TWIO

This Week In Olympia

October 23, 2019

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About *TWIO*

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

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Economic and Revenue Forecast Update

One of the first signals that the 2020 "short" Legislative session is fast approaching is the release of the state's third quarter revenue forecast. On September 25, the [Economic and Revenue Forecast Council] unveiled its [updated revenue forecast]. As we have seen in previous forecasts recently, state revenues continue to grow. Of course, this is good news for our state's economy and for legislators who must adopt a 2020 Supplemental Operating Budget soon; however, there are hints of black clouds coming.

Revenues for the 2017–19 biennium increased slightly ($26.6 million) above the June forecast. This will provide an additional bit of padding in the 2019–21 beginning balance. Forecasted revenue for the current 2019–21 biennium increased $447.0 million beyond projections in June. When the Legislature left town this past spring, following the adoption of the 2019–21 Operating Budget, there was approximately $446.0 million left in the bank. With these additional projected revenues and automatic budget adjustments, the estimated Ending Fund Balance more than doubled to $951.6 million. So, there is a much larger projected Ending Fund Balance than originally anticipated, but if you put those numbers in the proper context, the anticipated Ending Fund Balance is still less than two percent of a nearly $53 billion budget. Certainly not a lot of wiggle room if unforeseen expenses arise. (It should be noted that the total amount of reserves, including the Budget Stabilization Account (BSA), is projected to rise to $3.13 billion. This is a significant level of reserves; however, BSA funds are difficult to access, requiring a 60 percent supermajority to use. Unless there is a real fiscal emergency, it is unlikely Republicans would be willing to provide their votes to Democratic budget-writers, allowing them to reach the necessary 60 percent threshold so they can further expand spending.)

Regardless of the amount of available revenues, legislators generally have little appetite for big spending in a non-budget, second-year session and signs that the economy may be cooling will further lower their willingness to splurge. The 2021 Legislature must adopt a new two-year budget for the 2021–23 biennium (which begins July 1, 2021) and revenues are projected to be well-above the 2019–21 level. The September forecast, however, estimates that available revenue will be $63.4 million *below* the revenue level predicted in June. This projection should not force anyone to hit the panic button, but with continued discussions and growing concerns about a recession, it is likely budget-writers will seek to exercise some fiscal restraint in 2020.

There are some additional interesting trend numbers that illustrate the slowing of our economy, raising concerns about the future. Between the 2015–17 biennium and the 2017–19 biennium, revenue growth was hot, growing 18.0 percent. From the 2017–19

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biennium to the 2019–21 biennium, revenue growth was still significant, but had dropped to 11.6 percent. The revenue growth from the 2019–21 biennium to the 2021–23 is projected to be 6.9 percent. This is still a healthy increase, but points to a cooling of our economy. At the same time, there are significant risks to our economy including slower job growth, concerns about Boeing's production, ongoing trade disputes with China and Europe, and a slowing global economy further impacting exports and the value of the dollar.

When the Economic and Revenue Forecast Council adopts a revenue forecast, they are required to adopt three forecasts. The first is a "baseline" projection that is most likely to occur. They must also adopt an "optimistic" projection and a "pessimistic" projection. For the September forecast, the baseline projection has a 50 percent probability and the optimistic projection has a 15 percent probability, while the pessimistic projection has a 35 percent probability. Said another way, if the forecast is wrong, it is much more likely revenues will be less than projected than the possibility of revenues being greater than projected.

A final revenue forecast before the 2020 session begins will be released on November 20. This forecast will assist the governor in finalizing his 2020 Supplemental Budget request, which must be released mid-December. This forecast (along with the governor's request) will also be used by legislative budget-writers as they begin to draft budget proposals behind-the-scenes. If history holds true, legislators will wait for up-to-date revenue numbers in mid-February before they publicly begin a budget rollout.

OSPI 2020 Supplemental Budget Request

By law, the governor is required to release a budget proposal to the Legislature (in this case, a 2020 Supplemental Budget request) by **mid-December**. Biennial Budget requests are due December 20; Supplemental Budget requests are due 20 days before the beginning of the next session. In order for the governor and the Office of Financial Management (OFM, the governor's budget office) to prepare his request, all state agency directors and separately elected state officials—including State Superintendent of Public Instruction Chris Reykdal—must provide a budget request to the governor in September.

