



March 8, 2012

Special Edition: House Offers New Budget

And then there were five....

In the last few weeks, we've seen four legislative budget proposals—one from each of the political caucuses (perhaps the first time this has ever happened). The House Democrat budget, ESHB 2127, was adopted by the full House. In the Senate, minority Republicans, with the help of three moderate Democrats, took control of the Senate floor and adopted its version of a budget, ESB 5967. Budget negotiations have been occurring between House and Senate Democrats in recent days, but it appears Republicans have not been privy to those discussions. Late last night, majority Democrat budget-writers struck a deal on a compromise budget. Today—Day 60 of the 60-day Regular Session—the House is expected to adopt this compromise budget, which will be a striking amendment to ESB 5967. (One journalist called this a last-minute “Hail Mary budget ploy.”) If the House does adopt this new budget, the Senate would either have to accept the amended budget, ending this session on-time—or they could reject the new budget, forcing a Special Session.

The major sticking point between the parties has been the proposed June 2013 general apportionment delay for school districts (from the last business day in June 2013 to the first business day in July). House and Senate Democrats believe the delay is appropriate, as it allows them to limit the level of cuts in the budget by \$330 million (the House also proposed a delay in LEA payments, providing another \$75 million to limit cuts). Republicans in both houses reject the idea, calling it a “gimmick” that increases the projected deficit in the next biennial budget. Similar to the budget originally adopted by the House, the new striking amendment includes funding for the June 2013 general apportionment payment; however it is a “contingent appropriation.” If the June 2013 revenue forecast exceeds \$30.817 billion (which is about \$330 million more than currently projected), the payment will be made as scheduled. If not, the June 2013 payment will be delayed.

Another sticking point is the skipping of a required pension payment, as proposed by the Republicans. This would save \$133 million in the current budget, but would have to be paid back with interest. Republicans argue that other proposed pension reforms would save far more funding into the future. The pension change is not included in the new budget.

Some of the key points of the new budget proposal:

- The proposal would leave \$352 million in reserve to cushion the budget against further economic downturns. This is the least reserve amount of the budget proposals. Along with the general apportionment delay and the skipping of a pension payment, this has also been a major sticking point.
- Similar to the original Senate Democrat proposal, there are NO cuts to K–12 education. There are a few minor reductions in serving agencies’ billing authority, which results in a reduction in OSPI funding levels. Those agencies which have reduced billing authority include: State Auditor’s Office, Attorney General’s Office and Office of the Secretary of State. Funding to OSPI and other state agencies is also reduced to reflect expected efficiencies related to state agency use of cell phones, mailing, printing and other central service reforms in [SB 6607](#).
- As described above, there is a “contingent appropriation” for school districts’ June 2013 general apportionment payments. There is no proposed delay in LEA payments, as originally proposed by the House.
- A few of the funding enhancements proposed by the House are included, although some are at a lower level. Included: Community Partnership Programs in [HB 2799](#) (\$1.5 million); WaKIDS (from \$1.5 million down to \$1.0 million); Urban School Turnaround Initiative (from \$3.0 million down to \$2.0 million); and Open K–12 Resources (from \$500,000 to \$250,000).

The website of the [Legislative Evaluation & Accountability Program \(LEAP\) Committee](#) has complete details (bill text, summary and agency detail) on the House’s proposed striking amendment to SB 5967.

For K–12, following is a spreadsheet that compares the four previous legislative budget proposals with the new House striking amendment:

- **Senate-adopted** is the Republican version of the budget, ESB 5967, as adopted by the full Senate
- **House-adopted** is the House Democrat budget, ESHB 2127, as amended by the House Way & Means Committee and later amended and adopted by the full House
- **Senate D’s** is the Senate Democrats’ Proposed Substitute version on SB 5967, which was never acted upon
- **House R’s** is the House Republicans’ Proposed Striking Amendment to HB 2127, which was rejected by the House Ways & Means Committee
- **House Striker** is the negotiated compromise between House and Senate Democrat budget-writers and is a Proposed Striking amendment to ESB 5967, which awaits action in the House

With a midnight deadline tonight, things are moving rapidly in Olympia right now, so we did not have time to prepare a full TWIO, but we did feel it was important that you had up-to-date information as quickly as possible. There is still an opportunity to have an impact on this budget—continue to maintain your communications with legislators! Please let us know if you have any questions.

