



TWIO

This Week In Olympia

February 26, 2014

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About TWIO

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

Special Edition:

This afternoon, House budget-writers unveiled their 2014 Supplemental Operating Budget proposal, a Proposed Substitute to HB 2185. The House Appropriations Committee will hold a public hearing on the proposal this evening. Additionally, the House released a 2014 Supplemental Capital Construction Budget, a Proposed Substitute to HB 2224. It will be heard in the House Capital Budget Committee tomorrow. The **Senate proposals** (Operating: PSSB 6002; Capital: PSSB 6020) were released on Monday. Both received public testimony in the Senate Ways & Means Committee yesterday and are expected to be adopted this afternoon. They will then be moved to the full Senate for debate and adoption, which could occur as early as tomorrow. An **updated pivot table** for the Senate proposal has also been posted. A pivot table for the House proposal should be available soon.

In order to provide you with some quick information, this update only addresses some of the high-level points of the budget(s). A more detailed, comprehensive report will be sent tomorrow.

House 2014 Supplemental Operating Budget

This afternoon, House budget-writers released their 2014 Supplemental Operating Budget proposal. It is unusual for the house second in line in the budget process to release a budget proposal before the house first in line has an opportunity to adopt its proposal; however, House leaders addressed that today. Representative Pat Sullivan (D-Covington), the House Majority Leader, clearly noted that with just two weeks (15 days) left in the Legislative Session, it was important to move to budget negotiations quickly. It was clear from the tone (and also the tone from Senate leaders), there is no desire to even contemplate staying in town beyond Sine Die, scheduled for March 13. There are multiple differences between the House and Senate plans; however, when asked how budget negotiators could come to a quick resolution and adjourn this session on time, Representative Ross Hunter (D-Medina), Chair of the House Appropriations Committee, responded that the budgets include some policy differences, but in total they are "remarkably similar."

The House budget proposal includes an overall spending increase of \$173.2 million, compared to \$95.6 million in the Senate's plan. Of that total, \$91.3 million is provided to address "maintenance" level changes (the cost of maintaining current services with updated caseload costs). The remaining \$81.9 million is provided for "policy" level decisions. The Senate's budget spends \$43.5 million on maintenance and \$52.1 million on policy enhancements. For K-12 education, a total of \$64.3 million would be provided. The bulk of the increase would be to increase the Maintenance, Supplies, and Operating

Special Edition: House Supplemental Budgets Proposal

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Costs (MSOC) allocation by \$60.0 million (increased by \$68.60 per FTE student or from \$781.72 to \$850.32 for school year 2014–15). The remaining increase is provided for: closing the opportunity gap (\$245,000); community engagement grants (\$200,000); learning platform crowdsourcing (\$100,000); paraeducator development (\$293,000); CTE equivalencies (\$287,000); transportation funding adjustment (\$558,000); Washington Achievers scholarships (\$234,000); program compliance (\$267,000); and a correction to instructional hours funding (\$60,000). A final \$1.6 million would be provided to phase out the current basic education funding deduction from districts that receive federal forest revenues.

It is important to note that in addition to the underlying Supplemental Budget proposal (PSHB 2185), a series of other bills are part of the budget package. **HB 2796** would repeal four tax exemptions, raising approximately \$100.6 million. Those revenues would be used to fund two additional bills. \$51.2 million would be directed to implement **HB 2422**, restoring voter-approved COLAs for educators and \$16.5 million would be directed to implement **HB 2377**, the Early Start Act, to ensure that at-risk kids get high quality early learning opportunities.

An additional bill introduced today, HB 2792, would lay out a plan to put the state on track to entirely fund basic education reforms by 2018, as required by the *McCleary* decision. The bill would codify a phased-in funding plan for education reforms and incrementally raises teacher and school staff salaries until they reach the market rate. Additionally, similar to a Senate-sponsored bill, it would establish a task force to address local funding for schools (and, like the Senate bill, no educators would be invited to the table).

House 2014 Supplemental Capital Construction Budget

Shortly after the release of the Operating Budget package, Representative Hans Dunshee (D-Snohomish), Chair of the House Capital Budget Committee, held a press conference to unveil the House's 2014 Capital Construction Budget. Traditionally, the Capital Budget, especially in the House, has been a bi-partisan affair. Today's release was no exception as Representative Drew MacEwen (R-Union), Assistant Ranking Member on the House Capital Budget Committee, joined Dunshee. Due to the state's limited debt capacity, the House's Capital Budget plan, a Proposed Substitute to HB 2224, is rather small. New appropriations total only \$166.5 million (added to the underlying 2013–15 budget of \$3.78 billion).

Due to a reduction in the School Construction Assistance Program, resulting from less than expected K–12 construction needs, the public schools portion of the budget would receive a net loss of \$87.3 million. Additions would be made for a high school parking lot at Kiona-Benton School District (\$125,000), nutrition equipment assistance grants (\$1.0 million), construction at Spokane Valley Tech (\$1.0 million) and water bottle filling stations in schools (\$750,000).

Although the House's Capital Budget plan is very modest, it is a part of a larger package. Introduced along with the budget was **HB 2797** which would provide \$700 million specifically to fund facilities to meet all-day kindergarten and early elementary class-size reduction requirements. Dunshee said **this proposal** was in direct response to the Supreme Court's January 9, 2014 Order which called the state out for its lack of commitment to school facilities. Dunshee noted, however, "This is what we (the House) want to do; it's what we ought to do. And we're just darn glad the Court agrees with us." He added that the Court's Order was simply "wind in our sails."

While the Capital Budget and the Operating Budgets are separate documents and funded separately, they are inter-connected. Rep. Dunshee argued that this plan was needed because "classrooms have to be in place when *McCleary* is funded." He also strongly stated that it would be disingenuous to support *McCleary*, but not support needed classroom space, saying, "If you're not for this (proposal), you're not for the operating side."

Special Edition: House Supplemental Budgets Proposal

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HB 2797 would be funded by lottery-backed bonds and, because it would be outside the state's debt limit, it would only require a simple majority vote of the Legislature. If the plan was adopted, the \$700 million would be used to fund the 2,000+ classrooms that are needed to address additional space for all-day kindergarten and class-size reduction.

In closing the news conference, Rep. MacEwen hammered home the point that the House's Capital Budget and HB 2797 were both bi-partisan efforts. He said very strongly, "This is not a Republican or Democrat solution, but the right solution." The bill will be heard tomorrow morning in the Capital Budget Committee.

1,080 Instructional Hours Update

On Monday, [E2SSB 6552](#), modifying instructional hours, received a public hearing in the House Education Committee. Public testimony was overwhelmingly positive; however, it was clear several Committee members were less-than-supportive and the bill's prospects were in doubt.

Once again, it was strikingly clear that superintendents (and other educators) have been talking to their legislators about the instructional hour conundrum and about this bill specifically. Multiple amendments were introduced (nine in total) and each was rejected. On final debate, legislators provided passionate support or opposition to the bill and when the dust settled, E2SSB 6552 (in the same form as adopted by the Senate), was approved with a vote of 13–6. The bill has not yet been rereferred; however, it is assumed it will be sent to the House Appropriations Subcommittee on Education, or perhaps straight to the House Appropriations Committee before it can be acted upon by the full House.

This is very positive news, but the fight is not yet over. The legislative process was intentionally set up with a series of obstacles to make it difficult to adopt legislation. A few of those hurdles still remain—and we are also fighting against the clock. We encourage you to continue your contacts with legislators—and take a minute to thank those legislators who have positively responded. Thank you for your continued efforts!