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This Sine Die special edition provides an update of legislative actions as the first Special Session concludes. A “final” special edition TWIO will be released when the 2015 Legislature adjourns for the year. TWIO is posted on WASA’s website at www.wasa-oly.org/TWIO.

NOTE: WASA staff is currently preparing our annual End of Session report. It will contain full details of the 2015–17 Operating Budget and the 2015–17 Capital Budget, along with a comprehensive review of the many education-related bills the Legislature addressed this session. It will be emailed to all TWIO subscribers as soon as it is completed.

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After weeks of virtually no public activity (and only a minor amount of private, behind-the-scenes activity) during this Special Session, rank-and-file legislators returned to Olympia this week. Both the House and Senate met and following a flurry of action, they adopted a handful of bills. The main purpose of bringing the full Legislature back to town, however, was to adjourn the Special Session. As anticipated, the 30-day Special Session was simply the *First* Special Session of the 2015 Legislature and (at least) one more session will be required. Last night, just before 5:30 p.m., the Legislature adjourned—and shortly after, Governor Inslee issued an official [proclamation \(15–09\)](#) ordering a second special session to be convened this morning, May 29. Although the Legislature reconvened this morning at 9:00 a.m., as ordered, it was largely a procedural opening without the pomp and circumstance of the opening of a regular session. In fact, very few legislators were even in their chambers for the event. When rank-and-file legislators will return to town is unclear; it appears likely both the House and Senate will continue to have a “rolling recess,” with only budget negotiators and leadership remaining in Olympia. Touted

Similar to the governor’s [proclamation \(15–08\)](#) calling the Legislature into its first special session, yesterday’s proclamation specifically referenced the 2015–17 Operating Budget, the 2015–17 Capital Construction Budget, and the 2015–17 Transportation Budget—along with bills necessary to implement those budgets—as the reason to call the Legislature into a second special session. Inslee’s proclamation ordering the first special session also mentioned the need to negotiate and adopt “critical policy bills that need to be acted upon by the Legislature.” The proclamation did not specify what those critical policy bills were; however, Inslee made it clear that “progress fighting carbon pollution” was on his list of priorities. The new proclamation stays focused on the budgets and budget-implementing bills, but also makes a statement addressing the *McCleary* decision and the Supreme Court’s requirement that the State meet its paramount duty.

The Second Special Session—like all special sessions—will be limited to 30 days, although the Legislature may adjourn any time before that deadline. Additional 30-day sessions may also be called if necessary. The governor has the authority to order a special session, but cannot limit the time legislators meet, nor can they limit or direct the business the Legislature deals with.

2015–17 Operating Budget

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The main priority—and the only real requirement—of the 2015 Legislature is adoption of a new two-year Operating Budget. The current biennial budget expires at midnight, June 30. If a budget is not adopted by that deadline, a partial state government shutdown would begin on July 1. State agencies are already making contingency plans and are preparing to send temporary layoff notices to employees should the Legislature fail to adopt a new budget. The Operating Budget is the main job of this Legislature and continued disagreement between the houses on a budget solution is the main reason the Legislature was forced into a Special Session—and now a Second Special Session. There has been very little progress in budget negotiations between the House and Senate. The overall size of the House and Senate proposals (\$38.8 billion and \$37.8 billion, respectively) are not drastically different; however, the underlying structure of the two budgets is vastly different. The main dispute between the two houses is how to achieve their spending levels. House budget-writers believe the Legislature cannot meet its *McCleary* obligation along with other state priorities without additional revenue; Senate budget-writers believe no additional revenues are needed. The House budget proposal includes \$1.5 billion in new revenue, while the Senate proposal relies on revenue transfers and other funding maneuvers.

