

## **League of Education Voters**

### **2011 Legislative Session Wrap Up**

**The Legislature and the Governor met the deficit challenge but for years to come Washington's students and communities will pay the price in reduced opportunities and productivity.**

#### **Overall Climate and Overview**

Looming over the entire session was a \$4.9 billion budget deficit. Democrats and Republicans approached the deficit from their traditional perspectives. Republicans argued that the legislature has routinely been spending more than it takes in and welcomed the chance to exert fiscal discipline. Democrats argued that the legislature has a moral obligation to protect the state's most vulnerable residents -- children, the poor and elderly, and the unemployed, especially during a recession. The amazing thing about this session is that the legislature managed to pass a budget at all, much less one that met key objectives of both parties.

Because Senate Democratic leaders realized early on that they couldn't count on their majority caucus members to pass a budget, they quickly joined forces with minority Republican leaders and began to hammer out a bipartisan approach not just on the budget but on a number of major issues. Senators Lisa Brown, Ed Murray, Derek Kilmer, Mike Hewitt and Joe Zarelli deserve credit for demonstrating how bipartisanship can bridge seemingly irreconcilable differences.

In the House, Republicans, who are in the minority, could simply have chosen to criticize their majority party for making the wrong priorities. Instead Republican leaders led by Representatives Richard DeBolt, Gary Alexander and Bruce Dammeier took the politically risky, but responsible step of presenting their own budget. Tellingly, however, Republicans could not fund education, one of their stated priorities, at substantially greater levels than the House Democrats.

House Democrats were determined, within the political constraints imposed by Tim Eyman's I-1053, to protect basic education, health care and human services. In the face of equal determination in the Senate to find savings, they reached compromises with Senate budget writers that went as far as possible to protect core services and minimize damage to basic education. Speaker Frank Chopp and Representatives Pat Sullivan and Ross Hunter can take satisfaction that they protected key programs without bringing the legislative process to a standstill.

There is no way to sugarcoat the fact that the 2011 Session was, in most respects, a big step backwards when it comes to ensuring more students will attain higher levels of education. Always at the root of the problem is the same dilemma. How does the legislature induce a vast, decentralized public education establishment to adapt to changing needs at the same time it is forced to dramatically reduce education funding? While some leaders press for reforms, others fight for funding. The simple truth is, if we citizens really want more students to attain higher levels of education, we will need to do both.

## **Overall Budget Review**

### **2009-11 Supplemental Budgets**

In the months leading up to the lengthy debates over the 11-13 biennial budget, the Legislature adopted “early action savings” bills in order to address an additional \$1.2 billion deficit in fiscal year 2010. This included:

- The December special session (HB 3225) which cut \$588 million, most notably by eliminating all federal EduJobs funding and the K-4 enhancement funds for Feb-June 2011.
- The February early action bill (HB 1086) which cut \$367 million most notably to the retroactive cuts to K-4 enhancement for part of the school year already passed.
- Finally, the remainder was filled by a one-time budget trick moving the June 2011 school appointment payment to July, effectively moving the costs from the 09-11 budget to the 11-13 budget.

### **2011-2013 Biennial Budget**

The maintenance level budget for the 11-13 biennium totaled \$36.3 billion (\$15.6 billion for K-12 education). Maintenance means what the state would need to spend to keep the same programs and services for students over the coming two years in addition to funding other commitments that were deferred or required by law to begin.

Developed by a number of factors including estimating the continuing costs of the previous biennium taking into account new costs required by law or other obligations; size of needed reserves; comparing the total costs with projected revenues to best make decisions about how to make reductions when costs outweigh revenues.

