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Week 9: March 10–13, 2014 — Sine Die Edition

Sine Die

This Sine Die special edition is the last TWIO of the 2014 Regular Session. TWIO is posted on WASA’s website at www.wasa-oly.org/TWIO.

Last night, on Day 60 of the 60-day session, the 2014 Legislature adjourned Sine Die, just about 7 minutes shy of the midnight deadline. Throughout the course of this session, the majority of legislators—and Olympia observers—virtually guaranteed an on-time adjournment. Those predictions were in doubt much of this week; however, as often happens, just when the doomsday predictions began, the dam broke between the houses. A Supplemental Operating Budget agreement came together, opening the door to adopt a series of implementing bills and other priority legislation, and ensuring an on-time adjournment.

This Sine Die edition of *TWIO* is the final newsletter of the 2014 Session. WASA staff has already begun to prepare the annual End of Session Report, which will be disseminated to all *TWIO* recipients and it will be posted on the WASA website, as soon as it is completed. The End of Session Report will include a comprehensive summary of the final 2014 Supplemental Operating Budget, along with a complete review of those education-related bills adopted and those not adopted by this Legislature.

NOTE: WASA staff is currently preparing our annual End of Session report. It will contain full details of the 2014 Operating 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.

Budget Updates

2014 Supplemental Operating Budget

When Senate budget-writers, and then a few days later, House budget-writers unveiled their respective budgets, it was clear there were differences; however, the “core” of each budget was similar. In fact, Representative Ross Hunter (D-Medina), Chair of the House Appropriations Committee, noted in the press conference to unveil his budget that the two proposals were “remarkably similar.” Almost immediately Senate and House budget-writers began to negotiate in earnest.

The biggest difference in the budget was on the revenue side, not the expenditure side. The Senate budget actually reduced the level of available spending by extending 24 current tax exemptions. Conversely, the House increased the level of available spending by eliminating four current tax exemptions. Ultimately, both sides gave up their position and the final budget includes no tax loophole eliminations, nor any tax loophole extensions. Perhaps the biggest difference on the expenditure side was the House’s inclusion of the reinstatement of Initiative 732 cost of living adjustments for educators. It was assumed by

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most that this would be among the first pieces eliminated in budget negotiations and, sure enough, the final budget is silent on any COLA.

Negotiators worked through the weekend, hammering out details of the budget. On Tuesday, negotiators held a marathon meeting and essentially came to agreement on “big picture” issues around 5:00 am. On Wednesday, the Senate took formal action to request a Conference Committee on the budget and a few hours later the House formally agreed. They worked throughout the day nailing down the many, many details contained within the almost 300-page document. It did not appear that a Conference Committee was necessary; however, when a Conference Committee agrees to a “Conference Report,” legislators only have an opportunity to accept or reject the report—meaning, there is no opportunity to further amend the document. This ensures rank-and-file members are precluded from causing any last minute hijinks that could torpedo the agreement. By the end of Wednesday, an agreement was in place. Budget negotiators briefed their caucus colleagues Thursday morning and unveiled the completed agreement at a 12:30 p.m. press conference.

In a rather unusual maneuver, all six members (two Senate Majority Coalition members, one Senate Minority member, two House Majority members and one House Minority member) participated in the press conference. That was because all six members signed the Conference Report. Unanimous approval from a budget Conference Committee is an exceedingly rare occurrence. It certainly has not happened in recent years—and this writer does not recall it ever happening in over 20 years of legislative work. All six members complemented one another for the strong working relationship. Senator Andy Hill (R-Redmond), Chair of the Senate Ways & Means Committee remarked that the agreement met his four goals: a bi-partisan agreement; making education a priority; “living within our means;” and finishing on time. Senator James Hargrove, (D-Hoquiam) Ranking Minority Member of the Senate Ways & Means Committee and Rep. Hunter both noted that, even though they were pleased with the budget, much heavy lifting will be required next session.

Yesterday afternoon, the budget Conference Report was moved to the House floor and was adopted with a strong 85–13 vote. Next it moved to the Senate, where it was adopted by an even stronger vote of 48–1.

The **final budget** increases spending in the underlying 2013–15 budget by \$155 million. This includes “maintenance” level increases of \$89 million and policy level increases of \$66 million. The bulk of the policy level increases are for K–12 education. The final budget provides \$58 million to enhance the current level of Maintenance, Supplies and Operating Costs (MSOC); \$2 million to begin the phasing out of the current basic education deduction in school districts that receive federal forest revenues; \$2 million for a New Teacher Mentor Program and \$1.6 million for a series of minor program enhancements. Full details of the final budget will be provided in WASA’s End of Session Report.

