

The Washington State Board of Education

Governance | Achievement | High School and College Preparation | Math & Science | Effective Workforce

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|---|---|---|
| Title: | Legislative Update | |
| As Related To: | <input checked="" type="checkbox"/> Goal One: Advocacy for an effective, accountable governance structure for public education <input type="checkbox"/> Goal Two: Policy leadership for closing the academic achievement gap <input checked="" type="checkbox"/> Goal Three: Policy leadership to increase Washington's student enrollment and success in secondary and postsecondary education | <input type="checkbox"/> Goal Four: Effective strategies to make Washington's students nationally and internationally competitive in math and science <input type="checkbox"/> Goal Five: Advocacy for policies to develop the most highly effective K-12 teacher and leader workforce in the nation <input type="checkbox"/> Other |
| Relevant To Board Roles: | <input type="checkbox"/> Policy Leadership <input checked="" type="checkbox"/> System Oversight <input checked="" type="checkbox"/> Advocacy | <input type="checkbox"/> Communication <input type="checkbox"/> Convening and Facilitating |
| Policy Considerations / Key Questions: | Review of upcoming legislative action on key issues impacting Board initiatives. | |
| Possible Board Action: | <input checked="" type="checkbox"/> Review <input type="checkbox"/> Adopt <input type="checkbox"/> Approve <input type="checkbox"/> Other | |
| Materials Included in Packet: | <input checked="" type="checkbox"/> Memo <input type="checkbox"/> Graphs / Graphics <input checked="" type="checkbox"/> Third-Party Materials <input type="checkbox"/> PowerPoint | |
| Synopsis: | The Executive Director will lead a discussion of bills and issues likely to surface during the 2012 Legislative Session. A particular focus will be placed on pre-filed bills of concern to the SBE, the budget situation, and policy proposals made by the Governor. | |

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SBE LEGISLATIVE UPDATE

BACKGROUND

In addition to the SBE's small agency budget, the various strategic priorities of the State Board of Education are also impacted by the budget enacted by the Legislature for the 2011 second special session, and the upcoming 2012 regular session.

This presentation will provide a general overview on the Governor's budget proposal, the Legislature's early action budget, other pre-filed bills of relevance in the Legislature, and the work of the Quality Education Council.

Governor's Proposed Budget:

Although the Governor's proposed 2011 budget clearly prioritizes and protects education relative to other functional budget areas, it nonetheless makes two major reductions which could have significant impacts on instructional quality in school districts. These include the proposed cut and deferment of levy equalization payments (\$152 million), and the elimination of four school days (\$99.2 million). Many observers believe that the reduction of four instructional days is a legally-prohibited cut to basic education. However, the Governor proposes restoring both of these cuts, contingent upon the successful passage of a ballot measure enacting a half cent sales tax.

To avoid further cuts, the Governor's budget also proposes a significant delay in the school apportionment payment schedule to school districts, which would have the effect of deferring expenses into the next biennium, and creating a bow-wave of costs in 2013-15 for the state. There are three delays proposed: two are proposed as temporary (general apportionment, and levy equalization) and one is permanent (bus depreciation). The permanent delay – the school bus depreciation payment – does not create a bow-wave of future costs.

Below are the budget notes included by the Governor to explain the mechanics of these three major reductions.

Reduce levy equalization payments - \$151.9 million

Cuts equalization funds to eligible districts. Creates a four-tiered approach so districts with the lowest property values and highest local levy tax rates would receive the smallest cut. Those districts with local levy rates closest to the statewide average rate would lose program eligibility as they are better able to offset the state reduction through local tax collections.

Reduce the kindergarten-through-12th grade school year by four days - \$99.2 million

Shrinks the school year from 180 days to 176 days. School districts are directed to maintain 1,000 hours of instruction per year. This results in a reduction in annual salaries for school employees, by an equivalent of 2.2 percent, beginning in the 2012–13 school year.

Delay June 30, 2013, apportionment payment to July 1, 2013 - \$340.0 million

Extra day moves payment to the next biennium, which will not change total state payments to school districts for the 2012–13 school year. This delay is designed to build a state reserve in the current biennium to guard against the potential for additional state revenue losses before June 30, 2013. The delay could be reversed in the 2013 Legislative Session if current revenue forecasts hold steady or improve.

Shift bus depreciation payment from October to August - \$49.0 million

Delays state payments to school districts for bus replacement by ten months.

The Governor also included two new STEM-related initiatives in the budget. The programs total \$700,000. They include the following:

- **Promote aerospace competitiveness through the Launch Year - \$450,000**
Takes advantage of a high school student's Launch Year, or final year, by making grants to 12 high schools and two skills centers for an aerospace assembler program and manufacturing support. Students who complete the curriculum will be ready for entry-level aerospace jobs.
- **Promote aerospace competitiveness through Project Lead the Way - \$250,000**
Provides start-up support for the creation of an advanced Project Lead the Way course in ten high schools. Project Lead the Way is a national program with a multi-disciplinary, hands-on, problem-solving approach to learning.

The Legislature convened in December to move an early action bill, which did not contain any substantive policy changes in K-12 education. The most significant move was the adoption of bus depreciation payment shift, which permanently shifts payments into the summer, but does not actually reduce the funding level.

