



**Budget Update, December 15, 2014**

**Governor Inslee Unveils 2015 Education Funding Package**

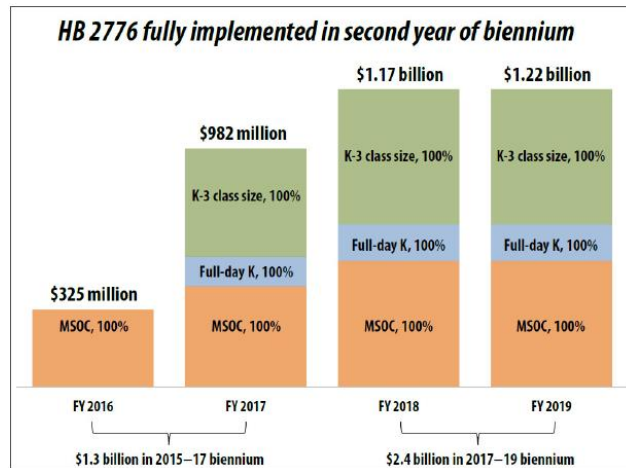
By law, the governor is required to submit a biennial budget proposal to the Legislature by December 20. This year, Governor Inslee chose to present his budget in a week-long rollout. On Monday evening, Inslee released his 2015 Education Funding Package in a “Town Hall” televised at four locations across the state; his education proposal is a system-wide plan—from early learning to K-12 to higher education—consisting of a \$2.3 billion investment. On Tuesday, Inslee will release a series of proposals for a Transportation budget, followed by a package of environmental issues addressing climate change and an assumed cap-and-trade or carbon tax proposal. On Thursday, Inslee will unveil his entire 2015-17 budget proposal. The ultimate budget package will apparently include a mix of around \$1.0 billion in tax increases and spending cuts to address a projected budget shortfall.

While all the details, including specific budget language, of Inslee’s education funding plan will not be known until Thursday, most of his broad education policy goals were addressed this evening and are reviewed below. We thought it would be important to share with you the overview of Governor Inslee’s education budget, even though it is somewhat out of context with the still-to-be-released overall biennial budget. We apologize for the informal nature of this budget update; however, a more formal—and detailed—*This Week in Olympia* will be prepared and disseminated following the release of the full budget package later this week.

**K-12 Education Highlights**

**BASIC EDUCATION, HB 2776 – \$1.3 BILLION**

The governor’s budget proposal would fully implement the remaining pieces of 2010’s HB 2776 by the second year of the biennium—one year ahead of schedule. Funding for Special Education (\$144.0 million) is included in each of the HB 2776 items. Districts would be required to dedicate a portion of these amounts for approximately 1,800 principals to receive professional development on best practices for special education instruction and strategies for implementation in schools.



- **MSOC – \$751.8 million**  
 HB 2776 and the *McCleary* decision require full funding of an enhanced formula for Materials, Supplies and Operating Costs (MSOC) by the 2015–16 school year. The governor’s budget would fully fund this obligation, increasing the funding allocation to \$1,216 per student in the 2015–16 school year, up from \$848 per student in the current school year. Funding would allow full implementation of the state’s new learning standards in English, math and science, and support the use of positive behavior intervention curricula.
- **K-3 Class Size Reduction – \$448.1 million**  
 This budget proposal would provide a substantial class size reduction investment in elementary schools, including more than 7,000 additional teachers. Funding would be provided in the second year of the biennium (2016-17 school year), allowing districts one year of planning time to implement these changes, including the hiring and placement of new staff. The proposal would reduce class sizes in kindergarten through third grade to 17. Fully implementing the K-3 class size reduction by the 2016-17 school year would be one year ahead of the schedule adopted in HB 2776. While the governor was silent on Initiative 1351 (K-12 class size reduction, adopted by voters in November), K-3 class size funding would fulfill the HB 2776 obligation and serve as a “down payment” on I-1351, allowing the Legislature additional time to find a funding source to fully implement the Initiative...or perhaps amend, or even repeal the new law.
- **Full-day Kindergarten – \$107.6 million**  
 Currently, less than half the state’s kindergartners participate in a state-funded, full-day program. The governor proposes to fund full-day kindergarten for all students beginning in the 2016-17 school year, offering 1,000 hours of instruction a year, one year ahead of the schedule adopted in HB 2776.