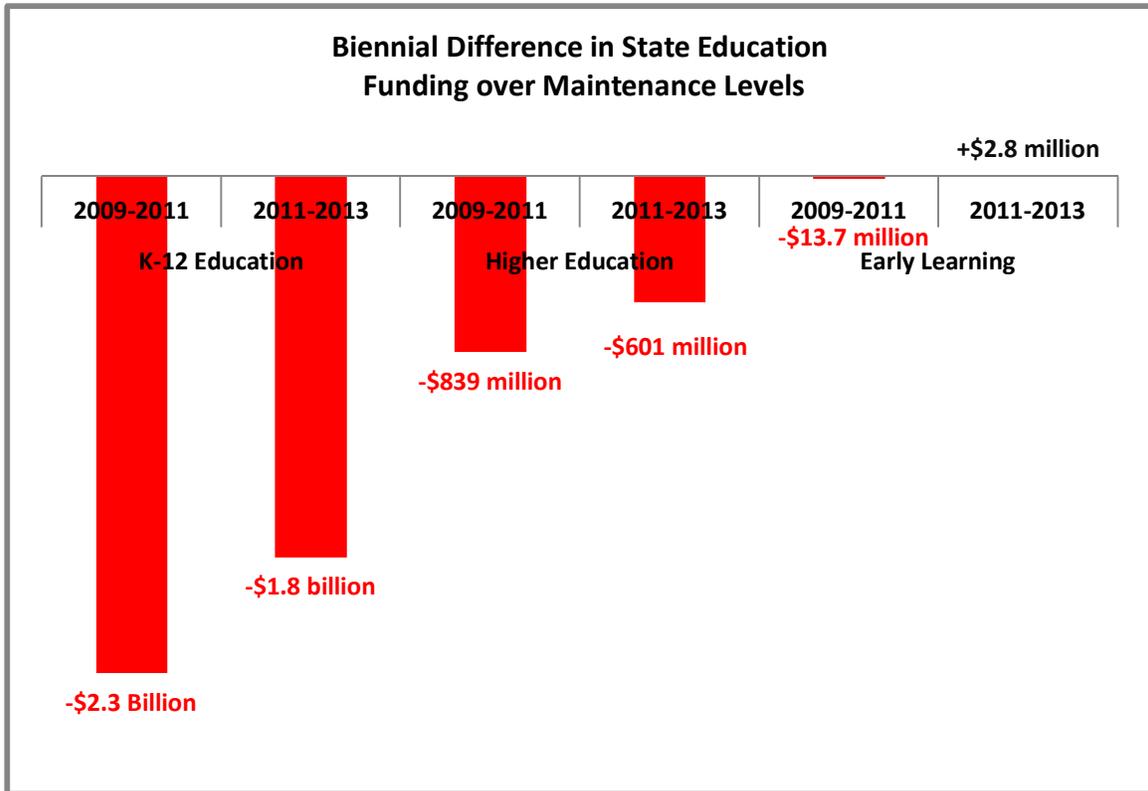
Obligations to a new funding model, repayment of the apportionment shift, and the desire to leave a quarter billion in reserves escalated the cost of the budget to \$37.5 billion. However, projected revenues for this period totaled only \$32.6 billion leaving a \$5 billion shortfall.

At the end of the 2011 first special session, the Legislature made cuts of \$4.6 billion to deal with most of the \$5 billion dollar shortfall.

Approximately 55% of all policy level reductions or cuts came out of the whole spectrum of education, early learning through higher education totaling over \$2.4 billion in cuts.

***Nearly 40% of those cuts, or \$1.8 billion, came from K-12 education.***

The majority of the cuts to education came from program reductions, tuition increases in addition to 37% of reductions coming out of compensation. Area specific budgets can be seen below.



### Revenue Options

- The Legislature was pushed to solve the budget deficit by way of cuts and reductions only to a large extent due to the constraints of Initiative 1053, passed in 2010, which requires a supermajority of both chambers and a vote of the people before the state can take any action to raise revenues.
- HB 2078 was proposed to do away with a B&O tax break for interest on first mortgages and deeds of trust on residential properties for financial institutions that operate in more than 10 states. This revenue would have been dedicated to K-3 class size funding. While it gained simple majority in the House it lacked the 2/3rds majority support to move it to the Senate.

### Budget and Policy By Area

#### Early Learning

The one area in education where the Legislature made gains was early learning. Thanks in part to new federal funds, a bipartisan group of legislators resisted efforts to shrink the state's early childhood education program (ECEAP). The legislature passed and funded WAKids (SB 5427), a program designed to boost successful preschool-to-kindergarten transitions for our youngest learners.

The Department of Early Learning actually ended up in the black, up to \$2.8 million, due to some fund shifting. However, the Early Learning Career and Wage Ladder was eliminated. This outcome is better than most could have hoped for given that the Governor initially proposed eliminating all three-year-olds from the state's prekindergarten program, ECEAP.

## **K-12**

State funding for public schools was cut by over \$1.8 billion. Of this, \$1.1 billion came from the continued suspensions of initiatives 732 and 728. Another \$524 million came from other cuts to the compensation of current or former K-12 employees. The remaining \$167 million came in reductions came out of K-12 programs, most notably: most of the K-3 class size funding, adjustment to the alternative learning experience (ALE) funding formula, delay of assessment graduation requirements in math and science.