Important legislation impacting SBE and its strategic priorities:

(These were the bills SBE staff were aware had been pre-filed at the time of packet assembly – by the date of the Board meeting, this list will probably be twice as long)

House Bill 5475 – This bill would assign the SBE responsibility for making phase-in recommendations for the new program of basic education outlined in HB 2776. However, the bill also strips out many of the phase-in timelines for some of the major funding enhancements established in the underlying bill.

House Bill 2111 – This bill did not pass last year, but is re-introduced for the 2012 session. The bill implements various recommendations of the Quality Education Council. Those that pertain to the SBE include:

- Requiring each school district to adopt a policy on defining a high school credit, and charges SBE and WSSDA with developing a model policy for districts.
- Encourages the SBE to adopt rules repealing the seat-time requirement for high school credit.

Higher Education Steering Committee Legislation (Bill Not Yet Filed) – The report includes two recommended options. Both options would create an Office of Student Achievement in the

Office of the Governor, which would also staff an Advisory Board to the Office of Student Achievement. In option A, the Office and Board would take on a P-13 focus, and would essentially replace the State Board of Education. In option B, the Office and Board would focus on secondary-to-postsecondary transitions and the State Board of Education would be preserved. The proposal includes:

House Bill 2209 – This bill adds a new definition of “Contract Learning,” essentially mandating at least five hours of face to face time per week for students in grades 9-12. It also makes clear that students in ALE are not exempt from state assessments. It stipulates that contract learning programs would not be affected by the 15 percent ALE cut.

House Bill 2215 – Makes two significant changes to economy and efficiency waivers: eliminates current restrictions on renewals of economy/efficiency waivers, and removes the limit of five districts.

Senate Bill 6020 – Requires SBE to extend economy/efficiency waivers to 2014 unless student achievement suffers as a result of the initial waiver.

House Bill 2170 - Programs in CTE are added to the state’s basic education program. The State Board of Education, and others, must add strategy of increasing secondary and post-secondary graduates to strategic plan and/or goals. All materials and communication materials related to graduation requirements must illustrate multiple pathways, (including a non-baccalaureate pathway). The Workforce Training Board shall now make recommendations to SBE on what it considers to be core competencies in K-12 education. SBE cannot require waivers, permissions, or something similar for students who wish to be removed from a four-year college prep pathway.

Senate Bill 6029 - Requires high schools to inform students of three-year baccalaureate degree programs, and requires state colleges to make information about accelerated degree programs and other materials available on their websites.

House Bill 2199 - Changing compulsory school attendance requirements for children six and seven years of age. Moves that children six years of age or older are required to be enrolled in school, but maintains that districts must only act on the truancy of students eight years of age or older.

House Bill 2205 - Allowing eligible youth at least 16 years of age to register to vote; they would not be able to vote until 18.

The Work of the Quality Education Council

The Quality Education Council met on December 19 to discuss the policy enacted during the last legislative session amending the Transitional Bilingual Instructional Program funding allocation. At the time of completing the Board packet, the actual language of the QEC recommendations is not yet available. However, the direction of the QEC appears to entail two fundamental changes to the original policy concept.

First, the Level Four allocation as proposed by Senator Zarelli would not be a “bonus” designed primarily to incentivize Level Three exits. Rather, it would be a needs-based allocation designed to provide transitional support to TBIP students for a two year period, and, unlike the

original premise, this funding would be available regardless of whether a Level Four student moved from one district to another during this time. The central idea is that the funding is not for the district (as in the case of a bonus) but for the student (as in the case of programmatic need).

Secondly, the QEC appears poised to recommend that Level Four bonuses would require new funding, as opposed to the original concept, which was to fund Level Four bonuses as a carve-out of the funding provided for Level One through Three services. Hold harmless funds would also be available to support districts adversely impacted by the formula change (likely to be districts with a disproportionate number of Level One students).

Also of note is that the QEC discussed inviting the SBE to work collaboratively on system-wide goals setting over the next six months. It is unknown at this point whether that suggestion will be included in the QEC final report, or some formal communiqué to the Board. At the meeting, Mary Jean Ryan communicated the SBE's interest in goals-setting but indicated that the Board would have to formally accept.

Impacts in Education

Education

Department of Early Learning

Reduce seasonal child care administration - \$2.1 million
Eliminates state funding through nonprofits to administer child care subsidies for seasonal agricultural workers. Maintains federal funds, which may not be used for undocumented children of seasonal workers.

Eliminate state funding for Child Care Resource and Referral program - \$1.3 million
Terminates state funding to provide child care resource information to parents. As federal funds are the predominant funding source, the state cut reduces services by 11 percent.

Reduce administration - \$950,000

Office of the Superintendent of Public Instruction

Delay June 30, 2013, apportionment payment to July 1, 2013 - \$340.0 million
Extra day moves payment to the next biennium, which will not change total state payments to school districts for the 2012-13 school year. This delay is designed to build a state reserve in the current biennium to guard against the potential for additional state revenue losses before June 30, 2013. The delay could be reversed in the 2013 legislative session if current revenue forecasts hold steady or improve.

Reduce levy equalization payments - \$151.9 million *
Cuts equalization funds to eligible districts. Creates a four-tiered approach so districts with the lowest property values and highest local levy tax rates would receive the smallest cut. Those districts with local levy rates closest to the statewide average rate would lose program eligibility as they are better able to offset the state reduction through local tax collections.

