



This Week in Olympia

Washington Association of School Administrators

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Week 12

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**This is the 82nd day of
the
Jan. 12 through April 26
2009 Regular Session
(23 to go).**

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THIS WEEK IN REVIEW

BUDGET UPDATE

Earlier this week, two special editions of TWIO provided information on the proposed House and Senate Operating Budgets. As the week progressed all of the other budgets needed for the legislature to complete its business this session were also released. Now the budget committees, and eventually the full legislature must come to agreement and pass a final 2009-2011 Operating and Supplemental Budget, Capital Budget and Transportation Budget. Everyone is still hopeful that all of this will be concluded by the scheduled end of the regular session - April 26. The Governor must then sign the budgets into law –and she can veto sections of the budget she doesn't agree with.

K-12 BUDGETS

One of three documents relating to the K-12 portion of the operating budgets is provided below.

- OSPI's *Comparison Chart* for the Governor's, Senate and House proposed Operating budgets
- OSPI's Pivot Tables for ESTIMATES of district by district allocations for both the proposed House and Senate budgets as well as the Budget Drivers will be available on Monday, April 6 at:
<http://www.k12.wa.us/SAFS/Misc/BudPrep09/Pivot%202009-11Web.xls>

THIS WEEK IN REVIEW

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CONTACT YOUR LEGISLATORS

We encourage every school district to contact their local legislators. Since you are receiving information on allocations based on estimates, you should let legislators know what your best estimates are about the impacts these budgets could have on your district. The legislators need to know how many positions/people could be let go; which classes, courses, programs, services might have to be eliminated; how class size could be affected, etc. They also need to know that the stimulus dollars are only a band-aid and that districts will be restricted in the use of these dollars. They have told us that they might be able to move the dollars around (in the budgets), but there is no more money. They said everyone will feel the pain. Every legislator needs to hear from you how that pain is being felt in school districts across the state. For legislators' email addresses go to the Session Guide on WASA's website www.wasa-oly.org. Please cc bmertens@wasa-oly.org.

CAPITAL BUDGETS & SCHOOL CONSTRUCTION

The Capital budgets were also released this week. Information on these budgets prepared by legislative staff is provided below.

2009-2011 House proposed Capital Budget PSHB 1216 Debt Limit Considerations

Overview of Bond Capacity

Washington State currently has a 7 percent statutory and 9 percent Constitutional debt limit. The state cannot issue bonds for which the debt service on the new bonds, when added to the debt service on existing bonds, would exceed 7 percent of a three-year average of general state revenues under the statutory limitation and 9 percent under the Constitutional limitation.

The House Chair budget proposal assumes passage of House Bill 1454 or the companion Senate Bill 5537. The bills align the 7 percent and 9 percent Constitutional debt limits. The proposal also assumes passage of Senate Bill 5073, which increases the general state revenue on which the debt limit is calculated by eliminating the statutory dedications and abolishing the following near general fund accounts: the Health Services Account, the Violence Reduction and Drug Enforcement Account, the Water Quality Account, and the Public Safety and Education Account (including the Equal Justice Subaccount).

The new capital budget appropriation bond capacity is approximately \$1.8 billion for the 2009-2011 biennium and the 2009 supplemental budget, based on the 9 percent debt limit, the elimination of the four near general fund accounts, the current interest rate and revenue assumptions, and other variables. Appropriations made in the supplemental budget allow for a total of approximately \$2 billion bond appropriation capacity.

Revenue Transferred to the Operating Budget (\$780 million)

Several dedicated state accounts traditionally appropriated in the capital budget are transferred to the operating budget, including, but not limited to, lottery revenue used for school construction, Public Works Assistance Account revenue used for local infrastructure projects, and Model Toxics Control Act accounts (State Toxics and Local Toxics) used for environmental cleanup, and a portion of the higher education building fee accounts used for minor works construction projects at the community and technical colleges and the four-year higher education institutions. Many of the programs traditionally funded with the revenues that were transferred to the operating budget are funded in the capital budget with bonds.

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House K-12 School Construction Assistance (\$850 million)

K-12 school construction assistance grants are provided from the following: \$585 million from state general obligation bonds, \$68 million in school construction/skills center bonds, and \$177 million from the Common School Construction Account (CSCA). The CSCA receives revenue from a variety of sources, including timber revenue, trust land transfers through the Department of Natural Resources, federal revenue, and investment and interest income. Additional funding totaling \$20 million is provided for Seattle Public Schools, skills center minor works, and skills centers in Wenatchee and northeast King County.