On September 23, Superintendent Reykdal submitted OSPI's 2020 Supplemental Operating Budget request to the governor. His request is comprised of **three specific components**: Provide Learning Supports for Students; Ensure Students Learn in Safe and Healthy Environments; and Provide Robust Supports for New and Emerging Educators. Each of those components include multiple subsets and are more fully explained in **OSPI's Summary of Budget Requests**, as discussed below. The requests below include links to OSPI's detailed Decision Package for each line item.

- **Staffing Enrichment Workgroup Recommendations—$ To Be Determined**
  EHB 2242 (2017's *McCleary* "Solution") directed OSPI to convene a Technical Workgroup, comprised of diverse representatives of school districts and education stakeholders, to provide recommendations to phase-in staffing enrichments to the program of basic education (via the Prototypical School Funding Model), as detailed in the bill (**Section 904**).

  Superintendent Reykdal submitted his budget request with a "placeholder" (with funding to be determined) and intends on including the Workgroup's recommendations in a final budget request. Reykdal and his staff have been communicating with the governor's office and OFM to keep them apprised of the Workgroup's progress.

  The **Staffing Enrichment Workgroup** continues to meet, with a deadline for a report and recommendations of December 1, 2019. While their work is not yet complete, much of the focus has been on prioritizing additional staff allocations, via the Prototypical School Funding Model, that support the social and emotional needs of students and to engage families in culturally relevant and authentic

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ways. Additionally, there has been substantial conversation regarding the need for additional professional development focused on issues related to anti-racist, culturally relevant practices, and impactful implementation of wraparound services.

Again, Superintendent Reykdal intends on inserting the Workgroup's recommendations in this budget request. Because the charge to the Workgroup was to recommend how to phase-in staffing enhancements, the final request for the 2020 Supplemental Budget will likely be modest in scope. Conversations among the Workgroup, however, continue to focus on a long-term phase-in schedule and not a "one-time" shot. Whatever is ultimately recommended in this budget, it will be clearly stipulated that the request is just the first, small step in a long journey.

- **Funding for Paraeducator Professional Development—$39.6 million**
  Legislation adopted in 2017 (ESHB 1115) set common statewide standards for paraeducators, outlined necessary training for obtaining or meeting those standards, and offered career development for paraeducators, including a four-day fundamental course intended for all paraeducators. The 2019–21 Operating Budget provided funding for two of the four days of the course. Superintendent Reykdal requests $39.6 million to fulfill the intent of ESHB 1115 and a follow-up bill, SHB 1658 (2019) by funding the additional two days of professional development in the 2019–20 school year (to be paid in Fiscal Year 2021) for a total of four additional days in Fiscal Year 2021 and each year thereafter.

- **Special Education Funding Multiplier—$9.4 million**
  In the 2019 session, OSPI calculated the underfunded special education need to be at least $308 million (and potentially as much as $400 million), yet Superintendent Reykdal requested $87 million in his 2019–21 budget request to enhance the Excess Cost Multiplier. In the end, E2SSB 5091—and the final Operating Budget—increased the special education multiplier from 0.9609 to 0.995 in the 2019–20 school year. In the 2020–21 school year, a two-tiered multiplier will be implemented, funded at: 1.0075 for students in a general education instructional setting for 80 percent or more of the school day; and 0.995 for students in a general education instructional setting for less than 80 percent of the school day. This increased the multiplier funding by $77 million.

  In his 2020 Supplemental Budget request, Superintendent Reykdal is seeking an additional $9.4 million for the continued implementation of a tiered funding multiplier. The funding will: 1) target funds to individual student needs; and 2) promote inclusionary practices. The intention is that the additional funding will reduce—or remove altogether—the need for school districts to access local levies to provide special education services. The request would continue to use a 0.995 multiplier for eligible students with disabilities who spend less than 80 percent of their time in a general education instructional setting; however, eligible students with disabilities who spend at least 80 percent of their time in the general education instructional setting would receive an increased multiplier of 1.0251.