Reduce the kindergarten-through-12th grade school year by four days - \$99.2 million *
Shrinks the school year from 180 days to 176 days. School districts are directed to maintain 1,000 hours of instruction per year. This results in a reduction in annual salaries for school employees, by an equivalent of 2.2 percent, beginning in the 2012-13 school year.

Shift bus depreciation payment from October to August - \$49.0 million
Delays state payments to school districts for bus replacement by 10 months.

* Indicates cut the Governor proposes to prevent with new revenue.

Education

Eliminate or reduce small grants and projects - \$8.8 million
Terminates a number of grants and projects administered through OSPI: Promoting Actual Student Success (PASS), Readiness to Learn, Beginning Educator Support Team (BEST), principal and superintendent internships, career and technical education start-up grants, STEM Lighthouses and nonviolence training. Cuts by 20 percent: Building Bridges, Jobs for America's Graduates (JAG), LASER, Washington Reading Corps, Leadership Academy, College Readiness, Achievers Scholars and IT Academy.

Reduce national board certification bonuses - \$8.6 million
Cuts annual bonuses from \$5,000 to \$4,000 for 5,800 teachers certified by the National Board for Professional Teaching Standards, including additional bonuses for board-certified teachers working in challenging schools.

Revise state attendance policy - \$6.5 million
Changes policy that considers a student withdrawn after he/she is absent unexcused for 20 consecutive days. Five, not 20 days will more accurately account for students who have dropped out of school and for whom the state continues to provide funding to the school district. Adds a school district enrollment count for June.

Reduce staffing for small high schools - \$4.4 million
Shrinks staffing formula for high schools serving fewer than 300 full-time students from a minimum of nine full-time teachers to a minimum of eight.

Reduce administration by 10 percent - \$600,000

Investments

Create financial contingency fund - \$10.0 million
Recognizes a potential for hardship on some districts due to the apportionment delay. A contingency fund is established for districts that meet certain financial hardship criteria during the 2012-13 school year.

Promote aerospace competitiveness through the Launch Year - \$450,000
Takes advantage of a high school student's Launch Year, or final year, by making grants to 12 high schools and two skills centers for an aerospace assembler program and manufacturing support. Students who complete the curriculum will be ready for entry-level aerospace jobs.

Promote aerospace competitiveness through Project Lead the Way - \$250,000
Provides start-up support for the creation of an advanced Project Lead the Way course in 10 high schools. Project Lead the Way is a national program with a multi-disciplinary, hands-on, problem-solving approach to learning.

Proposed Reduction \$30.5 million



Education

School for the Blind and Center for Childhood Deafness and Hearing Loss

Reduce state support for the school and the center by 5 percent - \$693,000
Cuts administrative support and services for 65 students served by the School for the Blind and 115 served by the Center for Childhood Deafness and Hearing Loss.

Higher Education

Reduce state support to colleges and universities - \$160.1 million *
Cuts support to the six public colleges and universities, and 34 community and technical colleges in the second year of the biennium. Support is reduced by: 17 percent at the University of Washington, Washington State University and Western Washington University; 16 percent at Eastern Washington University, Central Washington University and The Evergreen State College; and 13 percent at the community and technical colleges.

Suspend State Work Study program - \$8.1 million
Cuts state aid to 7,600 students at public and private colleges and universities beginning fall term 2012. Federally funded Work Study is not affected.

Investment

Graduate more engineering students - \$7.6 million
Supports the high-cost portion of the enrollment of additional engineering students at the University of Washington and Washington State University to meet industry demands. Capacity will be expanded at the universities to graduate 775 more engineering students.

* Indicates cut the Governor proposes to prevent with new revenue.



GOVERNOR CHRIS GREGOIRE

2012 Policy Brief

www.governor.wa.gov

December 2011

NEXT STEPS FOR EDUCATION REFORM: PROMOTING HIGH-QUALITY TEACHING THROUGH RENEWED PROFESSIONAL GROWTH OPPORTUNITIES

Washington educators and leaders are instituting important reforms passed by the Legislature and signed into law by Governor Gregoire. While the faltering economy continues to pose challenges, progress continues. Educators are creating a meaningful evaluation system to develop distinguished teachers and accomplished learners. Educators, too, are helping more students acquire skills to begin working on their career dreams now, not having students wait until after they leave high school. Washington's commitment to students has never been as urgent or important as it is today.



The following recommendations are based on the premise that student learning and educational attainment are boosted by great teaching. They represent the hard work being done by pilot evaluation districts, and demonstrate our ability to make changes when needed. Through this process, we assure parents, the public, the business community and policy makers that real progress has been made.

In addition to great teaching, thoughtful coordination and better student transitions also contribute positively to student learning. Indeed, the action steps outlined below will position Washington for the competitive world our people and businesses work in by instituting meaningful reforms that promote student learning and achievement.

TEACHER AND PRINCIPAL EVALUATION

The items below describe current practice and provisions that will be effective in the 2013-14 school year:

- » Today, teachers and principals receive an overall evaluation of Satisfactory or Unsatisfactory.
- » Teachers and principals will receive a rating for each of the eight evaluation performance criteria as well as an overall evaluation summary rating. Four performance ratings are used:
Level 1 – Unsatisfactory, Level 2 – Basic, Level 3 – Proficient, Level 4 – Distinguished.

Today, principals-in-training and administrators-in-training are not required to practice conducting and completing a full evaluation process, which will be key on-the-job responsibilities.