Environmental Health and Safety Repairs (\$22 million)

State general obligation bonds in the amount of \$20 million are provided for a grant program to assist school districts in making facility improvements to meet the state Board of Health's proposed new environmental health and safety rules. An additional \$2 million is provided for the small repairs program to provide school districts with grants of up to \$100,000 for urgent health and safety repairs and renovations.

Department of Health – School Rules

The DOH-WSBOH has prepared a statement on the \$20M included in the House Capital Budget relating to funding the school rules they've proposed. [The statement can be found here.](#)

New Appropriations

**Public Schools
(Dollars in Thousands)**

	State Bonds	Total
2009-11 School Construction Assistance Grant Program	653,110	827,000
Apple Awards	250	250
Capital Project Administration	0	3,337
Health and Safety Grant Program	20,000	20,000
North Central Technical Skills Center	4,007	4,007
Northeast King County Skills Center	9,049	9,049
Seattle Public Schools	3,000	3,000
Small Repair Grants	2,000	2,000
Vocational Skills Center Minor Capital Projects	3,694	3,694
Total	695,110	872,337

2009-2011 Senate Proposed Capital Budget PSSB 5222

The proposed Senate capital budget for the 2009-11 biennium shows a 29 percent reduction from the current biennium in total funds and a 17 percent reduction in debt limit bonds. The total fund reduction is due to declining debt capacity, a result of falling general revenues and the transfer of \$743 million to the general fund of cash accounts typically spent in the capital budget. The reduced bond capacity or \$1.9 billion would have been \$600 million less without two changes that expanded debt capacity. The Senate budget bond capacity assumes that the Health Services Account, the Water Quality Account, the Public Safety and Education Account and the Violence Reduction and Drug Enforcement Account are undedicated and become general revenue for purposes of calculating the constitutional debt limit. The Senate budget also shifts \$120 million of general obligation bond authority from the transportation budget to the capital budget. The table below shows the changes by functional area.

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SENATE K-12 EDUCATION CONSTRUCTION

A total of \$693.6 million was appropriated for K-12 construction assistance grants, which fully funds the state's contribution to school construction projects projected for the 2009-11 biennium. The appropriation consists of \$350.7 million in state bonds, \$259.0 million from the Common School Construction Account (CSCA), \$2.5 million from federal funds, and \$81.3 million from the School Construction and Skill Centers Building Account. In addition, the Senate budget increases the Small Repair Grant program by \$1 million from the 2007-09 level of \$4 million.

Public Schools

(Dollars in Thousands)

2007-09 School Construction Asst. Grant Program	137,267
2009-11 School Construction Asst. Grant Program	693,573
Capital Project Administration	3,337
Small Repair Grants	5,000
Vocational Skills Center Minor Capital Projects	3,694
Total	842,871

Links to Capital Budget Documents

[House Documents](#)

[Senate Documents](#)

EDUCATION FINANCE BILLS

Negotiations continue among legislators, the Governor's office and stakeholders to come to agreement and a final bill (ESHB 2261/ESB 6048) that will lead the way to a new and fully funded system of basic education in Washington. A [three-way comparison chart](#) shows similarities and differences of the Governor's letter to the legislature and the most recent proposals from the House and Senate.

On Wednesday, Greg Lynch, Superintendent, Central Kitsap School District, presented the proposal for effectively and efficiently managing organizational change across all segments of the K-12 system. His presentation, "[Anatomy of Change](#)," is particularly relevant to the ongoing deliberations about changing the K-12 finance system by providing a roadmap of how the work that has been done so far can be carried forward through the Office of the Superintendent of Public Instruction. OSPI and legislators at the Senate education committee hearing expressed interest in continuing to look at this model.

AASA FEDERAL STIMULUS UPDATE

AASA has contacted the state executive directors to let them know that new guidance has been released by the U.S. Dept. of Education for Title I, IDEA and SFSF. Two separate sets of books will be required for accounting purposes for Title I and IDEA—one for regular allocations and one for stimulus funds. Additional guidance can be accessed at <http://www.ed.gov/policy/gen/leg/recovery/index.html#apps>. (See pages 28, 29 for guidance on personnel actions that are permissible under Title I.)