2014 Supplemental Capital Budget

Even when the two houses fight, you can usually count on a strong Capital Budget. Not so this year. The major hang-up was funding for one project: the new State Patrol headquarters. One house wanted to move forward with the project, while the other house opposed the move. Negotiators broke off talks on Tuesday (with both sides blaming the other for a lack of progress) and those negotiations never got back on track.

The House had overlaid their budget proposal on top of the Senate bill, **SB 6020**, and returned it to the Senate on March 4. The Senate moved the bill to their Concurrence Calendar, preparing to formally reject the House amendments and adopt a compromise budget (or form a Conference Committee). During a lull in the action last night, Senator Karen Keiser (D-Kent), Ranking Minority Member for Capital on the Senate Ways & Means

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Committee, tried to pull a fast one on her Majority member colleagues. She moved to Concur with the House amendments to SB 6020. If the motion would have been adopted, the House version of the Capital Budget (with no further amendments) would have been approved and sent to the governor for final action. Majority Coalition members scrambled and quickly called for a recess to caucus. They got their ducks in a row, came back to the floor and debated why the motion should be rejected, while Democrats fired back why the motion should be adopted. After a fiery debate, the roll was called and the motion was rejected with an unsurprising 23–26 vote, as the Majority Coalition locked up. That was the last gasp for a 2014 Supplemental Capital Budget.

Linked, but somewhat separate from the Capital Budget, was the House’s package (**HB 2797**) to provide \$700 million to fund facilities to implement all-day kindergarten and class size reduction. Lottery funds would have been used to support bonds as well as the debt service of the bonds. The bill was adopted by the House with an extremely strong, bi-partisan 90–7 vote. The overwhelming support put some pressure on the Majority Coalition; however, they quickly put together their own K–12 facilities package. A long-dormant bill dealing with all-day kindergarten, SB 6483, was revived and a Proposed Substitute was heard in the Senate Ways & Means Committee, alongside HB 2797. The new version of **SB 6483** would have provided \$50 million for all-day kindergarten facilities and \$50 million for STEM labs (very similar to **SB 6081**, which was adopted by the Senate but was never acted upon by the House). Rather than provide funds for class size reduction (because Majority Coalition members are unconvinced that class size reduction is necessary, appropriate or effective), the bill would provide \$500,000 to OSPI to prepare inventory information to determine the need for facilities for reduced class size in kindergarten through third grade. Finally, the bill states an “intent” to provide \$825 million (from General Obligation bonds) over three biennia. The bill was adopted by the Ways & Means Committee; HB 2797 was never scheduled for executive action. In the end, no Capital Budget was adopted and the K–12 facilities bills also died.

Due to the limited capacity available under the state’s debt limit, neither the Senate nor the House capital proposal was very large. In fact, both budgets would have provided K–12 education with a net reduction. That, however, was due to a reduction in the School Construction Assistance Program because projected K–12 construction needs are less than expected. Unfortunately, the small handful of proposed education projects will go unfunded this year.

1,080 Instructional Hours Update

E2SSB 6552, modifying instructional hours, took a wild ride through the legislative process. There were several times the bill appeared to be in trouble and its ultimate passage was in doubt; however, the House finally agreed to a course of action and adopted the bill. It quickly moved back to the Senate for its concurrence and the bill now awaits action by the governor. He is expected to sign the bill. During his post-Sine Die press conference, he specifically called out this bill as one of the highlights of the session.

As we noted last week, the bill was on the House floor calendar, awaiting action. We also noted that 20 amendments waited “on the bar.” By Monday there were 26 amendments and a final “omnibus” amendment was introduced on Tuesday. There were multiple changes proposed and it was certainly feared that any of the amendments (or a combination of amendments) could either kill the bill in the House or stall the bill when it returned to the Senate. The “omnibus” amendment was an attempt to roll several of the concepts in other amendments into one agreed upon package. When the bill finally was moved to the floor the other 26 amendments were withdrawn and the 27th “omnibus” amendment was quickly adopted. The newly amended bill was overwhelmingly supported, being adopted by a vote of 93–5. Upon returning to the Senate, the new bill was adopted with a vote of 45–2.