- » Principals-in-training and administrators-in-training will be required to practice conducting evaluations using the new evaluation system criteria, ratings and management tools in their preparation programs.

Today, educators are committed to implementing new, research-based, meaningful evaluation systems, but have not been prepared to effectively do so.

- » Principals and school administrators will participate in a robust set of training experiences that will provide them the knowledge and hands-on practice required to effectively evaluate teachers and principals.
- » Professional development work will include group activities and use of web-based information and exercises, as well as access to individual problem-solving support.

Today, no resources are specifically assigned to implement the new evaluation system statewide.

- » Resources will be provided for implementing professional development for the new evaluation system as its success depends upon the caliber of the evaluations conducted.

Today, teachers who earn a Satisfactory evaluation rating may not undergo a full evaluation for many years.

- » Teachers with ratings of Proficient and Distinguished (the top ratings in the new system) will be fully evaluated every three years. Teachers with these ratings in the intervening years will engage in professional development related to one of the eight evaluation criteria.

Today, no specific descriptions of instructional practice or leadership practice define performance.

- » School districts will adopt an instructional framework providing specific practices for each of the four evaluation levels for teachers and principals. These will also be integrated in professional development work.



Today, teachers and principals are placed on probation if they receive an Unsatisfactory evaluation.

- » Teachers and principals will be placed on probation if they: 1) receive an Unsatisfactory overall rating, or 2) receive a Basic rating for two consecutive years, or for two years in a three-year period, and have more than five years of experience.

Today, there is no maximum probationary period for teachers.

- » Teachers and principals must complete a probationary period within the school year of the evaluation.

Today, a procedural error may be used to invalidate the entire probation process and information about the teacher's or principal's performance.

- » A procedural error by a teacher, principal or evaluator, such as missing a deadline, must materially affect the evaluation outcome to stop the clock.

Today, when a teacher is being investigated for allegations of misconduct, he or she is assigned to home until the investigation is complete. This has resulted in employees drawing pay for extended periods while no work is performed.

- » When an investigation is being conducted that requires an education employee to be assigned to home, the initial home assignment will be for 15 days. Periodic investigation updates will be required to extend the home assignment. This will ensure that home assignments are used appropriately and judiciously.

TEACHER AND PRINCIPAL ASSIGNMENT

By July 1, 2012, school districts will be required to adopt updated policies for making staffing decisions. This includes assignments for newly created positions, combined positions, transfers, vacancies, reduction-in-force layoffs and call backs. At a minimum, these policies require consideration of the following variables: certification credentials, evaluation ratings, expertise and seniority. In this manner, we will identify the best candidates for the job. School districts, principals and teachers must work together on this issue.

OFFICE OF STUDENT ACHIEVEMENT

An Office of Student Achievement is created on July 1, 2012, to focus on the goal of increasing the educational attainment of Washingtonians for, and success in, postsecondary training and education. Improved transitions between high school and postsecondary education and training will help more students graduate from high school ready for careers or college. It will also reduce the need for, and expense of, remediation. Better transitions between two- and four-year institutions will help more students complete their college education and graduate on time.

The office will design a strategic plan for achieving the goal as well as provide a central place for research and development of best practices and student financial aid. Its work will be guided by appointed citizens and leaders of the Office of Superintendent of Public Instruction, State Board for Community and Technical Colleges, Workforce Education and Training Coordinating Board and the presidents of the four-year institutions of higher education.

PRIORITIZING TIME FOR STUDENT LEARNING

By taking the following actions, we will free up valuable time and resources that can more effectively be spent on student learning:



Eliminate the requirement for individual learning plans for students in the Learning Assistance Program

The Learning Assistance Program delivers additional academic support to students who are achieving below grade level on the state's assessment. As individual schools have a program plan, and instructional delivery involves recurring assessment and instruction cycles throughout the school year, requiring that individual students have one plan a year does not reflect high-quality instructional practice.

Dropping the requirement for a plan for individual students will free up time that can be more effectively used on classroom instruction.

Allow exemptions to the culminating project high school graduation requirement

The completion of a culminating — or senior — project is one of several requirements for graduation from high school. Each school district is charged with setting its own guidelines for the culminating project, which is intended to encourage students to think analytically, logically and creatively, and to integrate experience and knowledge to solve problems.

Allowing students to meet the culminating project requirement through one of these options gives them the experience intended by the culminating project requirement and prepares them for their paths after high school, whether that's a job, career training or college:

- » Running Start, in which students pursue both a high school diploma and an associate of arts degree concurrently;
- » Navigation 101, a life skills and planning program for students in grades 6 through 12 to help them develop a post-graduation plan;
- » AVID, which targets students who need an extra nudge to be successful, can begin as early as 4th grade and continues through the 12th grade;
- » Career and technical education certificate program completion. These courses are offered in the high school or local skills center in such fields as automotive technology, nursing and computer software.
- » College preparatory program completion, including Advanced Placement and International Baccalaureate.

CHANGE SCHEDULE OF DISTRICT AUDITS

Today, annual comprehensive school district audits require significant time. By shifting to an audit every three years for many educational programs, valuable time and resources would be freed up for those school districts that have had a "clear" audit. A school district with a poor audit outcome would still be required to have an annual audit.

