and set them up for successful transitions. This request would revise the

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current institutional education funding formula using prototypical school principles. The request also includes funding to provide targeted enhancements to meet students' specific education needs at costs over and above the average allocation generated through the prototypical model.

Equitable Access to Dual Credit Programs – \$20.0 million

This funding would build on current dual credit funding and increase access for students experiencing poverty by covering many of the costs associated with dual credit courses.

Expanding Access to CTE Programs – \$44.5 million

This funding would support multiple pathways to graduation and post-secondary success by: increasing the cost allocation for Career and Technical Education (CTE) materials and supplies; increasing access to CTE courses; providing grants to support CTE Dual Credit coursework and industry certificates; and initiating a pilot program to improve student access to Skills Centers.

Expanding CTE Course Equivalencies – \$727,000

This request would support expanded pathways to graduation by bolstering Career and Technical Education (CTE) course equivalencies, offering flexibility for students to meet credit requirements on a pathway that aligns with their post-secondary plan.

Creating Efficiencies Through Single Sign-On – \$2.4 million

Single Sign-On (SSO) is a technological solution whose basic function is to enable users to login just once in order to gain entry into several applications. This funding would support creation of an SSO architecture for all K–12 schools and districts, improving teaching and learning opportunities in an equitable way.

2019–21 Capital Construction Budget Request

Also, on Tuesday, Superintendent Reykdal officially unveiled his 2019–21 Capital Budget, even though it had been available (but not publicized) for several weeks. His [Capital Budget request](#), while separate from the Operating Budget request, is intricately linked to it. The total package is \$1.63 billion, which includes \$1.35 billion to fund the current School Construction Assistance Program (SCAP) at the 2017–19 biennial funding levels, adjusted for inflation.

The centerpiece of Reykdal's capital plan is a \$200.0 million request to establish a new Capital Prototypical Model (CPM) for elementary school construction. The request would provide funding for a pilot program for new, new-in-lieu, and modernizations of elementary schools based on a prototypical school model. The CPM would be tied to operating budget class size ratios and support staff, with eligibility being based on the number of students a facility is designed to serve. As part of the new funding model, the plan includes a proposal to increase the current Construction Cost Allowance from \$225.97 per square foot to \$275 per square foot in Fiscal Year 2020, increasing to \$282.26 per square foot in Fiscal Year 2021.

Additional details follow:

School Preservation Program – \$200.0 million

This funding would support a new School Preservation Program (SPP), which would merge the Distressed School and the Small Rural District Modernization Grant Programs funded in the 2017–19 Capital Budget. The SPP would create a single state funding stream for school districts with limited financial resources to address critical building system replacement and facility modernization needs that they would not be able to access through the School Construction Assistance Program (SCAP). The

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program would provide funding for: Planning Grants (\$2.0 million); Low-Risk Project Grants (\$98 million); and Medium- and High-Risk Project Grants (\$100.0 million).

Skills Centers – \$43.9 million

Funding would be provided for: priority minor works projects in Skills Centers across the state (\$5.6 million); pre-construction grants (\$300,000); modernization of the Evergreen Building at the Pierce County Skills Center (\$146,000); modernization of Building A at the Wenatchee Valley Technical Skills Center (\$138,000); and construction grants for modernization of the main building of the West Sound Skills Center (\$37.8 million).

Workforce Development Grants – \$15.0 million

This funding would continue the Workforce Development Grants funded in the 2017–19 Capital Budget, including grant funds to school districts to create the learning space needed for Science, Technology, Engineering, and Mathematics (STEM) education, as well as the equipment grant program that provides funding to school districts to purchase equipment for Career and Technical Education (CTE) programs.

Health and Safety Grant Program – \$10.0 million

Funding through this grant program would continue the school health and safety programs funded by the Legislature in the 2017–19 Capital Budget. \$8.0 million would be provided for grants to school districts to address urgent, non-reoccurring repair as well as Americans with Disabilities Act/Individuals with Disabilities Education Act (ADA/IDEA) projects. \$2.0 million would be provided for emergency repair grants for unexpected and imminent healthy and safety hazards at K–12 public schools.

Healthy Kids, Healthy Schools Grants – \$6.8 million

Funding would be provided to the Healthy Kids; Healthy Schools Grant program as follows: \$250,000 to replace lead contaminated drinking water fixtures; \$500,000 for water bottle filling stations; \$4.0 million to purchase or make repairs related to improving children’s physical health, including fitness playground equipment, covered play areas, and physical education equipment; and \$2.0 million to purchase equipment or make repairs related to improving children’s nutrition.

Capital Projects Program Administration – \$4.1 million

Funding would be provided to support administration and management of the Capital Projects Program at OSPI.

