

**Alliance of Educational Associations
WA Assn of Maintenance and Operation Administrators
WA School Nutrition Assn
WAMOA Regional Mtgs – April / May 2020
Revised 4/5/20**

Alliance of Educational Associations, comprised of WA Association of Maintenance and Operation Administrators (WAMOA) and WA School Nutrition Association (WSNA), felt somewhat positive about the 66th Legislature's response to our 2020 priorities. The funding in the Capital Budget was sincerely appreciated, although we have concerns about the SCAP funding. In the operating budget several AEA priorities were partially funded, although special ed and the SEBB program remain woefully underfunded.

This report will review (1) **ESSB 6168, 2020-21 supplemental operating budget**; (2) **ESSB 6248, 2020-21 capital budget**; (3) several bills that AEA supported or watched with keen interest which passed and didn't pass, (4) discussion of **OSPI's Proposed Rule on Seated Lunch Duration and Recess Before Lunch**, and (5) WAMOA's interim plans.

ESSB 6168 2020-21 Supplemental Operating Budget

Revenue

- February 2020 revenue update – up \$606M
- Total revenue increase since the Legislature approved their 2019-21 operating budget last April – up \$1.5B

Overall Budget View

- Final budget adds \$961M to the underlying 2019-21 operating budget for a total of \$53.5B
- \$961M includes \$839M in policy additions and \$121M in required Maintenance Level spending
- This total does not include the \$200M, \$175M from Budget Stabilization Acc't (Rainy Day Fund) and \$25M from federal funds to implement HB 2965, funding the COVID-19 outbreak
- Budget writers were intent on leaving a substantial reserve with \$918M in the projected Ending Fund Balance and \$2.9B in reserves; this prepares for the state for an uncertain economic future, based on a possible economic downturn due to the COVID-19 outbreak
- On April 3, the Governor signed ESSB 6168, but also reduced the budget by \$235M due to the current health crisis, and begins making adjustments for the next budget cycle (2021-23)

- Originally the K-12 budget for 2020-21 was \$185M; however, the Governor reduced K-12 by \$83.1M, including \$79.7 from major enhancements listed below and \$3.4M in 17 smaller K-12 programs

Enhancements

- **Special Education: \$1.9M (AEA Priority)**
SB 6117 did not pass, and is **NOT** funded (\$9.7M for spec ed multiplier); \$11.1 for safety-net awards; funding only for safety-net awards expected growth (\$1.9M)
- **Mental Health & Safety: \$2.6M (AEA Priority)**
Adds 1.5 FTE for behavioral health and support for regional coordination at each of the nine ESDs in their Regional Safety Center, established in HB 1216 (2019); now ESDs have 2.5 FTE; funds health and safety grants to school districts, and a contract with U of W-Forefront Suicide Prevention program
- **School Counselors: \$31.8M (AEA Priority) VETOED**
An additional 0.5 FTE counselor per prototypical school for all high poverty elementary schools (includes 45% of K-6 enrollment)
- **School Meals Implementing SHB 2660: \$57K (AEA Priority)**
Provides OSPI with a .5 FTE fiscal analyst for six months to assist with the ISP (individual student percentage) validation as well as training and TA for the implementing schools
- **SEBB Eligibility Implementing SB 6189: \$3.7M (AEA Priority)**
Health Care Authority is funded to implement SB 6189, which prohibits dual enrollment in SEBB and PEBB coverage and directs HCA to analyze changes in the requirement that employers remit premium for employees that waive medical coverage
- **Not Funded: House** added \$50K for HCA to study and report on s.ds' utilization of sub tchrs, and impact of SEBB benefits on sub tchr staffing (AEA Priority)
- **Homeless Student Stability: \$200K**
Provides competitive grants for high-need districts to supplement the federal McKinley-Vento funds
- **Paraeducator Training: \$14.4M VETOED**

Each adds two additional days of paraeducator training; funding will allow each paraeducator teaching in SY 2019-20 to complete the four-day fundamental course of study by the end of SY 2020-21

- **Small School Funding: \$4M VETOED**
Provides funding for sds during SY 2020-21 that have enrollments of less than 650 FTE students; OSPI is required to prioritize districts with low fund balances or other demonstrated financial need; charter schools and tribal-compact schools are eligible to receive grants
- **Pupil Transportation: \$62.8M (\$29.5M VETOED)**
\$29.5M (one-time) backfill of pupil transportation for over-expenditures in FY2019; \$11.8M to adjust to prior yr transportation base; \$21.5 (one-time) "hold harmless" funding

Reductions

- **Local Effort Assistance: \$45.8M (\$-69.5M)**
One time LEA hold harmless funding for CY 2020 due to assessed property values above forecast (\$45.8M);
Overall LEA funding, however, is reduced by \$69.5M due to higher assessed values
- **School Employee Health Benefits Reduction: \$-71.1M**
Following results of benefits procurement and open enrollment, costs are expected to be lower than funded in the 2019-21 biennial budget; for SY 2020-21, benefits will go from \$1,156 per month to \$1,000 per month
- Governor signed the budget on April 3
Unfortunately, K-12 nutrition staff health benefits continue to be funded by the local levy and not by the operating budgets