The revenue dispute was highlighted last week when the Economic & Revenue Forecast Council adopted its updated revenue forecast. Revenues for the current biennium (2013–15) are expected to come in around \$100 million above the February projection and expected revenues in the next biennium (2015–17) are estimated to be just over \$300 million more than previously predicted. An additional \$115 million in unexpected federal funds for children’s health care has also been made available. Senate Republicans seized on the half-billion dollars in additional revenue, saying their stance on taxes was right all along and this additional projected revenue “will likely break the budget logjam” and result in a quick resolution to stalled budget negotiations. House Democrats continued to express the need for enhanced revenue, however, saying the projected revenue increase would help bring closure to budget negotiations, but would not “completely solve the problem.”

To further force the issue, Senate budget-writers yesterday introduced a revised budget proposal. A substitute version of **SB 6050** (previously a dormant “title-only” bill “relating to fiscal matters”) was unveiled in the morning and quickly moved to executive action in the Senate Ways & Means Committee. After a short, perfunctory debate (and no public testimony), the new budget was adopted, not unexpectedly, on a straight party-line vote, with Republicans supporting the proposal and Democrats opposing.

In unveiling the new proposal, Senate budget-writers Andy Hill (R-Redmond) and John Braun (R-Centralia) stated the package was the most recent offer Republicans made to House Democrats, only to be rejected. Given the impasse in budget negotiations, Hill said it was time to release their budget offer to publicly demonstrate that Senate Republicans are moving to the House position, “showing movement and showing compromise.” In a bit of an unscripted slip during the budget press conference, Senate Republicans (who have consistently touted the need to prioritize education and meet their *McCleary* obligations) failed to mention K–12 as one of their budget priorities. Sen. Braun flatly stated their new budget “sticks with their principles, which are: lower tuition; protect the safety net; and no new taxes.” If the paramount duty really was a priority, it seems like it would be a part of their core principles.

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The new Senate budget would spend a total of \$37.9 billion, just over the previous spending level of \$37.8, while leaving \$577 million in the unrestricted ending fund balance, compared to \$487 million left in the bank in the first proposal. The additional \$242 million in proposed spending is used mostly for higher education (\$113 million); employee compensation (\$77 million); long-term care and developmental disabilities (\$27 million); and natural resources (\$16 million).

Perhaps the biggest movement on the part of the Senate was to throw out their proposed flat-raise for state employees and fully fund the collective bargaining agreements negotiated to this past fall. While the Senate is now willing to accept the state employee contracts, there will be two major sticking points for the House. First, similar raises are not also provided for teachers. Both the House and Senate proposals would fund Initiative 732 COLAs for educators; however, the House also includes an additional bump to keep salary parity between educators and other state employees. Second, the Senate's acceptance of the state employee CBAs are contingent on the adoption of "bargaining reforms." Those reforms are contained in [SB 6126](#), which was just heard and adopted by the Senate Ways & Means Committee on Tuesday. There are several moving pieces in the bill, but the main focus is transparency. Collective bargaining transparency would be achieved by making all collective bargaining negotiating sessions subject the Open Public Meetings Act. While the claim is that legislators need to be aware of state employee bargaining negotiations because they must act on the final agreements with an up-or-down vote and no opportunity to amend, the bill would make ALL public employee collective bargaining negotiations open to the public. That goes beyond state employee bargaining and would also impact local government bargaining, including school district negotiations with teachers. WASA testified against the inclusion of education employees in the bill; however, the skids were already greased and SB 6126 was set to be adopted before any testimony was even taken.

Additional details of the new Senate budget, SB 6050, are available from the [Legislative Evaluation & Accountability Program Committee \(LEAP\) website](#). An overview of the new budget, a comprehensive agency detail and the actual text of the new budget are available.

The House Democrats intend on responding to the Senate's new proposal with their own revised budget and are set to publicly unveil that new package on Monday, followed by a public hearing in the House Appropriations Committee on Tuesday. The Committee is expected to take executive action on the new on Wednesday.

Also, the governor has indicated he will be calling budget negotiators to his office on Monday to begin daily, face-to-face discussions. Those meetings will begin with a discussion about timelines and expectations. It will be interesting to see how long the governor can keep negotiators talking.