Study and Survey Grants – \$1.5 million

OSPI provides grant funding through the School Construction Assistance Program (SCAP) to school districts so they can complete a “study and survey,” which is a comprehensive long-range planning document used to calculate state funding assistance and collect school facility information and rate their condition. This request would provide a funding enhancement, so school districts can complete Pre-Disaster Mitigation (PDM) module information in the Information and Condition of Schools (ICOS) system to determine a facilities risk of natural hazards such as earthquakes, tsunamis, volcanic eruptions, floods, wildfires, and landslides. The funding increase would also address the need to conduct a Rapid Visual Screening (RVS) of each school building to determine earthquake risks.

WASA 2019 Legislative Platform

At its October 8 meeting, the WASA Board of Directors took action to adopt the association’s [Legislative Platform for the 2019 Session](#). A highlight of the Platform is the support for safe and secure schools. Our focus is on prevention—and we will be strongly supporting state-funded staff allocation enhancements (via the Prototypical

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School Funding Model) for school nurses, mental health counselors, and SROs. The Platform explicitly provides our support for a long-time ESD priority: investments in a system of comprehensive Regional Safety Centers.

The 2017 Legislature adopted EHB 2242, implementing a comprehensive revision of Washington’s K–12 education funding system. Administrators recognized serious deficiencies with many components of the bill and set their sights on a series of priority fixes in 2018. The 2018 Legislature did take action to revise EHB 2242 by adopting E2SSB 6362; however, some of the identified deficiencies were not addressed, others received minor adjustments, and some provisions further complicated the job of school administrators. Once again, WASA’s Platform seeks a series of revisions to the state’s new education funding system. Priority fixes identified are: (1) special education funding, (2) levy authority and Local Effort Assistance, (3) salary allocations and a state salary schedule, and (4) regionalization methodology.

WASA continues to advocate for a series of required updates to school construction. We will be urging the Legislature to: (1) advance a constitutional amendment to the people to authorize school district bond issues to be approved with a simple majority vote; (2) update the current, outdated funding formulas to ensure funding more closely reflects actual construction costs and educational space needs; and (3) provide capital funds to school districts that have difficulty passing local bonds. Additionally, we will be seeking a state investment in safety-related school facility costs.

Finally, WASA will once again argue the state’s current budget structure simply cannot accommodate the required increases in basic education and meet other state needs. The 2019 Platform specifically requests the enhancement of state revenues to ensure the Legislature is able to fully fund basic education and also prevent drastic reductions of other necessary government services. WASA will continue to use the Board-adopted [Position on Enhanced State Revenues](#) to guide our support or opposition of revenue proposals.

Your association cannot effectively advocate without you. School administrators are encouraged to continue building relationships with local legislators and engage in the conversation—now and during the upcoming session.

Tentative Agreement on SEBB Bargaining

A major education system change contained in HB 2242, adopted in 2017 in an effort to comply with the Supreme Court’s *McCleary* decision, is the creation of a new School Employees’ Benefits Board (SEBB) to administer health care and other benefits to school employees through the state. Because most administrators were so focused on contentious bargaining this summer, and because the new SEBB will not be online until January 1, 2020, steps toward the implementation of SEBB have been largely overlooked. The issue is sure to be a hot topic in the Legislature in 2019, however.

While local school districts had their hands full with their own collective bargaining, the Office of Financial Management (OFM) was negotiating behind-the-scenes with a coalition of education employees to determine employer contributions toward school employees’ health care benefits. Although school administrators did not have a seat at the table, OFM negotiators maintained regular communication with a “Bargaining Resources Team” comprised of superintendents, school business officials, and school human resources officers. These representatives provided ongoing advice and feedback to OFM negotiators.

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A Tentative Agreement was reached in mid-September and ratified by the labor coalition in late-September. The next step requires OFM to determine the [financial feasibility](#) of the new agreement. If it is determined to be feasible, funding will be included in the governor's 2019–21 budget request (to be released in mid-December). As part of the budget adoption process, the 2019 Legislature then must either accept or reject the new Collective Bargaining Agreement. Like state employee collective bargaining, the Legislature can only support or oppose the agreement; they can make no changes.

Here are some of the major components of the Tentative Agreement:

- Employers will be required to contribute 85 percent of monthly premiums, known as the Employer Medical Contribution (EMC), for the self-insured School Employees' Benefits Board branded Uniform Medical Plan (UMP). Currently, the SEBB branded Uniform Medical Plan is estimated to have an actuarial value of 88 percent. Employees will contribute the balance of the premium. For employees covering a spouse, state registered domestic partner and/or children, the EMC rate and minimum employee contribution will be calculated using tier ratios established by the School Employees' Benefits Board.
- Employers will contribute 100 percent of the premium cost across all tiers for dental insurance coverage and any offered stand-alone vision.
- Employers will contribute 100 percent of the premium cost for basic life and basic long-term disability insurance.
- Employers will contribute 100 percent of the K–12 remittance.
- Employers must contribute the same amount per month for all eligible employees anticipated to work 630 hours or more, regardless of funding source.
- For the purposes of generating state insurance benefit contributions for school employees, state-funded staff unit allocations will be adjusted using a Benefit Allocation Factor (BAF). State-funded classified staff unit allocations will be multiplied by a BAF of 1.43 and state-funded certificated staff unit allocations will be multiplied by a BAF of 1.02. These factors are intended to adjust staff unit allocations on the basis of 630 hours of work per year.

