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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:

House Releases 2016 Supplemental Operating Budget

This week “budget season” in the Legislature officially began. This morning the House released its 2016 Supplemental Transportation Budget, followed this afternoon by the release of a House Supplemental Operating Budget. The House is scheduled to release its third piece of the budget puzzle, a 2016 Supplemental Capital Construction Budget, on Wednesday. We have also received word that the Senate will likely move quickly and release its 2016 Supplemental Operating Budget proposal on Wednesday—before it receives the House budget (which is scheduled to receive executive action tomorrow and likely acted upon by the full House on Thursday or Friday).

Since the 2015–17 Operating Budget was adopted last year, revenues increased moderately beyond forecasted expectations. The November revenue forecast predicted an increase of \$245 million above what was projected in June. The most recent forecast released last week, however, showed evidence that the state’s economic growth was beginning to slow. Anticipated revenues for the remainder of the biennium were down almost \$67 million from the November prediction. Fortunately, news from the Caseload Forecast Council two weeks ago was more positive. Caseload costs continue to increase; however, the February forecast indicated those expected costs would be lower than anticipated in November.

Coming into the 2016 Session, there was little available revenue and any Supplemental Budget was expected to address a handful of “emergency” issues (e.g., wildfires), but make few, minor policy changes. The release of the House’s budget proposal (a Proposed Substitute of [HB 2376](#)) was, in fact, a “small” budget. In total, the budget provides for a \$219 million increase to cover increased maintenance level costs and another \$414 million in policy additions. The proposal also includes \$167 million in policy savings (for a net increase of \$248 million). Uniquely, the budget also utilizes \$318 million from the difficult-to-access Budget Stabilization Account (BSA), via newly introduced [HB 2988](#), for higher than expected wildfire costs (\$190 million), increases in Local Effort Assistance costs (\$91 million) and for homeless services (\$37 million). To access money in the BSA, a supermajority of both houses must approve of the move. In addition to the utilization of BSA funds, the House proposal also would raise \$120 million to fund K–12 compensation enhancements (discussed later).

As we discussed in last week’s *TWIO*, the most pressing concern about the 2016 Supplemental Operating Budget was the impact to the next budget. The 2017–19 budget is currently expected to be “in the red” by over \$400 million. Legislation adopted in 2012, however, requires the Legislature to adopt a four-year balanced budget. Meaning, the 2016 Supplemental Budget must make appropriate, long-term adjustments to ensure the next biennial budget balances.

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Under the House proposal, there would be a \$359 million Ending Fund Balance in 2015–17, with total reserves of \$783 million (including the BSA). The 2017–19 biennium would end with \$5 million in the Ending Fund Balance, plus additional funds in the BSA, for a total of \$453 million in total reserves.

K–12 education details follow. Complete details are available from the [Legislative Evaluation and Accountability Program Committee](#).

K–12 Education Enhancements

Breakfast After the Bell – \$2.69 million

Funding is provided for implementation of [E3SHB 1295](#), requiring high-needs schools to offer school breakfast after the beginning of the school day. Funding is sufficient to provide one-time startup grants to school districts implementing the Breakfast After the Bell program and staffing at OSPI to administer the program. (General Fund-State)

Homeless Student Stability – \$2.0 million

This budget provides funding to implement [3SHB 1682](#), which establishes a competitive grant program to evaluate and award grants to school districts to pilot increased identification of homeless students and the capacity to provide support.

Foster Youth Educational Outcomes – \$1.46 million

This budget would transfer funding the Department of Social and Health Services to OSPI for contracted services to support educational outcomes for dependent children and youth, pursuant to [4SHB 1999](#).

Educational Opportunity Gap – \$1.24 million

This budget provides funding to implement [4SHB 1541](#), including: a report on the outcomes of youth in the juvenile justice system; development of cultural competence training for all school staff; collection of student data disaggregated by sub-racial and sub-ethnic categories; posting and disaggregation of racial and ethnic data related to teachers and their average length of service; establishment of the Washington Integrated Student Supports Protocol (WISSP) to promote the success of students by coordinating academic and non-academic supports; and creation of a work group to determine how to implement WISSP.