The 2011 session failed to pass any major K-12 education reforms. The final budget included only \$99 million of the \$710 million needed to keep implementation of the new basic education funding formula on track. High school graduation requirements in math and science were delayed (but not eliminated). Fueled by intense opposition from the Washington Education Association, Democrats in both chambers stopped bills introduced by Sen. Rodney Tom and Rep. Eric Pettigrew to require districts facing staff reductions to lay off unsatisfactory teachers before more effective teachers with less seniority. Senate Republicans responded by sitting on a House policy bill to implement the Quality Education Council recommendations. (Here's one example this session where partisan politics did trump the needs of students.)

On the bright side, thanks to the persistence of their sponsors, several modest bills that promote innovation did pass: incentivizing districts to improve graduation rates (Rep. Tim Probst – HB 1599); directing high schools to offer more college-credit classes (Rep. Kris Lytton – HB 1808); recognizing and encouraging innovative schools (Representatives Marcie Maxwell and Mark Hargrove – HB 1521 & 1546). And, significantly, the legislature preserved bonuses for National Board Certified teachers and continued to fund the development of more useful teacher and principal evaluations.

## **Higher Education**

Compared to K-12 funding, which has some measure of constitutional protection, meeting the higher education funding challenge can be even more daunting. Faced with another round of devastating budget cuts Representatives Reuven Carlyle and Larry Seaquist and Senator Kilmer rallied stakeholders, including faculty and students, to rethink higher education funding, resulting in HB 1795.

Community colleges took a \$236 million hit. The legislature raised student need grants (SNGs) sufficiently to sustain current student participation at 2-year and 4-year institutions, but it did not reduce the waiting list of 20,000 students who are eligible but are turned away for lack of funds. One bright spot: the state formed a partnership with Western Governors University, a private, nonprofit university that offers on-line degree programs in fields like nursing, teaching and computer science. The goal is to increase BA degrees earned by place-bound students, many of whom are older, bread winners, including soldiers posted abroad. Rep. Phyllis Kenney and Senator Jim Kastama are to be thanked for their leadership, as well as retired WSU President Sam Smith, a founding member of the WGU Board.

## **LEV Priority Legislation Summary**

### **SB 5427 WAKids**

#### **PASSED**

*Legislative leaders: Sen. Rosemary McAuliffe, Rep. Ruth Kagi*

Expanded the Washington Kindergarten Inventory of Developing Skills transition process to schools receiving state funding for full day kindergarten (20% of elementary schools in the state). The process includes collaboration between parents, learning providers, and kindergarten teachers and the evaluation of children entering kindergarten on multiple domains.

- Beginning with the 2012-13 school year, schools receiving all-day kindergarten support must agree to identify the skills, knowledge, and characteristics of kindergarten students at the beginning of the school year in order to determine kindergarten readiness and inform individual instruction.
- Kindergarten teachers must use a kindergarten assessment process specified by the Superintendent of Public Instruction (SPI) and report the results to the SPI.
- The SPI must make the assessment process available on a voluntary basis at the beginning of the 2011-12 school year.

### **HB 1410 Science End of Course Assessments**

#### **PASSED**

*Legislative leaders: Rep. Sharon Tomiko Santos, Rep. Bruce Dammeier*

HB 1410 moves the requirement to pass science EOC for graduation from the Class of 2013 to the Class of 2015.

- Directs the Superintendent of Public Instruction (SPI) to develop and implement end of course assessments (EOCs) for high school science in Biology, Physical Science, and Integrated Science, and specifies implementation dates.
- Requires students beginning with the class of 2017, rather than the class of 2013, to meet the state standard on one high school science EOC to earn a Certificate of Academic Achievement for purposes of graduation.
- Phases-in use of the science EOCs for graduation, starting with Biology for the class of 2017 and adding the additional EOCs as options for later classes.

### **HB 1412 Math End of Course Assessments**

#### **PASSED**

*Legislative leaders: Rep. Sharon Tomiko Santos, Rep. Bruce Dammeier*

HB 1412 changes the requirement to pass math EOCs in both Algebra and Geometry for graduation.