- **Increased Supports for Beginning Educators—$6 million**
  Although the Beginning Educator Support Team (BEST) program has been expanded over the past few years, 25 percent of new teachers, 60 percent of new principals, and 100 percent of new Educational Staff Associates (ESAs—counselors, social workers, psychologists, etc.) do not receive mentoring or induction supports. Superintendent Reykdal's request would expand the BEST program to support two years of mentorship for all new teachers, provide enhanced support for special education teachers and teachers with limited certificates, and add funding for new principals and ESAs.

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- **Increased Equity in School Nursing Services—$5.5 million**
  The Washington School Nurse Corps (SNC) is a regional delivery model to provide nursing services to small, rural school districts. Since the program's inception, the number of students who come to school each day with chronic, complex, and life-threatening health conditions has increased significantly. At current funding levels, the SNC is not able to meet the demand for nursing services for small, rural school districts. Superintendent Reykdal requests additional funding to support the SNC so every small, rural district receives registered nurse (RN) services of at least one day per week, on average, which equates to an additional statewide total of 26 FTEs. As part of his request, seeks a change in the way that money is distributed to ESDs, and recommends funding be built into the ESD allocation model.

- **School Safety: Fully Funding House Bill 1216—$4.6 million**
  In 2019, Superintendent Reykdal (in coordination and cooperation with ESDs) requested $13.0 million to establish a new statewide safety network. The Legislature adopted 2SHB 1216 to create the requested statewide network of comprehensive school safety supports for Washington's school districts. The bill also created a set of new school safety planning and practice requirements for all districts. Unfortunately, the final 2019–21 Operating Budget provided funding for less than 25 percent of the activities required by 2SHB 1216.

  Reykdal requests an additional $4.6 million in Fiscal Year 2021 to fully fund the activities established in 2SHB 1216, including: the statewide School Safety and Student Well-Being Network, regional school safety centers, statewide support for behavioral health and suicide prevention, and a contract with the University of Washington's Forefront Suicide Prevention.

- **Implementation of Statewide Early Screening for Dyslexia—$806,000**
  Current law (RCW 28A.320.260) requires school districts, beginning in the 2021–22 school year, to screen students in kindergarten through second grade for indications of dyslexia and use multi-tiered systems of support to provide interventions. Superintendent Reykdal requests $806,000 to allow OSPI to enter into no-cost rate-setting agreements with vendors selected by the Dyslexia Advisory Council to provide districts with the literacy screening tools that are best for their students and communities. The intent is to also provide professional learning opportunities for educators and increase funding for ESD staff to support the implementation of statewide early screening for dyslexia.

- **Student Teacher Residency Technical Advisory Group—$60,000**
  Residency programs are an innovative student teaching model in which the pre-service teacher spends a full school year learning on the job (in a classroom with students) from an effective teacher while also completing context-specific coursework toward certification. Teacher residency programs in Washington, however, are rare. Superintendent Reykdal's request would fund a Technical Advisory Committee to consider and make recommendations for an apportionment system that could effectively support teacher residency program model pilots in Fiscal Year 2022.

WASA 2020 Legislative Platform

On October 7, the WASA Board of Directors took action to adopt the association's **Legislative Platform for the 2020 Legislative Session**. The upcoming session is a short, "non-budget" session, wherein the overwhelming focus will be on minor adjustments to the 2019–21 Operating Budget (as well as the 2019–21 Capital and 2019–21 Transportation Budgets) and policy-related items. Understanding that, administrators must temper their expectations. At the same time, 2020 is a prime time to begin (or continue) conversations on issues of

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importance to administrators. We can use this time to further educate legislators about school district needs and build momentum for the 2021 session.

Understanding we are in for the long haul, WASA has been more intentional about rolling out our Legislative Platform. Upon adoption of the Platform, we issued a **press release**, which was forwarded to all WASA members and all state legislators. In the coming months, we will follow that up with visits to several editorial boards across the state and begin pre-session meetings with key legislators. We encourage you to review WASA Platform—your association's Legislative Agenda—and share it with your board, your community, and your legislators. You are WASA and we cannot win without you.

WASA's actual **Platform** is available on our website and described below.

The centerpiece of the 2020 Platform is the strong support for an enhancement of staffing allocations as a part of the Prototypical School Funding Model. To update all of the staffing ratios to achieve more realistic state-funded staffing levels will be enormously expensive. Increasing the ratios to the level as adopted as a part of Initiative 1351 (2014) is estimated to cost as much as $5.6 billion.