Washington Achievers Scholars – \$580,000

Funding is provided to expand the Washington Higher Education Readiness Program to an additional school district, beginning in the 2016–17 school year. The expansion is sufficient to increase the number of students served by approximately 170.

Jobs for Washington Graduates – \$500,000

Jobs for Washington Graduates (JWG), is an intervention program that provides supports for traditionally vulnerable youth (e.g., foster care, juvenile justice, and homeless) and those students struggling to stay on track to graduate. The program includes graduation coaches who assist students in applying for jobs, and exploring colleges and accessing other post-secondary options. The budget provides funding to expand the JWG program to 25 more schools, districts, or consortiums.

Core-Plus – \$500,000

Core-Plus, now operating in 45 schools statewide, is a direct school-to-career program that aligns school curriculum with the skills employers need while engaging students and motivating them to graduate. Schools partner with businesses in high demand industries including aerospace manufacturing, maritime, construction, and agricultural mechanics to develop courses that will lead to employment for students after high school. This budget provides additional funding to expand the program to 20 new sites and replaces expiring grant and private funds that currently support the programs.

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Truancy Reduction – \$500,000

This budget provides funding to implement **2SHB 2449** including: implementation of a grant program, with grants totaling \$350,000, to provide training for members of therapeutic truancy boards; dissemination of truancy board best practices to all school districts; and staff support for the Educational Opportunity Gap Oversight and Accountability Committee to review and make recommendations to the Legislature regarding cultural competence training truancy board members should receive.

School Lunch Copays – \$500,000

Funding is provided for implementation of **SHB 2964**, which will eliminate lunch copays for students qualifying under the federal Reduced-Price Lunch Program. Elimination would be phased in beginning with schools that have the greatest number of students qualifying for Free or Reduced-Price Lunch.

CTE Course Equivalencies – \$250,000

Support is expanded for the Career and Technical Education (CTE) math and science course equivalency frameworks authorized in law. This support includes development of additional equivalency course frameworks, course performance assessments, and professional development for districts implementing the new frameworks. These frameworks are guides that align national and industry standards to state core content standards, performance assessments, and other elements. This would expand the options students have to meet the 24-credit graduation requirement.

Mental Health Collaboration – \$249,000

Funding is provided to implement **2SHB 1900**, which establishes the Professional Collaboration Lighthouse Grant Program to assist school districts with early adoption and implementation of mental health professional collaboration time.

Language Access for Parents – \$201,000

OSPI is required to translate essential information about educational services into the major languages spoken by Washington families. This includes translating new materials required under a 2015–17 budget proviso for families regarding their rights to language assistance services. Funding is provided for ongoing translation needs.

Equity in Student Discipline – \$170,000

Across the state, students of color and students with disabilities are disproportionately impacted by the use of suspensions and expulsions, giving rise to concerns about equitable treatment, equal opportunities, and discrimination. Funding is provided for a program supervisor to assist districts and communities to implement evidence-based practices to eliminate these disparities, reduce the overall use of exclusionary discipline, and maintain safe and positive school climates. OSPI is directed to work with an external advisory committee to keep apprised of school and community needs, offer feedback and policy recommendations, and coordinate efforts.

Healthiest Next Generation – \$170,000

OSPI, the Department of Health (DOH) and the Department of Early Learning (DEL) partner together to coordinate effective policies and programs, and encourage school, community and family involvement through shared information and communication. Funding is provided to OSPI to continue these efforts that focus on nutrition services, physical education, and health services. Additional funding is provided for the program within the DOH and DEL budgets.

Summer Internship Program – \$100,000

Funding is provided for a Skilled Workforce Development High School Summer Internship Pilot Project. Two urban high schools will partner with the Port of Seattle and manufacturing and maritime employers to provide summer internships to ten students.

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School Counselor Task Force – \$82,000

As required by [SHB 2381](#), funding is provided for the Professional Educator Standards Board to convene a ten-member task force on school counselors, psychologists, and social workers.

Summer Knowledge Improvement – \$50,000

Funding is provided to implement the Summer Knowledge Improvement Program (SKIP), providing additional student learning days in low-income elementary schools, to combat summer learning loss and close educational opportunity gaps.