2012 Supplemental Operating Budget Proposals -- K-12 Education

	Snte-adopted	House-adopted	Senate D's	House R's	Hse Striker 3/8
2011-13 Original Appropriations	13,783,321	13,783,321	13,783,321	13,783,321	13,783,321
2011-13 Previous Legislative Action	13,708,437	13,708,437	13,708,437	13,708,437	13,708,437
2011-13 Maintenance Level	13,635,966	13,635,308	13,635,308	13,635,308	13,635,897
2012 Policy Other Changes:					
SBE Reduction	-128	-85	0	-128	0
PESB Reduction	-355	-355	0	-355	0
LASER	-356	-35	0	-356	0
Reading Corps	-950	-95	0	-951	0
Leadership Academy	-810	-81	0	-810	0
College Bound Recruiting	-1,000	-100	0	-1,000	0
Achievers Scholars	-675	-67	0	-675	0
IT Academy	-2,000	-200	0	-2,000	0
Project Lead the Way	0	250	0	250	0
Skills Centers as Training Hubs	0	150	0	150	0
Aerospace Assembler Program	0	300	0	300	0
PASS Program	-1,500	0	0	-1,500	0
Readiness to Learn	-3,235	0	0	-3,235	0
Beg. Educator Support Team	-1,000	-1,000	0	-1,000	0
Principal & Supt Internships	-477	-48	0	-477	0
CTE Start-Up Grants	-977	0	0	-976	0
Building Bridges	-337	0	0	-337	0
STEM Lighthouses	-135	-14	0	-135	0
Non-Violence Training	-50	0	0	-50	0
Graduates Program	-135	-14	0	-135	0
Regional Technology Centers	-980	-98	0	-980	0
School Based Medicaid	605	0	0	0	0
June 2013 Apportionment #	0	-340,000	-340,000	0	-340,000
June 2013 Contingency Funds	0	10,000	10,000	0	10,000
Student Health & Safety	0	-254	0	0	0
Implement Revised Eval Systems	5,767	0	5,767	5,767	5,767
Student Achievement Gap	0	-5	0	-50	0
Navigation 101	-2,808	0	0	-2,808	0
Open K-12 Education Resources	0	500	0	0	250
State Board of Education Rules	0	80	0	0	0
WaKids	0	1,500	0	-400	1,000
Career Pathways	0	205	0	205	0
Community Partnership Schools	0	1,500	0	0	1,500

	Snte-adopted	House-adopted	Senate D's	House R's	Hse Striker 3/8
Career & Tech Ed Grants	0	100	0	0	100
Urban School Turnaround	0	3,000	0	0	2000
MS/HS Applied Math/Sci/En	-125	0	0	-25	0
Math/Science Prof Development	0	-3,473	0	0	0
Running Start	-8,356	0	0	-8,356	0
Levy Equalization Payment Shift	0	-74,841	0	0	0
K-20 Network Reduction	-1,221	-122	0	-122	0
Eliminate Military Compact	-45	0	0	0	0
Reduce Alternative Routes	-312	0	0	0	0
Project Citizen	-25	0	0	-25	0
Opportunity Gap Committee	-50	0	0	0	0
OSPI Website	-126	0	0	-25	0
ESD Administrative Reductions	-524	0	0	-500	0
OSPI Administration Reduction	0	0	0	-84	0
Institutional Caseload Change	0	0	0	-93	0
ALE Adjustment	0	0	0	-5,145	0
Basic Education Workgroups	0	0	0	-1,017	0
Civil Rights Enforcement	0	0	0	-133	0
Bullying Prevention Workgroup	0	0	0	-93	0
Transportation Coordinators	0	0	0	-892	0
Interpreter-Services Standards	0	0	25	0	25
Foster Care Outcomes	0	0	128	0	128
At-Risk Students	0	0	200	0	200
K-3 Class Size Reduction	0	0	32,300	0	0
Auditor Reduction	0	0	0	0	-54
Attorney General Reduction	0	0	0	0	-57
Sec of State Archive Reduction	0	0	0	0	-5
Central Service Reforms	0	0	0	0	-257
Commute Trip Reduction	0	0	0	0	-3
Policy--Other Total	-22,320	-403,302	-291,580	-28,196	-319,406
2012 Policy Comp Changes:					
Freeze Salary Step	0	0	0	-14,434	0
National Board Bonus Change #	-17,738	-8,296	0	-8,296	0
Pension Rate Correction	248	263	622	265	267
PEBB Funding Rate Reduction	0	0	0	0	-150
Policy--Comp Total	-17,490	-8,033	622	-22,465	117
TOTAL POLICY CHANGES	-39,810	-411,335	-290,958	-50,661	-319,289
Total Policy Change w/out GA/LEA Delay	-39,810	-6,494	39,042	-50,661	10,711