Other Budget Matters

While the Operating Budget garners the headlines and most of the attention, legislators continue to negotiate on a compromise 2015–17 Capital Construction Budget and a 2015–17 Transportation Budget. Yesterday, the House and Senate did adopt a partial Transportation Budget, [HB 1299](#). The budget is technically a 2015–17 Transportation Budget; however, it is important to know this is not the full transportation package to fund new highways and the various "mega-projects" across the state with proposed gas tax increases. Known as the "current law" budget, this is a "bare bones" package that uses current resources

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to continue road, bridge and ferry projects. A full “new law” budget and an accompanying revenue package (slated to be a phased in 11.7 cent gas tax increase) continues to be negotiated between the House and Senate. A dispute in the new law budget continues to be the Senate’s insistence on the diversion of sales and use tax proceeds of transportation projects from the General Fund to a new transportation-related account (**SB 5990**). During yesterday’s Senate press conference on the Operating Budget, questions were raised about a transportation package and the tax diversion proposal. Sen. Braun bluntly stated, “I don’t see where we do a transportation package without that reform.”

A 2015–17 Capital Construction Budget also continues to be negotiated behind-the-scenes. It is expected, as has occurred each biennium in recent memory, that a final budget will “fully fund” current projects in line for School Construction Assistance Program grants. What additional funding for K–12 will be included continues to be an open question, however. The Senate continues to push for an influx in cash to support facilities to implement class size reduction and all-day kindergarten. The original proposal, contained in **SB 6080**, which would provide \$280 million to fund some 2,000 classrooms across the state, continues to be reworked. The bill was adopted by the Senate with a strong, bipartisan vote of 42–7, but languished in the House and was never heard or otherwise acted upon. It is our understanding that the issue has finally gotten some traction in the House and capital budget-writers are attempting to negotiate on a compromise.

Although there is little direct linkage between the Capital or Transportation Budgets and the Operating Budget, neither will likely be acted upon until an agreement on a final 2015–17 Operating Budget is complete.

High School Assessments

High School assessments, and potential adjustments, were a hot topic in the Legislature this year. Near the end of the Regular Session a comprehensive assessment bill was heard in the House Appropriations Committee. That bill, **HB 2214**, would eliminate all current state-required assessments and eliminate all assessment alternatives as the state transitions to Smarter Balanced Assessment Consortium exams. The bill would require students who are unsuccessful on new SBAC exams to pass locally developed “high school transition courses.” Additionally, the bill would clarify that students in the Class of 2016 who meet standards via the current exams would be exempt from taking the new transition classes. Although there continues to be debate about whether this is the right approach, WASA generally supported the bill as being the most logical approach to adjusting assessments. Rather than “delinking” assessments—which some of our members strongly support and others strongly oppose—the bill would simply transition our high schools from a state-based assessment system to the new Smarter Balanced assessment system. This would have the impact of reducing the number of tests our students must take and reduce state costs, while continuing to hold our students to high standards.

While WASA supported the general direction of the bill, the focus of our advocacy was on one specific aspect of the bill: biology. Language in the bill would repeal the required biology assessment for THIS year’s seniors, the Class of 2015. Approximately 8,000 students statewide have not passed the test, including about 2,000 who tried but failed to meet the Collection of Evidence alternative this winter. And, for the vast majority of these 2,000 students, biology is the ONLY obstacle to graduation. Due to the immediate need, an emergency clause was included in the bill for this particular provision to ensure the biology assessment would not impede students’ ability to participate in graduation

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ceremonies or from receiving their diplomas. To better understand the issue, take a look at the guest column prepared by Superintendents Carla Santorno (Tacoma) and Frank Hewins (Franklin Pierce) entitled “**Biology test shouldn’t prevent students’ graduation.**” The column was printed in the May 27, 2015, issue of The News Tribune. The column was also submitted on behalf of fellow superintendents: Tom Seigel (Bethel), Chuck Cuzzetto (Peninsula), Debbie LeBeau (Clover Park) and Tim Yeomans (Puyallup).