- Allows students in the graduating classes of 2013 and 2014 to meet the state standard in high school mathematics for purposes of graduation using the results from one end-of-course assessment rather than two.
- Class of 2013 and 2014, students must pass one math EOC or retake assessment
- Beginning with Class of 2015, students must pass both math EOCs or retake assessments

### **HB 1521 Recognition of Innovative Schools**

**PASSED**

*Legislative leaders: Rep. Marcie Maxwell*

HB 1521 directs OSPI to develop a process to identify, designate and recognize innovation schools. HB 1521 identifies the ability to provide students and parents with a diverse array of educational options; promote active and meaningful parent and community involvement and partnership with local schools; serve as laboratories for educational experimentation and innovation; respond and adapt to different styles, approaches, and objectives of learning; hold students and educators to high expectations and standards; and encourage and facilitate bold, creative, and innovative educational ideas.

- Within available funds, the OSPI also creates a logo, certificates, and other recognition strategies to encourage and highlight the schools.
- A page on the OSPI website must include research literature, best practices, summary information about Washington Innovation Schools, and a link to the schools' websites.
- The OSPI must publicize the Washington Innovation School designation and encourage additional models of innovation.

### **HB 1546 Creation of Innovation Schools and Zones**

**PASSED**

*Legislative leaders: Rep. Hunt, Rep. Mark Hargrove*

Directs OSPI to allow districts to apply to have schools or a group of schools designated as Innovation Schools, with priority given to schools focused on arts, science, technology, engineering, and mathematics. The designation allows SBE or OSPI to grant waivers from certain requirements including those around basic ed, ratios, school year, and comingling funds.

- Provides that school boards may authorize Innovation Schools or groups of schools called Innovation Zones.
- Requires Innovation Schools or Zones to submit a plan that includes the programs or policies that would be changed, the innovations to be implemented, and specific waivers of state laws or rules necessary to implement the plan.
- Authorizes a school board to seek state endorsement of an Innovation School or Zone by the State Board of Education (SBE).
- Requires the SBE, the Superintendent of Public Instruction, and the Professional Educator Standards Board to waive laws and rules for endorsed Innovation Schools or Zones.
- Exempts laws and rules on specified education topics, but allows the remainder of the laws under Title 28A RCW to be waived.
- Requires future collective bargaining agreements to permit employees of an Innovation School or Zone to opt out of the agreement.

### **HB 1599 Pay for Actual Student Success Program**

**PASSED**

*Legislative leaders: Rep. Tim Probst*

Creates the PASS Program to award schools demonstrating success in dropout prevention.

- Creates the Pay for Actual Student Success Program (PASS), to provide an annual financial award to high schools that demonstrate improvement in dropout prevention indicators.

- Directs the OSPI to develop a performance metric using three specified indicators and extended graduation rates.
- Makes high schools eligible for an award beginning in the 2011-12 school year, if funds are appropriated.
- Provides that awards are divided evenly between the high school and the school district and must be used for specified dropout prevention activities.

### **HB 1808 Launch Year Act**

**PASSED**

*Legislative leaders: Rep. Kris Lytton and Rep. Bruce Dammeier*

Requires all high schools to work toward the goal of offering enough courses for students to earn a year of postsecondary credits during high school. Requires the state's institutions of higher education to recognize the credits earned in high school.

- Within existing resources, all public high schools in the state must work toward the goal of offering a sufficient number of high school courses to give students the opportunity to earn the equivalent of one year's worth of postsecondary credit and must inform students and their families about these opportunities.
- Institutions of higher education must develop a master list of postsecondary courses that can be fulfilled by achieving an agreed-upon score on a proficiency exam or by meeting demonstrated competencies.
- Each institution must publicize its own list of qualifying courses and distribute it to the Higher Education Coordinating Board and the State Board for Community and Technical Colleges in a form that the Office of the Superintendent of Public Instruction can distribute to school districts.
- The Higher Education Coordinating Board must annually publish on its website the agreed-upon list of high school courses qualifying for postsecondary credit and the exam scores and demonstrated competencies meeting postsecondary requirements.

### **HB 1795 Higher Education Funding**

**PASSED**

*Legislative leaders: Rep. Reuven Carlyle and Rep. Larry Seaquist*

Grants tuition setting authority to public four-year institutions through the 2014-2015 academic year but in the 2015-2016, transitions to limited tuition setting authority depending on state funding baseline. Requires institutions to minimize the effects of tuition increases through offsets to financial aid. Allows the State Board for Community and Technical Colleges to set different tuition rates for different programs or colleges. Also allows institutions to charge Running Start students up to 10% of the cost of their coursework.