ESSB 6248 2020-21 Supplemental Capital Budget (K-12 section)

- Provides \$19.56M in bond proceeds and \$25.876M in State Common School Construction Account and \$840K from the Federal Common School Construction Account for a total of \$46.276M

- The 25.9M would fund the state funding assistance for the 65 projects of new construction and renovation in 39 school districts in the July 1, 2020 release
- In the House supplemental capital budget (SHB 2324) which was released in February, it provided \$13.4M in bond proceeds and \$52.7M in State Common School Construction Account to fund 65 aforementioned projects. Their budget's grand total was \$66.04M
- In the Senate supplemental capital budget (SB 6248) which was also released in February, it provided \$19.8M in bond proceeds and \$53.5M in State Common School Construction Account to fund those 65 projects. Their budget's grand total was \$73.3M
- **AEA is very concerned that the SCAP funding was reduced from the proposed amount in both budgets to \$25.9M**
- In discussing the issue with capital budget staff from both House Capital and Senate Ways and Means, we found that the decision to fund SCAP at a lower level was due to an assumed drop-off in SCAP square footage requests based on past history for the second year of the biennium
- In discussing this situation with OSPI School Facilities and Organization staff, we were informed that should the anticipated 65 construction and renovation projects in the 39 school districts funding assistance exceed the \$25.9M, OSPI would have to prioritize their funding decisions
- Some districts then would not receive their funding assistance until July 1, 2021, or in the remote possibility that the Legislature would fund a "second supplemental capital budget" early in the 2021 session, their funding would come sooner
- **From AEA's view, it's unfortunate that this reduction in SCAP funding was made after all public input was received on both capital budgets**

Seismic Safety Improvement School Building Retrofit Grant (\$13.24M)

- OSPI must prioritize school seismic retrofit grants with the most significant building deficiencies and the greatest seismic risks, beginning with the facilities classified as very high risk

Small School District Modernization Grant (\$3.4M)

- There were many more schools projects applied for than could be funded with in the \$19M funded in the 2019-21 capital budget

- An additional \$3.4M is allocated for this grant program
- ESSB 6248 approves the list of **Small District Modernization Grant projects** that were selected by OSPI as directed by the 2019-21 capital budget, including those funded with the additional \$3.4M
- Specifically, the budget funds the following small school districts' modernization grant projects: Oakville, Kahlotus, Washtucna, Index, Lamont, Green Mountain, Harrington, Skamania, Endicott and Centerville (\$22.226M)

Distressed Schools Grant (\$2.6M)

- An additional \$2.6M was added by the budget so the total list of projects now includes, Mount Adams, Seattle, Tacoma, South Kitsap and Republic SDs; the following projects are now funded:
- (1) A Distressed Schools project in the Mount Adams SD (\$1M)
- (2) A two-classroom preschool addition at John Muir Elementary (\$700K) and the conversion of two classrooms to a new health clinic at Lowell Elementary (\$300K) both in the Seattle SD
- (3) An agricultural resource center (\$238K) and a schoolyard park (\$200K) in the Tacoma SD
- (4) A school-based health center (\$309K) in Port Orchard (South Kitsap SD) and
- (5) Pre-design and scoping work related to the replacement of a school facility, Republic SD's 7-12 building (\$100K)
- It is the intent of the Legislature to appropriate \$9M for Republic SD in the 2021-23 biennium for the demolition of the 7-12 school facility and for the design and construction of a new 7-12 school, subject to RSD securing a local match equal to not less than \$4.5M
- Finally, school districts receiving **Distressed Schools Grant** may use that funding for the local share of project cost requirements for projects also eligible for funding through the SCAP program
- Governor signed the budget on April 3

AEA Policy Bills which AEA Supported or Watched which Passed

SHB 2458 Optional Benefits Offered by School Districts

- Prohibits districts from offering benefits to employees that compete with basic or optional benefits offered by SEBB or HCA
- Delineates optional benefits, primarily VEBA, that districts may offer if they're not offered by SEBB, and authorizes SEBB to study, and subject to available funding, offer the same benefits as employee-paid, voluntary benefits to school employees

- Requires district and applicable carriers to work with HCA to modify, remove or discontinue any district-based benefit offerings that are determined by HCA to be in competition with those offered by HCA or SEBB
- AEA watched the bill, and the Governor signed it on March 31

HB 2617 Lease or Rental of School District Surplus Property

- Allows districts to lease or rent surplus property without including a provision in the agreement that allows the district to recapture the property for school purposes when the property is leased or rented for affordable housing purposes
- Applies to a lease or rental agreement entered into on or after January 1, 2018
- AEA watched the bill, and the Governor signed the bill on March 18