To expect complete success on this issue in the 2020 session is simply unrealistic. Even though a wholesale facelift of outdated staffing ratios will not happen in 2020, the Legislature has an opportunity to begin phasing in updated ratios. It is hoped the recommendations of the Staffing Enrichment Workgroup (discussed above) will shine a spotlight on the issue and persuade legislators to act in the coming session. Even if the Legislature makes no progress on the issue, we will have laid the groundwork for the 2021 session (when a new two-year budget will be adopted)—and beyond.

An issue on the WASA Platform that would cost the state NOTHING (while perhaps actually helping districts to save some money along the way) is a request to specifically define teacher duties and expectations. Through hard bargaining the last two years, teachers across the state have received thirteen to fifteen percent raises on average—providing them with competitive, market-level salaries. It is clear teachers are highly trained professionals, performing complex full-time work, compressed into a 180-day calendar, yet local unions—even with historic raises—continue to bargain for additional pay for work that is not "extra," but a part of a professional teacher's duties.

WASA and other education management associations have urged the Legislature to clearly define the minimum professional duties and expectations for teachers and not leave this to collective bargaining. We have been fighting for this, mostly behind-the-scenes, over the last three sessions; however, WASA decided it is high time to add this to our Platform. The statutory definition we seek must explicitly state the professional responsibilities, time, and effort required to provide the state's program of basic education exceeds the required number of instructional hours and includes such things as: preparing, planning, and coordinating instruction; collaboration with other teachers or staff; meeting with parents; and evaluating student learning. Supplemental contracts would still be allowed; however, additional compensation would have to be tied to defined extra time or responsibilities that are uniquely associated with a specific assignment above and beyond the tasks of all other teachers. Teachers are either hourly employees or salaried professionals. They cannot have it both ways.

While *McCleary*, as a protracted court battle, is "dead," implementation continues. In 2017, the Legislature adopted EHB 2242, the so-called *McCleary* "solution," and comprehensively revised Washington's K–12 education funding system. Administrators quickly recognized serious deficiencies with many components of the bill and a focus of WASA's 2018 Platform was a series of priority fixes. The 2018 Legislature did take action to revise EHB 2242 by adopting E2SSB 6362, the *McCleary* "fix" bill; however, some of the identified deficiencies were not addressed, others received minor adjustments, and some provisions further

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complicated the job of school administrators. Further changes were adopted in 2019 yet underfunding and inequities remain.

WASA's 2020 Legislative Platform again addresses needed changes to our new funding system. WASA's Platform urges the Legislature to: provide additional special education funding to eliminate the current underfunding; expand "Experience Factor" eligibility to further lessen inequities between districts; revise provisions of the new School Employees' Benefits Board (SEBB) insurance program to mitigate unsustainable new costs on school districts; and continue to review, evaluate and correct the current regionalization methodology that is intensifying district inequities.

Finally, WASA continues to advocate for additional support of school facilities. Specifically, we urge the Legislature to: give Washington's citizens the opportunity to decide whether school district bond issues should be approved with a simple majority vote; enhance the state's investment in K–12 construction by updating the current, outdated funding formulas for the Construction Cost Allowance and Student Space Allocation to ensure funding more closely reflects actual construction costs and educational space needs; and provide school districts that have difficulty passing local bonds with capital funds to support necessary new construction or modernization.

Again, we strongly encourage administrators to be engaged in the legislative process—even if the betting odds say we will have little success in 2020. If we stand and fight, we may not win all the battles, but you can be sure we will have NO opportunity to win if we are not in the fight. And do not wait until January to engage with your legislators. Take advantage of the remaining time before session starts, while legislators are in their home districts and are still in the beginning stages of developing their own priorities. Build a good relationship with your legislators and establish trust and credibility so they will come to you for information and advice.

Give legislators a tour of your schools. Meet with them for coffee. Invite them to a meeting of your Board. Help legislators to understand the complexities of public education and your needs. As you begin to implement your districts' budgets, explain to legislators what obstacles you continue to face. Many of them do not understand your frustrations—and many of them will be perplexed why a multibillion dollar increase in basic education funding in recent years and an overhaul in the finance system has not solved your problems.

Buckle up, it is going to be a long and bumpy ride.

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