The overall HB 2214 is projected to save the state \$29 million. Due to that anticipated savings, the bill is embedded in the House budget proposal and continues to be a part of budget negotiations. Because of that, legislators continue to debate the bill. That is understandable; however, the biology piece is very much time sensitive and we urged legislators to pull those sections of the bill out, quickly adopt a stand-alone bill and continue the deliberations over the rest of the bill.

On Tuesday evening, HB 2214 was moved to the House Floor Calendar. On Wednesday afternoon the bill was moved to the Floor for debate. A negotiated striking amendment was introduced and adopted and the revised bill was ultimately adopted by the full House, with a very strong, bi-partisan vote of 87–7. The bill was transmitted to the Senate; however, they adjourned shortly after and were unable to address the bill that night.

On Thursday, Day 30 of the 30-day Special Session, HB 2214 was formally referred to the Senate Early Learning & K–12 Education Committee. Because no meetings were scheduled—nor were anticipated to be scheduled—it was feared the bill was sent to the K–12 Committee to die. Because the Senate Ways & Means Committee had scheduled a meeting for Thursday afternoon (to act on the new Senate budget), there was an attempt on the Senate Floor to refer the bill to the Ways & Means Committee, which would have provided an opportunity to move the bill. The Majority objected to the maneuver and, as often occurs with “procedural” motions, the caucus locked up against the action. The motion failed on a straight party-line vote, with Minority Democrats supporting the action and the Majority Coalition Caucus opposing the action.

After the motion failed (meaning the bill WAS referred to the K–12 Committee), Senator Steve Litzow (R-Mercer Island), Chair of the Committee, stated he had no plans to hold a hearing on the bill or advance it in the waning hours of the First Special Session or in the Second Special Session. He said that the topic of High School graduation tests would be addressed “after the Legislature finishes it’s special session work and before the next Legislature convenes in January 2016.”

Failing to receive any action in the Senate, HB 2214 (along with other opposite house bills) was automatically returned to the House upon adjournment of the session. The bill sits on the House’s Third Reading Calendar, ready to be re-adopted at any time. Unfortunately, it is unclear when legislators may return to the Capitol. Even if they returned next week, it may be too late to positively impact this year’s seniors. And, even if the timing was right, it is clear the Majority Coalition Caucus has no desire to move the bill.

Compensation/Levy Reform

The main focus of the Special Session(s) will be on the budgets, as discussed above; however, finding a workable compromise on compensation/levy reform will be crucial. Even with an expected bump in *McCleary*-related funding from the Legislature, there has been no positive action yet to address the

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state's unconstitutional underfunding of educator salaries—which forces an unconstitutional overreliance on local school district levies. If the Legislature fails to address these crucial issues, the Supreme Court is likely to reject the Legislature's continued excuses and requests for patience. What that will look like, however, is very unclear.

A bi-partisan (and bi-cameral) coalition of legislators continues to regularly meet behind-the-scenes in an effort to draft a consensus package to address these issues. There are signs they are making progress; however, whether they are making enough progress to advance a bill through either the Senate or House is unclear. Even if the Senate can cobble together at least 25 votes to adopt a package, it is becoming increasingly clear House leadership has no interest in adopting a major policy shift to positively impact the current problem. Their statements (and actions—or lack thereof) continue to indicate their efforts to address the problem will be further discussions (whether as a part of [HB 2239](#) or some other to-be-determined process).

While we wait for action, you are encouraged to remain engaged in the conversation with your legislators and your colleagues. These issues are horribly complex; however, finding a workable solution is crucial.



Dan Steele, Government Relations dsteale@wasa-oly.org
Washington Association of School Administrators 825 Fifth Ave SE | Olympia, WA 98501
P: 800.859.9272 360.489.3642 | F: 360.352.2043 | www.wasa-oly.org