Given the expected [significant costs](#) (for the state, school districts, and employees) of this new health care structure, adoption of the Tentative Agreement by the Legislature will not be a slam-dunk. You are encouraged to be knowledgeable and stay engaged in this conversation. The [Washington State Health Care Authority](#) has numerous resources for your use, including a regularly updated set of [SEBB FAQs](#) and in-depth materials for all [SEBB meetings](#).

Additionally, OFM staff are holding meetings across the state to explain the new Tentative Agreement. These meetings are a great opportunity to get up-to-speed on the plan. Several meetings have already been held and upcoming meetings are scheduled as follows:

- October 17 – Yakima ESD 105 (2-3:30 p.m.)
- October 18 – Wenatchee ESD 171 (1-2:30 p.m.)
- October 24 – Joint Committee on Employee Relations (time TBD)
- November 6 – Pasco WASBO conference
- November 8 – Olympia WASBO conference

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Finally, while OFM is out talking about the Tentative Agreement, staff from the Washington State Health Care Authority are planning their own roadshow to discuss the status of SEBB and actions they have already taken in anticipation of implementing the new system on January 1, 2020. We will keep you posted as we receive more information.

NEWS General Membership Meeting Scheduled

The [Network for Excellence in Washington Schools, NEWS](#), is holding its annual member meeting on Monday, **October 15, 10:00 a.m. at the WEA headquarters in Federal Way**. All NEWS members are invited and encouraged to attend as the [organization determines whether NEWS has a future role](#) beyond *McCleary*.

In 2005, a group of school districts and other organizations committed to improving the quality of public education in Washington created NEWS. Two years later, in 2007, NEWS filed a lawsuit against the State of Washington, asking the Court to order the State to live up to its constitutional paramount duty to make ample provision for the education of all Washington children. Named after the lead plaintiffs, *McCleary v. State of Washington*—or simply *McCleary*—was heard in King County Superior Court in 2009. In 2010, Judge John Erlick ruled for the plaintiffs, declaring the State’s failure to fully fund public schools is unconstitutional. He bluntly stated, “This court is left with no doubt that under the State’s current financing system, the state is failing in its constitutional duty.”

Of course, this was not the end of the journey, as the decision was appealed to the Supreme Court, which heard the case in the summer of 2011. In January 2012, the Court unanimously upheld the lower Court’s ruling that the State of Washington was violating its constitutional paramount duty to amply fund the education of all K–12 students and declared that the State must amply fund education first before any other programs or operations. In a unique move, the Supreme Court retained jurisdiction in the case to ensure that its ruling was enforced and that the State fully funded K–12 education by 2018.

The Legislature was slow to act and in September 2014, the Court held the State in contempt for failing to make the progress it had promised. When the State failed to make adequate progress and produce a plan for complying with the Court’s orders, the Supreme Court in August 2015, fined the State \$100,000 a day until it complied.

On June 7, 2018, after the State finally provided billions of dollars in new funding to K–12 public schools and revamped the education funding structure (via HB 2242 and SB 6362), the Supreme Court issued a ruling saying the State has complied with the mandate to fully fund its new system of basic education by September 2018. At this point the Court relinquished its jurisdiction over the case. *McCleary* was finished.

That, however, is not the end of the story. *McCleary* as a lawsuit is dead; however, we in the education community know much work remains to improve education for all students. And questions remain whether basic education is “amply” funded. The Supreme Court, in fact, never stated the State’s new funding formulas and structure will ensure constitutional adequacy. In its 2018 ruling, they declared, “At this point, the Court is willing to allow the State’s program to operate and let experience be the judge of whether it proves adequate.”

With the *McCleary* case ended, [NEWS is at a crossroads](#). Members attending the annual member meeting will have an opportunity to provide input into the question about the future of NEWS. Should the organization simply disband; transition into a data depository for actual “experience” with the new funding system; actively

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coordinate with and/or organize members to challenge specific aspects of the new funding system; or other ideas?

We encourage all member districts to send a representative to the NEWS annual member meeting on Monday, October 15, 10:00 a.m. at the [WEA headquarters](#) in Federal Way.



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