CREATE UNIVERSITY LABORATORY SCHOOLS

Washington's colleges and universities prepare teachers and leaders for our schools. They also house the seeds of innovation and research of best practices. While improvements are occurring in our schools, many educators, students and parents are frustrated that too many students still are not meeting state academic standards and are not ready for career or college. The Governor proposes the following actions to nurture innovation and excellence to help students succeed:

- » Create six, university-led laboratory schools among the schools in the bottom 5 percent of persistently low-achieving schools.
- » Give the laboratory schools the same authority and flexibility to implement innovations as MERIT schools (schools now receiving federal improvement grant funds).

Through these actions, Governor Gregoire — with the support of the education community, families, businesses and the public — will ensure that our students will receive the top-notch teaching they need to become successful adults, and education professionals receive the training and support they need to help them at every step of that fulfilling journey.

2012 Supplemental Omnibus Operating Budget
PSSB 5883
(Dollars in Thousands)

December 12, 2011
8:35 am

| | NGF+OpPth | Total |
|--|----------------|----------------|
| 2011 Early Action Budget | | |
| The Next 2 Pages Include Budget Detail and Notes from <u>only the items acted upon in the Early Action Budget</u> . This includes mostly technical changes and virtually none of the policies proposed in the Governor's budget. | | |
| Public Schools | | |
| OSPI & Statewide Programs | | |
| <i>Policy Items</i> | | |
| 50. OSPI Administration Reduction | -600 | -600 |
| General Apportionment | | |
| <i>Policy Items</i> | | |
| 51. Enrollment Reporting Change | -6,349 | -6,349 |
| 52. Education Jobs Funding | -3,078 | 0 |
| Total | -9,427 | -6,349 |
| Pupil Transportation | | |
| <i>Policy Items</i> | | |
| 53. Shift Depreciation Payments | -48,981 | -48,981 |
| Special Education | | |
| <i>Policy Items</i> | | |
| 54. Enrollment Reporting Change | 4,750 | 4,750 |
| Education of Highly Capable Students | | |
| <i>Policy Items</i> | | |
| 55. Enrollment Reporting Change | -11 | -11 |
| Transitional Bilingual Instruction | | |
| <i>Policy Items</i> | | |
| 56. Enrollment Reporting Change | 337 | 337 |
| Learning Assistance Program (LAP) | | |
| <i>Policy Items</i> | | |
| 57. Enrollment Reporting Change | -69 | -69 |
| Total Public Schools | -54,001 | -50,923 |

2012 Supplemental Omnibus Operating Budget

PSSB 5883

(Dollars in Thousands)

December 12, 2011
8:35 am

| | NGF+OpPth | Total |
|---|--------------|--------------|
| Higher Education | | |
| Office of Student Financial Assistance | | |
| <i>Policy Items</i> | | |
| 58. Aerospace Trng Scholarships & Loans | 1,000 | 1,000 |
| Total Higher Education | <u>1,000</u> | <u>1,000</u> |

2012 Supplemental Omnibus Operating Budget
PSSB 5883

December 12, 2011
8:35 am

Public Schools

OSPI & Statewide Programs

50. **OSPI ADMINISTRATION REDUCTION** - The following units at the Office of the Superintendent of Public Instruction (OSPI) perform administrative, rather than programmatic, functions: the Superintendent's Office, Communications, Government Relations, Chief of Staff's Office, Audit Unit, Human Resources, Agency Financial Services, Information Technology Administration, and Agency Support. The estimated total cost is \$4 million per fiscal year. Starting January 1, 2012, OSPI administrative funding is reduced by 10 percent.

General Apportionment

51. **ENROLLMENT REPORTING CHANGE** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).
52. **EDUCATION JOBS FUNDING** - In September of 2011, the U.S. Department of Education allocated Washington State an additional \$3,078,000 for the Education Jobs Federal Grant. The budget incorporates the additional funding as part of the general apportionment payment to school districts for the 2011-12 school year. (General Fund-Federal)

Pupil Transportation

53. **SHIFT DEPRECIATION PAYMENTS** - The state provides funding to school districts to replace school buses under a depreciation schedule set by the Office of the Superintendent of Public Instruction. State allocations are deposited into the district's Transportation Vehicle Fund to be used only to purchase new buses or for major bus repairs. Annual payments are made to districts the year a bus is purchased and continue until the bus reaches the end of its scheduled lifecycle. Current practice is to allocate payments in October. Beginning in School Year 2012-13, the annual bus depreciation payments are made in August instead of the previous October, providing a one-time savings in Fiscal Year 2013.

Special Education

54. **ENROLLMENT REPORTING CHANGE** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).

Education of Highly Capable Students

55. **ENROLLMENT REPORTING CHANGE** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).

Transitional Bilingual Instruction

56. **ENROLLMENT REPORTING CHANGE** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).

Learning Assistance Program (LAP)

57. **ENROLLMENT REPORTING CHANGE** - School districts calculate full-time equivalent enrollments using nine student counts, September through May. Beginning with the 2011-12 school year, enrollment reporting is adjusted to include an additional count in June (or on the last full day of class in May).

Higher Education

Office of Student Financial Assistance

58. **AEROSPACE TRNG SCHOLARSHIPS & LOANS** - Additional funds are provided for the Aerospace Training Student Loan Program, established via Chapter 8, Laws of 2011 (ESHB 1846), for students in certain aerospace training or educational programs.