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The final bill does the following:

- Requires school districts to grant academic credit in science or mathematics to students that pass CTE courses identified by OSPI as being equivalent to science or mathematics courses that meet high school graduation requirements. Previous language that clarified that a school district must only grant equivalencies if the course is offered is removed. In its place is a requirement that, beginning in 2015–16, school districts must provide high school students with the opportunity to access at least one CTE course from the state list that is equivalent to mathematics or to science. Multiple options are listed as to how students may access the courses, including interdistrict cooperatives, Skills Centers, through online learning or applicable Running Start vocational courses. School districts with fewer than 2,000 students are allowed to seek a waiver of this requirement from the State Board.
- Restructures the instructional hour requirement. The bill strikes the language adopted last session requiring 1,000 instructional hours per grade for grades 1–6 and 1,080 instructional hours per grade for grades 7–12. Instead, grades 1–8 must have a district-wide annual average of 1,000 hours; and grades 9–12 must have a district-wide annual average of 1,080 hours. In other words, an average of approximately 1,027 hours would be required for each grade in a district with grades 1–12. (NOTE: This restructuring would NOT change instructional hour requirements in kindergarten. Kindergarten hours would NOT be a part of the calculation of the “district-wide annual average,” therefore maintaining a complete 450 instructional hour requirement for half-day kindergarten and a complete 1,000 instructional hour requirement for full day kindergarten.)
- Delays the implementation of the required increase in instructional hours until the 2015–16 school year (rather than the 2014–15 school year).
- Addresses the senior graduation week issue by allowing the last five days of school for seniors to be counted as instructional hours.
- Authorizes SBE to implement the 24-credit diploma, based on its Career and College Ready framework, beginning with the Class of 2019. School districts are allowed, however, to apply to SBE for a waiver of one or two years. Specific information is required in the application, but SBE is required to grant the request.
- Requires SBE rules to provide that the content of the 3rd credit of math and the 3rd credit of science are chosen by the student based on the student’s High School and Beyond Plan, with agreement of a parent/guardian or the school counselor or principal.
- Previous language clarifying that school districts will be authorized to waive up to 2 credits on an individual student basis is tightened up. SBE rules are required to provide this authorization to school district; however, the waiver must be in accordance with written policies that must be adopted by each school board. New language directs WSSDA to adopt a model policy and procedure regarding the credit waivers by June 30, 2015. The purpose of the waiver is to assist school districts in providing students the opportunity to complete graduation requirements without discrimination and without disparate impact. The model policy must take into consideration circumstances such as homelessness, medical conditions, disabilities, and limited English proficiency. The policy must also address waivers if the student has not been provided an opportunity to retake classes or enroll in remedial classes free of charge.

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- Prohibits SBE, effective with the Class of 2015, from requiring students to complete a culminating project for graduation.
- Directs the Office of the Education Ombuds to establish a Task Force on Success for Students with Special Needs to define barriers these students face in earning a high school diploma and fully accessing public education; outline recommendations for systemic changes, models for education and service delivery, coordination; and identify options for competency-based education. An initial report must be provided by December 15, 2014, and annually until 2016.
- “Reprograms” the \$97 million instructional hour appropriation provided in the 2013–15 Operating Budget. Language provides that the previous appropriation will be “repurposed” to allow implementation of the 24-credit diploma requirement. The funding is specifically provided for:
 - ◇ **MSOC Enhancements** Allocations for Maintenance, Supplies, and Operating Costs (MSOC) are increased by \$137 per student in grades 9–12. (This allocation is expected to be in addition to the MSOC appropriation to be provided in the 2015–16 school year.)
 - ◇ **Lab Science Enhancements** Funding is provided to enhance lab science class sizes. The formula will drive funding similar to the high poverty K–3 class size reduction, providing bonus teaching units beyond the 28.74 class size in grades 9–12. Eligible enrollment is 2/24th (or 1/12th) of all students in grades 9–12, which equates to the two lab science classes out of the total 24 credits needed for graduation. Eligible students will be provided teaching units for a class size of 19.98. The teaching units calculated in the general education class size are subtracted from the lab science teachers; the difference is the lab science class size enhancement.
 - ◇ **Guidance Counselors** Funding is provided to increase high school guidance counselors from 2.009 to 2.539 for each of the prototypical high schools—an increase of 0.53 units for every prototypical high school. The original 2013–15 Operating Budget already has an increase for guidance counselors that were not adopted in statute. This bill will add the currently funded amounts and the new amounts. Budget language is expected to be added in the Supplemental Operating Budget (if there is one) stating Skills Center and CTE educational staff associates (ESA) will be increased by 0.53. ESAs include school nurses, guidance counselors, school psychologists, librarians and other similar positions.

TPEP/Federal Waiver Update

Governor Inslee, Superintendent Dorn, and multiple legislators worked behind-the-scenes in an effort to move either **HB 2800** or **SB 5880**. HB 2800 would require the use of state testing data for teacher/principal evaluations, but would delay that requirement until the 2017–18 school year. It also included a “contingency clause,” indicating this law would be voided if Washington loses its NCLB waiver. SB 5880 would make the “can” to “must” change required to secure the federal waiver, but did not include a delay or the contingency clause included in the House bill.