**PROMOTING STUDENT SUCCESS – \$40.7 MILLION**

- **Family Engagement Coordinators – \$20.0 million**  
 The governor proposes to adjust the basic education formula for Family Engagement Coordinators at 600 high-poverty elementary schools serving 238,000 students to support a school-and-family team approach to educating children. Coordinators perform a number of activities, including serving as liaison between teachers and families, connecting families to social services and assisting in other ways that help families to support their children’s education.
- **Guidance Counselors – \$13.7 million**  
 This budget would increase the basic education allocation for Guidance Counselors at high-poverty middle schools to help 73,000 students. Middle school students with clear academic goals for high school are more likely to stay on track during their freshman year. Counselors help with goal setting, including planning for high school, providing information about programs such as College Bound and organizing more interventions for students falling behind in 7th and 8th grade.
- **Breakfast-After-the-Bell – \$5.0 million**  
 The governor’s proposal would award grants to elementary schools to implement Breakfast-After-the-Bell programs so nearly 30,000 students can start the day well fed and ready to learn.
- **Outdoor Learning Experiences – \$1.0 million**  
 The proposal would increase outdoor learning opportunities for 5,000 fourth- and fifth-graders to connect with nature and gain an appreciation of the environment.

- **Project-based Math and Science – \$1.0 million**

This budget would expand project-based and work-based math and science learning. Students from all grade levels would be connected through age-appropriate curricula to the environmental, natural resource and agricultural sectors to experience new learning opportunities and explore possible careers in these areas.

**INCREASE HIGH SCHOOL GRADUATION RATES – \$18.1 MILLION (NET)**

- **Learning Assistance Program – \$34.7 million**

The governor's budget would provide funding to 300 high-poverty high schools to: extend learning time and add wraparound services for students; allow time for staff to develop and implement school-wide graduation strategies; set up school-wide efforts to improve attendance and reduce suspensions; and match students with mentors and internships. An estimated 104,000 students at eligible schools would receive these services. Of our state's students who have left high school before graduating, 44 percent came from high schools where more than half of students were from low-income families. Included in this funding is \$300,000 for OSPI to provide grants to identify students showing early warning signs of dropping out of high school, such as absenteeism, discipline issues or failing grades in multiple classes.

- **College in the High School – \$9.0 million**

The budget would provide funding to increase low-income student participation in College in the High School, which offers 11th and 12th grade students the opportunity to complete college-level academic courses. Students can earn college credit if they pay a fee to the partnering higher education institution. This funding would cover the cost of the fee for up to 10 college credits a year for an estimated 7,200 low-income students.

- **Career Readiness – \$3.0 million**

Funding would be provided to boost opportunities for more than 800 students to directly enter a skilled trade after high school graduation. Funding would support pre-apprenticeship programs; post-graduation advanced manufacturing summer terms at skills centers and newly established aerospace manufacturing academies; and the Jobs for Washington's Graduates program.

- **High School Assessment System – (\$23.0 million)**

The governor's budget assumes savings from instituting efficiencies in the high school assessment system by streamlining the number of annually administered student examinations. Students who do not pass an exam would have a new option of passing a graduation readiness transition course. The proposal would also revise the administration of the Collection of Evidence alternative to allow students to submit their credit-bearing coursework as demonstration of high school proficiency. School districts, instead of the state, would assume responsibility for evaluating the Collection of Evidence materials, and would be allowed to count the activities toward a student's annual hours of instruction.

- **Running Start – (\$5.6 million)**

The governor proposes to clarify that the Running Start program for 11th and 12th graders pertains only to those students taking their courses at the college or online.