Graduation Requirements Phase-in: Next Steps and Associated Funding Requirements

January 12, 2012

Career and College Ready Diploma: Progress

| Course | Class of 2013 Requirements | Class of 2016 Requirements | Credits Yet To Be Adopted |
|------------------------|----------------------------|----------------------------|---------------------------|
| English | 3 | 4 | |
| Math | 3 | 3 | |
| Science | 2 (1 lab) | 2 (1 lab) | 1 + lab |
| Social Studies | 2.5 | 3 | |
| Arts | 1 | 1 | 1* |
| Health and Fitness | 2 | 2 | |
| Occupational Education | 1 | 1 | |
| World Language | 0 | 0 | 2* |
| Career Concentration | 0 | 0 | 2 |
| Electives | 5.5 | 4 | 2 |
| Total | 20 | 20 | 24 |

* Other subjects may be substituted, based on student's High School and Beyond Plan

The Legislature Redefined Basic Education and Created a New Funding Model

ESHB 2261 and SHB 2776:

- Established legislative intent that implementation of the new funding structure and a new instructional program should occur together.
- “Defined the program of basic education...as that which is necessary to provide the opportunity to develop the knowledge and skills necessary to meet the state-established high school graduation requirements that are intended to allow students to have the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship.” (ESHB 2261, Section 101)
- Required instruction “that provides students the opportunity to complete 24 credits for high school graduation.” (ESHB 2261, Section 104)

Supreme Court Ruling Affirms Need for Basic Education Funding Reforms

- “The legislature recently enacted a promising reform package under ESHB 2261...which, if fully funded, will remedy deficiencies in the K-12 funding system.” (p. 3)
- “Several state officials testified that full implementation and funding for ESHB 2261 will remedy the deficiencies in the prior funding system. The chair of the State Board of Education, for example, expressed her opinion that full implementation of ESHB 2261 would go a long way toward giving students an opportunity to meet the State’s academic learning goals.” (p. 73)

McCleary v. State of Washington, filed January 5, 2012

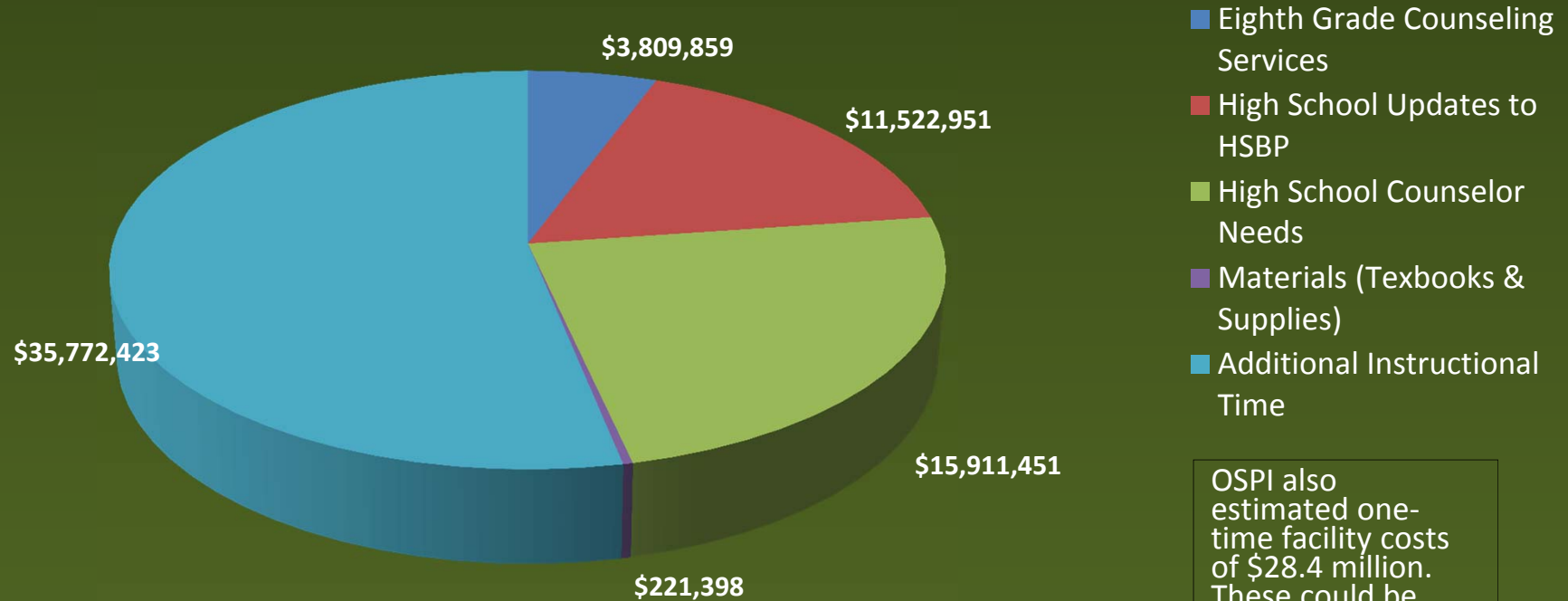
Graduation Requirements Can Be Phased In When Funding Occurs

“Changes that have a fiscal impact on school districts, as identified by a fiscal analysis prepared by the office of the superintendent of public instruction, shall take effect only if formally authorized and funded by the legislature through the omnibus appropriations act or other authorized legislation.” (ESHB 2261, Section 111)

OSPI Provided a Fiscal Analysis of Costs

Costs of Implementation of Proposed Graduation Requirements SY 2015-16

OSPI Analysis as of November 2, 2010



OSPI also estimated one-time facility costs of \$28.4 million. These could be incurred as early as the first year of implementation.