2SSB 5572 Small District Modernization Grants

- Creates a Small District Modernization Grant program, administered by OSPI, for districts and tribal-compact schools with 1,000 or less FTE students
- Designed for said districts to remedy significant building deficiencies, as they aren't able to pass bond issues
- Requires OSPI and an advisory committee, appointed by OSPI, to establish prioritization criteria and an evaluation process for the committee to review and rank grant applications
- Requires OSPI to propose a list of projects to the Governor by September 1 of each even-numbered years, as prioritized by the committee.
- Has been funded through capital budget and is now state policy
- WAMOA was represented on the 2019 advisory committee
- AEA supported the bill
- Governor signed the bill on April 2

ESSB 6189 School Employees' Benefit Board Coverage

- Directs JLARC to study the number and types of part-time employees that are eligible for SEBB coverage
- Directs HCA to analyze changes to the requirement that employees pay premium when employees waive coverage (**AEA priority**)
- Prohibits dual enrollment in SEBB and PEBB
- Adds specific coverage for employees who would otherwise lose coverage due to COVID-19 outbreak
- SEBB is still underfunded for basic ed staff, with no funding for child nutrition employees
- AEA watched the bill, and the Governor signed the bill on March 17

AEA Policy Bills that Didn't Pass

SHB 1272 School Lunch Duration

- Policy bill which implements the 20 minute seated lunch duration passed the House, but died in Senate Rules
- Grant funding was provided in the 2019-21 operating budget for six elementary schools to pilot the program; so far, the pilot program is going well
- AEA supported the bill

ESHB 1813 Incorporating the Costs of Employee Health Benefits into School District Contracts for Pupil Transportation

- Would have required district contracts for pupil transportation to include sufficient funds to provide employees of the contracting employer with health and pension benefits equivalent to those of district classified employees
- Passed the House but died in Senate Rules
- Would have been a "slippery slope" as school district nutrition and maintenance contracts could have been next
- Fiscal note said district costs are "indeterminate"
- AEA watched the bill

E2SHB 1860 Addressing the Lead in Drinking Water in Schools

- Would have required districts with school buildings built or renovated, with drinking water lines and outlets replaced prior to 2016, to allow DOH to conduct testing, and the district to communicate results to the public and adopt a plan of action if the lead concentrations were above nine parts per billion
- Would have required private schools with similar directives
- Would have required districts with school buildings with an action plan to apply for grant funding from DOH or OSPI, but limit expenditures to \$2K per building
- WAMOA's testimony in Senate Early Learning/K-12: (1) establishing a different standard (15 ppb is federal standard, 9 ppb would be the state standard) is unworkable; (2) the \$2,000 cap on remediation per building is also unworkable; and (3) publicly defining a detection as a health hazard, and having no funds to remediate it, would be disruptive to families
- Fiscal note provided only \$2.9M for K-12 funding, with no grant funding for remediation
- Bill passed the House but died in Senate Early Learning/K-12
- AEA opposed the bill

OSPI's Proposed Rule on Seated Lunch Recess and Recess Before Lunch

- The **State Auditor's Office** released their **performance report on seated lunch duration** in January 2020, as it was requested by Supt. Reykdal
- Based on the SAO's recommendations, OSPI then released their intent to revise **WAC 392-157-125, Time for Meals**, to align with research supported best practices and the SAO's recommendations
- The proposed rules would mandate the 20-minute seated lunch duration in all schools, and recess before lunch in all elementary schools; both provisions would begin in SY 2023-24
- OSPI plans to hold four statewide public hearings to seek input from school districts; they will be scheduled in the fall of 2020
- In March 2020, the AEA board adopted the following position on the proposed rule: **AEA board will not take a position on the proposed rule; rather they desire that their board members support their individual district's position on the issue; as each district has their own unique viewpoint, AEA supports the work of each local district to address the issue, problem solve and develop plans to address the issue based on their individual needs and resources**

WAMOA 2020 Interim Plans

- Coordinate with OSPI on Small District Modernization Grant process
- Follow JLARC's report on First Responder Mapping System for K-12 Schools
- Follow the continuing work of WA Disaster Resiliency Work Group; and
- Coordinate requested school visits during the fall with the following legislators: Sen. Keith Wagoner (R-Sedro Woolley); Sen. Ron Muzzall (R-Oak Harbor); Sen. Mark Mullet (D-Issaquah); Sen. Mark Schoesler (R-Ritzville); Rep. Debra Lekanoff (D-La Conner); Rep. Chris Gildon (R-Puyallup); Rep. Mike Pellicciotti (D-Federal Way); Rep. Lisa Callan (D-Issaquah); Rep. Jacqueline Maycumber (R-Republic); Rep. Marcus Riccelli (D-Spokane); Rep. Strom Peterson (D-Edmonds); Rep. Lauren Davis (D-Seattle); Rep. Chris Corry (R-Yakima); Rep. Drew MacEwen (R-Union); Rep. Mary Dye (R-Pomeroy); Rep. Mike Steele (R-Chelan); and Rep. Jim Walsh (R-Aberdeen)

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