BILL UPDATE

Bills needed to be out of the policy committee in the opposite house by March 30 to remain alive. If there is a fiscal impact, the bill was referred to a budget committee and it must pass that committee by April 6. Bills must be out of the opposite house of origin by April 17. A bill may be considered at a later date if it is "necessary to implement the budget." Many of these bills have been "transformed" on their journey

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through the legislature—some by minor amendments, others by “strikers” which can, in effect, change the entire focus of the bill. Because bills can be altered—even on the floor—the bills described below could actually change again before this is all over. Some of the bills we have been tracking that are still alive are described below in their most recent iteration. All of the bills still on the move can be found [HERE](#) as well as [Cut-off Dates](#) here. (The Retirement and Health Bill Watch link is on page 8.)

ESHB 1018 - Special Election Dates

The March and May special election dates are eliminated. The February special election date changes from the first Tuesday of the month to the second Tuesday of the month. The second date is the fourth Tuesday in April. The deadline for when a resolution calling for a special election must be presented to the county auditor changes from 52 days to 45 days prior to the election date.

HB 1075 - Interstate Compact on Educational Opportunity for Military Children

The stated purpose of the Compact is to remove barriers to educational success imposed on children of military families in the areas of educational records, immunizations, kindergarten and first grade entrance age, program and course placement, tuition, residency, extracurricular activities, and graduation. By joining the Compact, Washington State agrees to comply with the Interstate Commission which will create and enforce the rules governing the Compact's operations and policies.

SHB 1292 - One hundred eighty-day school year waivers

Allows the SBE to grant up to 5 waivers (two with districts under 150 FTE and three to districts between 150-500 FTE) based on the criteria for a flexible calendar school year. The SBE is to determine by 2014 whether or not to continue the program.

HB 1322 - School Scoliosis Screening

Repeals the requirement that students in public schools be screened for scoliosis. (The first unfunded mandate to be repealed in years.)

EHB 1385 - Sexual misconduct by school employees

Sexual misconduct in the first degree by a school employee is defined as sexual intercourse with a registered student of the same school who is at least 16 years old, but less than 20, if the employee is 60 months older than the student and in the second degree if there is sexual contact.

SHB 1418 - Dropout re-engagement

A system to re-engage students age 16-20 who have dropped out of school is established. Districts must provide a program. ESDs act as brokers and managers of interlocal agreements. If a school district has its own program or enters into an interlocal agreement with an ESD this requirement is satisfied. The bill identifies the specific program and accountability requirements that must be met and, the ESD, school district and OSPI responsibilities. OSPI must allocate the per-FTE student basic ed and I-728 funding allocations directly to the ESDs for districts under the interlocal agreements (5% to ESDs and 2% to districts for administrative costs).

HB 1562 - Graduating without a certificate C 17 L 09

Signed by the Governor, this bill allows students (through the class of 2012) to graduate without having to take the WASL math annually until they graduate. They still have to take it the first time and they must take two math credits after their sophomore year if they do not pass it. (One credit after their junior year for the class of 2008—making this retroactive to last years graduating class.)

ESHB 1703 - Child immunization exemptions

Parents or guardians seeking personal or philosophical exemptions from immunizations for their children must specify which vaccines, why they don't want them, that they know the child will be prohibited from attending school if there is an outbreak of that disease and must provide a medical exemption or certification from a physician, a

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physician assistant, a naturopath, or advanced registered nurse.

ESHB 1741 – School employee dismissal

Provides for the immediate termination of classified employees pleading guilty or convicted of specified felony charges (including incest, kidnapping, assault and robbery). District contacts must prohibit employees of contractors under the same conditions from working at public schools if they have contact with children during employment. Any person whose certificate or permit is subject to revocation due to a guilty plea or conviction of the specified felony charges if that person has contact with children during employment is terminated. The district may recover salary or compensation paid to those employees during the period in which the employee was placed on administrative leave. The person does not have to be a district employee in order to file a complaint. Mandatory revocation applies to convictions or guilty pleas that occur on or after the effective date of this act. A certificate obtained by fraudulent means is subject to revocation. Prosecutors must notify the Washington State Patrol of guilty pleas and convictions and the WSP must provide the list to OSPI. Superintendents must notify OSPI upon termination of a certificated employee occurring under the provisions of this act.

ESHB 1758 – Expanding options for high school diplomas

Running Start students completing an Associates degree are eligible to receive a high school diploma.

SHB 1774 – State forest revenues

Allows 70 percent of revenues generated from the sale of timber on state-owned lands to be deducted from the state's general apportionment allocation to school districts.