Graduation Requirements-Related Costs Explicitly Funded by SHB 2776

- 109 percent increase in per pupil allocations for MSOCs (Materials, Supplies, Operating Costs) between 2012 and 2016.
 - Represents a very large increase in new money--\$2 billion over five years.
- While materials represent a small fraction of OSPI's fiscal analysis, some material costs are embedded in other components of the analysis.

Graduation Requirements-Related Costs NOT Directly Identified by SHB 2776

- Operating Budget Costs:
 - Instructional time for high school grades
 - Counseling time
- Capital costs

OSPI Estimated Annual Costs of \$67,230,084 When Fully Implemented

- Estimates are now a year old—likely that costs will now be higher.
- One-time capital costs not included in total.
- Fiscal analysis is based in part on incremental costs of additional staff time that some districts would need.
- Actual funding would be based on additional staff allocations in all districts.

Potential Ways to Think About Phase-In Approaches

Approach 1: Begin phase-in of graduation requirements when Legislature funds MSOC enhancements to a pre-determined level.

Approach 2: Phase in credit requirements only when Legislature provides new money for increased 9-12 staff allocations (staff ratio or salary) consistent with Quality Education Council recommendations.

Approach 3: ??

2012 LEGISLATIVE SESSION

PREVIEW

ISSUES OF INTEREST TO THE STATE BOARD OF
EDUCATION

Ben Rarick – Executive Director

January 11-12, 2012

Preview in 3 Parts



1. Proposed & Enacted Budgets
2. Proposed or Anticipated Legislation
3. *McCleary* Decision & the Impact on SBE's Agenda

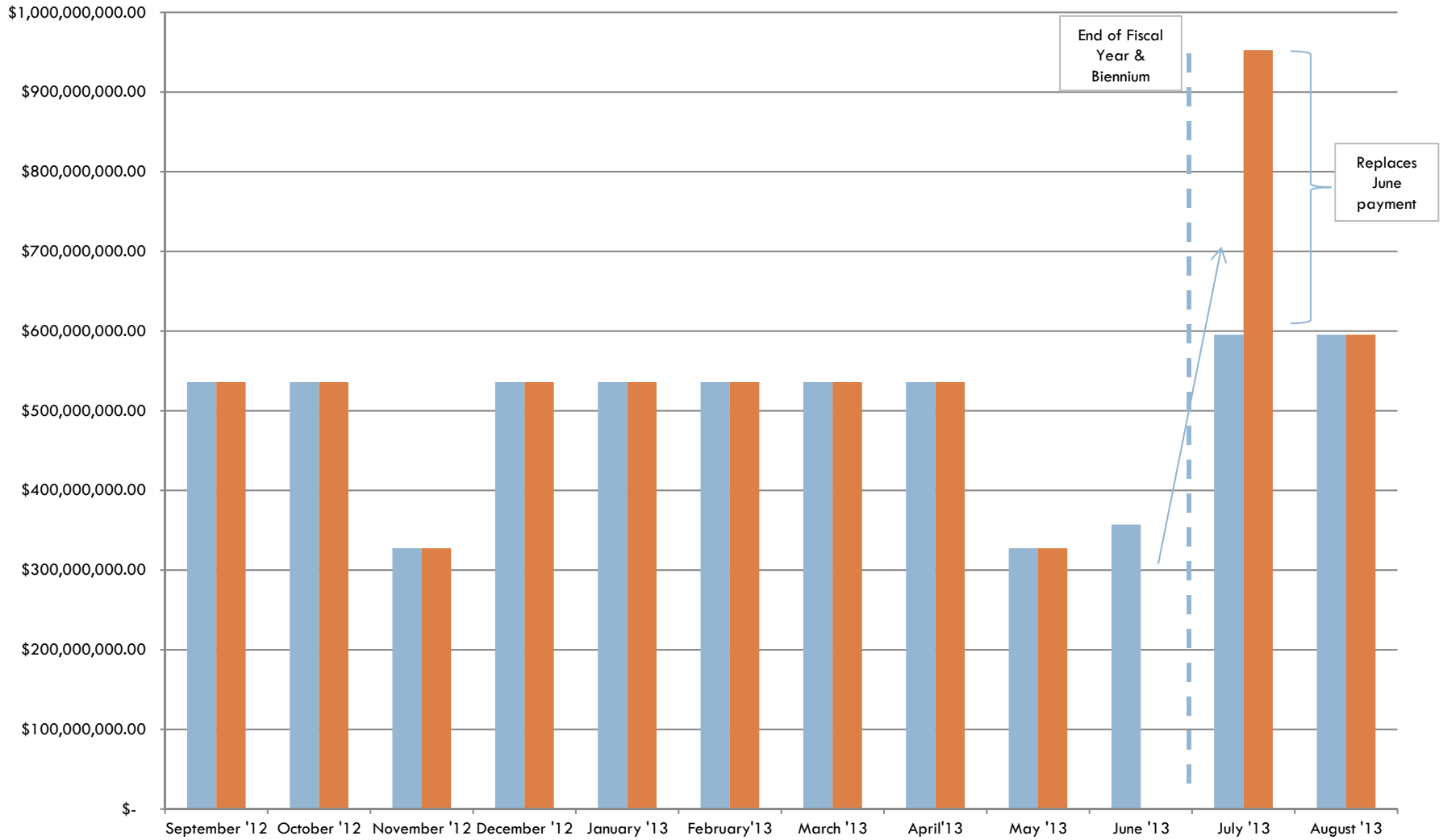
Governor's Proposed Budget



- Eliminate 4 School Days -- \$99 million
- Reduce Levy Equalization -- \$152 million
 - \$82 million in actual cuts.
 - Remaining \$70 million is simply deferred into next fiscal year (payment delay).
- Apportionment Delay -- \$340 million
 - See next slide for visual.
- Bus Depreciation Delay -- \$49 million (permanent, not temporary)
- Over \$450 million in payment delays

APPORTIONMENT PAYMENT DELAY – PERMANENT OR TEMPORARY?

“SKIP A PAYMENT IN JUNE, GET TWO IN JULY”



WA St Board of Education

Data based on estimated payment amounts from prior year apportionment schedules, for illustrative purposes only.

Early Action Budget (Enacted)



- Legislature passed a budget just prior to recessing before the holidays
- Think of it as the “low-hanging fruit” budget
 - ▣ Just maintenance-level changes (adjustments for enrollment, etc.)
 - ▣ A few administrative-type reductions
 - ▣ Biggest item was adopting the bus depreciation payment deferment (\$49 million in delayed payments).

SBE-Related Legislation

- SB 5475 – Education Funding (Murray)
 - *“Develops a realistic and practical implementation schedule for certain phased-in enhancements that, once fully implemented, will constitute the legislature's definition of basic education under Article IX of the state Constitution.” (bill digest)*
 - *Strikes existing 2262/2776 implementation deadlines.*
 - *Would assign SBE the role of synthesizing work of the various technical workgroups, and making recommendations on new phase-in.*

SBE-Related Legislation

(continued)

- HB 2170 – Enhancing the Career Pathways Act (Probst)
 - *“Emphasizes the dignity and economic value of non-baccalaureate career pathways equally with baccalaureate pathways.” (bill digest)*