- Specifically, it allows the UW, WSU, and WWU to raise tuition up to 16% per year, and higher if they dedicate a portion of the additional revenue to financial aid for middle class students.
- Allows for a 11-14% raise in tuition at CWU, EWU, and Evergreen State College

### **HB 1822 Western Governor's University**

**PASSED**

*Legislative leaders: Rep. Phyllis Gutierrez- Kenny, Rep. Parker, Rep. Larry Seaquist*

Directs the Higher Education Coordinating Board (formally HECB) to recognize and endorse online, competency-based education, and integrate the academic programs of a regionally accredited not-for-profit online baccalaureate degree-granting institution of higher education into state policy and strategy, specifically Western Governor's University (WGU)

### **HB 2088 Creating the Opportunity Scholarship Board**

#### **PASSED**

*Legislative Leads: Rep. Tim Probst*

Creates two programs designed to increase the number of BA degrees earned in high demand fields. The bill creates the Opportunity Scholarship Board to determine eligible programs and award expansion grants.

- The Opportunity Scholarship Program provides \$1000 scholarships to students at or below 125% of median family income who enter eligible BA programs.
- The Opportunity Expansion Program funds higher ed institutions that expand BA programs in high demand fields.
- Funding is provided by private donations matched dollar for dollar by the state up to \$50 million per year. The goal is to establish a \$1 billion endowment fund.

### **LIFO and Mutual Consent HB 1609/SB 5399, 1443, 5914, 5959**

#### **DID NOT PASS**

*Legislative leaders: Rep. Eric Pettigrew, Sen. Rodney Tom, Sen. Steve Litzow*

Would have required school districts to non-renew contracts of teachers who received lowest rating on evaluation prior to other teachers. Would have also prohibited the placement of previously mentioned teachers in the state's lowest performing schools without agreement.

- Instates a new performance based framework and procedures for reductions in force due to declines in enrollment or revenue losses.
- Provides for a school based hiring process that requires the mutual consent of both principal and teacher.
- Puts in place a displacement process governing situations in which a teacher or educational staff associate is displaced due to transfer, a drop in enrollment, phase out or reduction of a program, reductions

*LIFO was tacked onto HB 1443 (see below) – with some strong arm action by the Senate Republicans it passed the Senate but went nowhere in the House. Senate Republicans then refused to pass HB 2111 (the revised 1443 with a narrowed title).*

### **Alternative Principal Certification HB 1593**

#### **DID NOT PASS**

*Legislative leaders: Rep. Reuven Carlyle, Rep. Marcie Maxwell*

Would have required the Professional Educator Standards Board (PESB) to establish and adopt standards for an alternative principal certification that does not require having been previously certified as a teacher.

- Requires the Professional Educator Standards Board (PESB) to establish a Residency Provisional principal certification (Provisional Certification)
- Provides that candidates must have demonstrated professional and managerial leadership experience which need not have occurred in a school setting, and are not required to have teaching certificates.
- Directs the PESB to establish standards for alternative route principal preparation programs that are field-based and offered in partnership with school districts.
- Provides that Provisional Certificate holders are issued regular Residency certification once they complete an alternative route principal preparation program.
- Extends to all school districts, rather than applying only to districts with more than 35,000 students, provisions of law that establish a different standard for superintendents to transfer principals to a lower certificated position in the district.

**Recommendations to the Quality Education Council HB 1443/2111**

**DID NOT PASS**

*Legislative leaders: Rep. Marcie Maxwell, Rep. Glenn Anderson, Rep. Pat Sullivan*

Would have moved several recommendations from the QEC forward including the development of a new definition of a high school credit not solely based on seat-time and an expanded definition of a highly capable student.

- Requires the Superintendent of Public Instruction (SPI) to ensure that a fairness and bias review has been conducted before implementing revisions to the state Essential Academic Learning Requirements.
- Requires school districts to adopt a policy defining a high school credit and authorizes the State Board of Education to repeal a seat-time based definition.
- Authorizes the SPI to require use of a kindergarten readiness assessment in low-performing schools receiving federal school improvement grants.
- Allows Learning Assistance Program (LAP) funds to be used to support students in science and requires a study of the impact of remediation strategies funded by the LAP on student achievement.
- Requires student performance data from the Transitional Bilingual Instructional Program to be reported online through the Washington State Report Card.