SHB 1776 – School district levies

The bill lifts the sunset provision in current law which goes through 2011 and continues to provide for school district levy bases to include the difference between funding that would be provided under I-728 and I-732 and the amounts funded by the legislature. Districts can return to voters part way through a levy collection period if legislation is enacted that increases the levy base.

EHB 1824 Concussion/head injuries in youth sports (the Zachary Lystedt law)

School districts must require a statement of compliance from private non-profit youth programs with respect to policies for the management of concussion and head injuries in youth sports and work with WIAA to develop guidelines and inform coaches, athletes and parents of the dangers of concussions and head injuries. Youth athletes and parents must annually sign and return a form prior to practice or competition. If an athlete is suspected of sustaining a concussion or head injury, he/she must be removed from practice or the game and cannot return without a written clearance to play from a licensed health care provider, who may be a volunteer.

2SHB 2119 – Dual credit opportunities

Dual credit College in the High School programs are placed into statute and rules will be adopted for programs and reporting. Community colleges may charge Running Start students fees. Long term funding proposals for Running Start must be developed by OSPI, HECB and higher education institutions.

SSB 5410 – Online learning

State funded public school or public school online learning programs must be accredited through the NWAAS or another national, regional or state accreditation program listed by OSPI. OSPI must conduct a review of online courses and programs offered in 2008-09 to create a baseline of data. The report is due to the legislature by Dec. 1, 2009.

SB 5414 – Revising the state assessment system

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The intent of this legislation is to redesign the current statewide system to include multiple measures, improve data collection, include many data points for accountability purposes, be instructionally supportive, provide rapid feedback, link student growth with instructional elements, provide tests appropriate to all student skill levels, include cultural competency, inform parents, link analysis to student characteristics, adapt to technological advances and engage students. In addition, a WASL-type assessment is needed as a systems check and classroom based assessments are needed to inform decision-making. Professional development is recognized as a big component. Removes provisions that require students to pass the mathematics and science WASL for graduation purposes after the State Board of Education (SBE) makes a determination that the assessment is sufficiently reliable and valid, and requiring the SBE to adopt such a determination by September 1st of the freshman year of the graduating class to which the requirement would apply.

Requires the Superintendent of Public Instruction to include, in an implementation plan, strategies to ensure students have the opportunity to learn both the new science and math standards (instead of only the science standards). Removes a requirement that the plan include development of instructional models to help teachers. Includes in the plan an assessment of the feasibility of the current timelines for students to demonstrate they have met the standards on the high school assessments. Clarifies that the SPI should recommend rather than determine whether science should be assessed with an end-of-course assessment. Replaces two sequences of end-of-course assessments in high school mathematics (Algebra I and Geometry as well as Integrated Mathematics I and II) with one sequence of end-of-course assessments: An assessment for the first year of high school mathematics including standards common to Algebra I and Integrated Mathematics I, and an assessment for the second year of high school mathematics including standards common to Geometry and Integrated Mathematics II.

SB 5487 – Notification date for nonrenewal

Notice of nonrenewal or transfer of certificated employees must be provided by June 15 if the Omnibus Appropriations Act has not passed the legislature by May 15. (Sent to the governor)

SSB 5779 – School environmental health & safety rules

During the period January 1, 2009, until January 1, 2015, before the board implements any rules pertaining to primary and secondary school facilities, the board must present 1) the rules; and 2) a final cost estimate to the legislature. The legislature must formally approve the implementation of the rules through the budget, or by statute, or by concurrent resolution. The legislature may incrementally phase in appropriations to support the school rules until full implementation can be achieved. School districts are encouraged to review the board's rules and to consider implementing those that have no fiscal impact.

ESSB 5887 – Flexibility in education system

Repeals, modifies, or suspends for two years multiple laws related to notice and reporting by the Office of Superintendent of Public Instruction (OSPI) and school districts, and required actions by school districts in the areas of curriculum, courses, assessments, and students plans. Go to [Bills on the Move](#) and click on the bill number to see specific provisions. Modifies certain notice and reporting requirements by permitting online access to information to be sufficient, unless written information is specifically requested by a parent. Repeals two award programs and allows the OSPI to publish the Common School Manual online.