**HIGH-QUALITY TEACHING AND INSTRUCTIONAL LEADERSHIP – \$30.4 MILLION**

- **Mentoring New Teachers – \$17.9 million**

The governor would expand the state's Beginning Educator Support Team (BEST) program. Funding would allow OSPI to work with school districts to provide mentoring to all first-year teachers and 3,000 second-year teachers.

- **Turnaround Programs – \$4.2 million**  
Funding would be provided for turnaround programs for schools identified in the state’s persistently lowest-achieving schools program. Under OSPI’s guidance, identified schools use evidence-based models for school improvement, including principal and instructional coaching. Under the law, further state interventions can occur for schools and districts, if necessary, after three years.
- **Pre-service Classroom Experience – \$4.2 million**  
This budget would fund innovation grants and restore funding for the Alternative Routes to Teaching program, allowing more K-12 classroom experience to be integrated in pre-service training programs.
- **Math and Science Training – \$2.3 million**  
The governor’s proposal would provide funding for: more instructional training for K-8 math and science teachers; development of environmental science curricula; and an increased number of teachers endorsed in secondary-level computer science. Funding would allow more than 350 teachers to be trained each year.
- **Principal Training – \$1.0 million**  
Funding would be provided to support an additional 100 first-year principals with coaching and professional development while they progress as a school’s instructional leader.
- **Special Education Support – \$800,000**  
This budget would: provide funding to establish a best practices clearinghouse for special education at OSPI; and fund training for 20 more district leaders in special education administration.

#### **COMPENSATION – \$595.6 MILLION**

- **I-732 COLA – \$385.6 million**  
The governor’s budget would fully fund Cost of Living Adjustments for educators, as required by Initiative 732 (\$235.5 million). An additional \$150.1 million would be provided to cover a 3 percent salary increase for the 2015–16 school year, followed by a 1.8 percent increase in the 2016–17 school year. These rates are in alignment with increases recommended for state employees.
- **Pension Rates – \$210.0 million**  
This budget would provide maintenance-level funding for the state’s share of higher employer pension rate contributions for K-12 employees.

#### **Early Education Highlights**

Governor Inslee’s Early Learning budget would provide \$156.3 million—the largest-ever state investment in early learning. Inslee states his budget would “invest in proven programs to ensure more students start kindergarten ready to learn.”

#### **PRE-SCHOOL PROGRAM – \$79.8 MILLION**

This proposal would provide for 6,358 new spaces in the Early Childhood Education and Assistance Program (ECEAP) for children from low-income families. The additional spaces would provide pre-school access to a total of 16,449 children from low-income families—bringing the total served to 70 percent of the eligible population.

**EARLY ACHIEVERS – \$70.5 MILLION**

The governor's budget would provide funding to improve child care quality by expanding the state's Early Achievers program that trains child care providers in effective early learning strategies.

**Higher Education Highlights**

The governor's Higher Education proposal would provide approximately \$165 million to maintain higher education access and increase higher education attainment, along with minor funding for several additional programs .

**HIGHER EDUCATION ACCESS AND AFFORDABILITY – \$125.5 MILLION**

The governor's proposal would: maintain the current freeze of resident undergraduate tuition rates for all public institutions of higher education; fund 5,576 more students in the state's College Bound program (\$25.5); and provide the state's contribution to the publicly-privately funded Opportunity Scholarship program (\$100.0 million).

**HIGHER EDUCATION ATTAINMENT AND TRAINING – \$30.4 MILLION**

This budget would provide funding to: expand advanced computer science and engineering programs at the research universities (\$6.0M); increase production of math and science graduates at the regional universities and The Evergreen State College (\$8.0M); expand the Mathematics, Engineering, Science Achievement (MESA) program at the community colleges (\$2.0M); increase job training and basic education access at the community and technical colleges for adults without a high school diploma (\$10.0M); and target industry investments to add aerospace apprenticeships, operate the composite wing incumbent worker training program and offer maritime licensing training program at the community colleges to maintain economic competitiveness (\$4.4M).