Legislative Youth Advisory Council – \$40,000

Funding is provided to support the Legislative Youth Advisory Council (LYAC). The LYAC is an official advisory council administered and coordinated by OSPI, consisting of a group of 22 students, ranging in age from 14 to 18. The LYAC meets up to four times per year, advocates for youth-related bills, holds an annual action day to meet with legislators, and produces annual reports.

K–12 Reductions or “Savings”

High School Assessments – (\$14.55 million)

Funding is reduced to reflect implementation of [SHB 2214](#), which discontinues administration of the 10th grade reading, writing, and mathematics assessments after the 2015–16 school year, and eliminates all but one existing alternative assessment option. This will reduce OSPI staffing costs and contract costs.

Quality Education Council – (\$160,000)

Funding is reduced, reflecting the elimination of the Quality Education Council, pursuant to [HB 2360](#).

Compensation Adjustments

Recruit and Retain K–12 staff – \$98.5 million

Funding is provided for the following K–12 public school compensation related changes:

- certificated instructional staff salaries (CIS) are revised including increasing state allocations for beginning bachelor’s degree certificated instructional staff to \$40,000 and adding an additional year to the state salary allocation grid;
- the state allocations for classified staff salaries are increased by an additional 1 percent, on an on-going basis, above the increased allocations provided in the 2015–17 biennial appropriations;
- the bonus for National Board certified teachers that teach in challenging schools is increased to match the base National Board Certified Teacher bonus; and
- a new annual bonus in the amount of \$650 is provided for certificated instructional staff that have attained their second tier certification.

Additionally, funding in the amount of \$5.0 million is added to the Beginning Educator Support Team (BEST) program, and \$3 million is added for professional development for certificated instructional staff.

Revenues expected to be raised by implementation of separate legislation ([HB 2996](#)) which would eliminate six tax “loopholes” would fund these teacher recruitment and retention components.

K–12 Retiree Remittance – (\$5.8 million)

The K–12 public school insurance benefit allocation currently includes \$70.45 per member per month for retiree health benefit remittances. This budget reduces that rate to \$64.39 per member per month, reflecting updated estimates.

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Other Details

K–12 Levy Lid Revision Delay – \$90.5 million

Funding is provided to a new Local Effort Assistance Account Funding, established in [EHB 2698](#), the bill to address the “levy cliff.” The funding is appropriated from the Budget Stabilization Account, as required in [SHB 2988](#).

K–12 Salary Data – \$500,000

Funding is provided for the Washington State Institute of Public Policy (via The Evergreen State College budget) to contract with a professional consulting firm to conduct an analysis of K–12 public school staff compensation, as required by [2ESB 6195](#).

Teacher Shortage – \$2.5 million

Funding is provided to the Washington Student Achievement Council (WSAC) to implement [E2SHB 2573](#). Among other things, the bill requires WSAC to administer a new Teacher Shortage Conditional Grant program, to be established within the Future Teachers Conditional Scholarship and Loan Repayment Program. The purpose of the Teacher Shortage Conditional Grant program is to encourage individuals to become teachers by providing financial aid to individuals enrolled in professional educator standards-approved teacher preparation programs. WSAC must develop and adopt rules to administer the program.

Truancy Reduction – \$71,000

In addition to the funding provided above, funding is provided to the Washington State Institute of Public Policy (via The Evergreen State College budget) to conduct a study of local practices that address truancy under [2SHB 2449](#).

MESA Community College Program – \$450,000

Funding is provided, via the Community and Technical College System budget, to bring six Math, Engineering, and Science Achievement (MESA) program community college pilot sites to scale. MESA improves students’ math outcomes, degree completion, and attainment, resulting in more underrepresented students entering science, technology, engineering, and math (STEM) careers. With these resources, the program would reach an additional 350 community college students.

MESA Pre-College Program – \$250,000

Funding is provided in the Higher Education Budget (University of Washington) to expand the Mathematics, Engineering, and Science Achievement (MESA) pre-college program to reach more than 1,000 high school juniors and seniors in six regional centers with college readiness services to help with the critical transition to college. MESA has been proven to increase the number of underrepresented students entering careers in science, technology, engineering, and math (STEM). Funds would also sustain MESA services at the First Nations Center in the Yakima Valley.