E2SSB 5941 – Education data system

Removes a requirement that the OFM Data Center annually submit a list of data elements to the K-12 Data Governance Group and that, within three months, the Group return a feasibility analysis. Removes Legislative intent to have OFM and LEAP provide independent review and evaluation of the K-12 data system. Establishes the

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K-12 Data Governance Group in OSPI, not OFM. Removes a requirement that the Governance Group report to the OFM Data Center and LEAP, but maintains authority for those entities to periodically review the work of the Group. Includes a statement of Legislative intent that the K-12 data system serve various information needs, with benefits weighed against costs to districts, and remain focused on improving education. Adds an expectation for the system to contain student data sufficiently disaggregated to permit monitoring of progress in closing the achievement gap. Removes specificity from the expected data elements, data governance, and operating rules. Removes requirements for reports to comply with technical requirements established by the OFM Data Center and to include documentation of which data are not available or estimated. Removes requirements for SPI to post certain specified reports on the internet.

**COMMITTEE
HEARING SCHEDULE
Week of Apr 6 - Apr 10**

Budget committees will meet on Monday to exec bills referred to their committees. The remainder of the week will consist of deliberations in the caucuses and on the floor.

HOUSE OF REPRESENTATIVES

**FLOOR SESSION
SCHEDULE
Week of April 6 - 11**

MON. - FRI.	HOUSE SESSION/CAUCUS	10:00 A.M.
TUES.	HOUSE SESSION/CAUCUS	1:30 P.M.

SENATE

MON. - FRI.	SENATE SESSION/CAUCUS	9:00 A.M.
TUES - FRI.	POSSIBLE SENATE SESSION/CAUCUS	6:00 P.M.
SAT.	POSSIBLE SENATE SESSION/CAUCUS	10:00 A.M.

**RETIREMENT/HEALTH
BENEFITS**

At this point of time only four of the nine Select Committee on Pension Policy (SCPP) bills that impact some K-12 employees have moved out of the opposite house fiscal committee. These are HB 1551, Military Death Benefits; SB 5303, PERS to SERS Auto-Transfer; SB 5315, Survivors of PERS 1; and SB 5305, DRS Technical Corrections.

There is still time through Monday, April 6th, to have others acted on by the fiscal cut-off.

ESSB 5238, which has passed both houses, is a victory for Washington State School Retiree Association. This bill gives authorization to DRS to assist with mailing information to retiree members of the state retirement systems.

We are still waiting for action on 2SSB 5491 (K-12 into HCA Work Group). The Health Care Authority fiscal note on the study, which is listed at \$735,000, may end up being the downfall of the bill. It appears that the HCA's intent is to do much more than put together preliminary information.

Both the Senate and House budgets save between \$410 to \$429 million by delaying payment on the Plan 1 unfunded liability. The specific way each house will accomplish this saving will be by introducing a bill to accompany the operating budget. Information regarding new employee contribution rates and health benefits can be

AEA

found on our association's website under [Retirement/Health Benefits bill watch](#).

This week AEA testified on all four 2009-11 budgets. On Tuesday, we urged the Senate Ways and Means Committee to reconsider their decision not to fund the \$1.2M fresh fruits and vegetable program in the operating budget. This year, thanks to the passing of last year's local farms/healthy kids bill, twenty-five school districts are serving fresh fruits and vegetables grown in our state to their K-8 students, with great success. We also asked the committee to reconsider their decision to reduce levy equalization by \$284M, as we believe that all cuts should be fair and equitable. Unfortunately, this decision significantly impacts the property-poor districts in our state.

The same day, AEA testified on the education portion of the House Operating Budget, thanking the House Education Appropriations Committee for maintaining the school nutrition program, including the elimination of the breakfast and K-3 lunch copays, as well as the K-4 enhancement and levy equalization.

Then on Wednesday, we thanked the Senate Ways and Means Committee for increasing the School Repair Grant Program from \$4M to \$5M in their capital budget. Finally, on Thursday, we thanked the House Capital Budget Committee for continuing the Repair Grant in the amount of \$2M. We also appreciated their \$20M allocation, which provides "down payment" funding for the implementation of the State Board of Health environmental health and safety rule. Yet we cautioned them to consider the effect of new health and safety grants on district maintenance and operations staff, which in many districts will be severely reduced due to the operating budget shortfall.

KEEPING UP WITH THE LEGISLATIVE SESSION

You can contact legislators using the Legislative Hotline 1-800-562-6000, by going to the legislature's website: <http://www.leg.wa.gov> or by using WASA's Session Guide at www.wasa-oly.org.

The legislature's website also provides you with calendars and session schedules, bill information, committee membership and legislator websites.

TVW

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