While key advocates worked to get the bills moving, WEA ramped up its opposition. The House and Senate Democrats met in their respective caucuses on the issue early this week and reports are the conversation “tore the caucus apart.” House leadership was unwilling to move the House bill, so the focus shifted back to the Senate. Majority Coalition leadership was expected to bring the bill up yesterday (it was moved to Second Reading on Wednesday); however, it is apparent they realized the Democrats were going

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to lock up against the bill (like they did last month to defeat [SB 5246](#)) and the issue never was moved to the floor. In terms of the bill being an election issue, Republicans already had the entire Democratic caucus (save one member) on record as opposing the issue, so running another bill was not necessary.

With neither bill being acted upon, both bills died—and with it, presumably, Washington’s federal waiver. It is all but guaranteed Washington’s current waiver will be revoked. Word is, OSPI will continue to work the process in hopes of a change of heart by the Department of Education—or some other unexpected miracle; however, they will quickly shift to providing the necessary information to assist districts in the “post-waiver,” return to No Child Left Behind world.

AEA

By Mitch Denning

WASBO worked hard on the instructional hour and high school graduation credit issue. Along with many other educators, all of their work paid off with the passage of [SB 6552](#), which paves the way for districts to move at grades 9–12 to 1,080 instructional hours in 2015–16, and to 24 credits for graduation, beginning with the Class of 2019. Flexibility is given for districts to also implement the additional credits with the Class of 2020 or 2021.

WAMOA worked hard on capital budget issues, and their work won’t be in vain, as these same issues will be with us next year, as the Senate defeated the 2014–15 Supplemental Capital Budget bill, [SB 6020](#), yesterday by a vote of 26–23. It was enjoyable to work with Rep. Hans Dunshee, and then to testify in support of [HB 2797](#), which would use \$700 million from lottery funds to fund facilities for all-day kindergarten and K–3 class size reduction. Also joining the process near the end of the session was [SB 6483](#) that would appropriate \$825 million in general obligation bonds over the next three biennia to fund classrooms for 9–12 STEM classes, all-day kindergarten and direct OSPI to study the specific needs of implementing K–3 class size reduction from a facility standpoint by 2018.

WSNA had an extremely busy session as they helped support [HB 2410](#), kitchen equipment grants, and worked closely with Rep. Marcus Riccelli for about one year in the process. The bill passed the House 91–7, and was in [HB 2224](#), the House Capital Budget, at \$1 million; however, with the defeat of SB 6020 on March 13, the kitchen grant campaign was moved to next year.

Realizing from the beginning of the session that an unfunded mandate was probably not the best plan to encourage additional low income students to eat breakfast, WSNA worked hard in opposing [HB 2536](#), breakfast after the bell, which passed the House, but then died in Senate Ways & Means. Its companion bill, [SB 6444](#), also died in Ways & Means. Our WSNA legislative committee plans to work with both prime sponsors, Rep. Zach Hudgins and Sen. Steve Litzow, during the interim to look for effective ways to increase breakfast participation, particularly among our poorer students.

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Pensions/Health Benefits

By Fred Yancey/Scott Nelson – The Nexus Group

More detail will be forthcoming in the End of Session report, but as of Sine Die, this is the status of some selected bills related to pensions, health care benefits and other areas of impact to present and future school employees.

SB 6321 which removes the statutory provision that has allowed members of Plan 3 to select a new contribution rate option for the defined contribution portion of their pension passed both houses. It has been delivered to the Governor for his action. The IRS has insisted on this change.

SB 6519 concerned the reporting and sharing of public school employees' insurance benefits. This bill did not pass. However, the Office of Insurance Commissioner (OIC) has assured us that it can proceed in partnership with the Health Care authority to gather and share data. A final report is due that is to analyze the advantages and disadvantages to the state, school districts, and school employees of establishing consolidated purchasing of school employee health benefits.

The Supplemental Operating Budget which was adopted continues a proviso for an analysis of the impacts of using the Washington health benefit exchange as a mechanism for providing health insurance for part-time certificated and classified K–12 public school employees.

SB 5153 entitled “Respecting holidays of faith and conscience” passed both houses and has been delivered to the Governor for his action. This bill entitles employees of the state and its political subdivisions, which include school districts, to two unpaid holidays per year for reasons of faith or conscience or organized religious activities. It also allows public school students to be absent for up to two days per school year without penalty for reasons of faith or conscience or organized religious activities.

There was no action taken on either of the two pension ‘reform’ proposals. Any further action will take place in the 2015 Session.



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