 - Explicitly adds CTE to program of basic education.
 - SBE cannot require waivers or permissions or something similar for students who wish to be removed from a college prep pathway (e.g. 3rd math credit can be something other than Algebra 2 without consultation).

SBE-Related Legislation

(continued)

- **HB 3170*** – Related to Establishing High School Graduation Requirements (*Pre-filed/No Sponsor*)
 - Establishes new graduation requirements for the Class of 2016, and sets those directly in statute.
 - Requires a total of 18 credits for graduation, rather than the current 20 (see chart)
 - Strikes reference to 24 credit requirement in the basic education statutes.
 - Silent on the culminating project, but keeps the high school and beyond plan.

*Bill number could change after official filing

Changes proposed in HB 3170*

| Subject | 2016 SBE Requirement | 2016 HB 3170 | Change from SBE Requirements |
|------------------------|----------------------|--------------|--|
| English | 4 | 4 | Same |
| Math | 3 | 3 | Unclear whether Algebra and Geometry are specified; 3 rd credit is “chosen by the student based on the student’s interests and HSBP” |
| Science | 2; one lab | 2 | Unclear whether or how many lab credits are included |
| Social Studies | 3 | 3 | Same |
| World Languages | 0 | 2 | Adds World Language |
| Arts | 1 | 1 | Same |
| Health and Fitness | 2 | 1 | Reduces by one credit |
| Career Concentration | 0 | 2 | Adds career concentration and defines it similarly to the definition proposed by SBE’s Core 24 ITF Task Force (“courses chosen by the student based on the student’s interests and HSBP, that may include CTE, and are intended to provide a focus for the student’s learning.”) |
| Occupational Education | 1 | 0 | Eliminates |
| Electives | 4 | 0 | Eliminates |
| HSBP | requires | requires | Same |
| Culminating Project | requires | silent | Does not mention culminating project |
| TOTAL | 20 | 18 | Reduces state requirements by 2 credits |

Other SBE-Related Legislation

(Second Tier Bills)

- HB 2165 – Facilitating implementation of revised teacher and principal evaluation system – requires statewide training during 2012-14.
- HB 2209 – Contract-based learning is defined as having at least 5 hrs of seat-time per week, and is no longer part of ALE programming (and therefore exempt from associated cuts).
- HB 2199 – Changes compulsory attendance laws to require students age 6 and older to attend (currently 8 years old).
- SB 5142 – Requires districts to communicate distinctions between home-schooling and ALE programs.
- SB 6029 – Requirement to provide public information on ways to achieve high school degree in 3 years.
- HB 2231 – Removes various state testing requirements to save money. Includes WA Kids, End-of-course tests, etc.

Other Proposals of Interest

- Higher Education Steering Committee Report & Associated Governance Legislation
 - ▣ Creates office of Student Achievement, with an Advisory Board in the Governor's Office.
 - ▣ One option of the HESC eliminates the SBE, the other doesn't
- Representative Ross Hunter's Revenue Proposal
 - ▣ Bolsters the statewide property tax and simultaneously provides dollar-for-dollar levy relief so as to hold school districts harmless.
 - ▣ Key questions: 1) What's in it for Seattle? 2) What happens to LEA?

McCleary Discussion

- On the continuum of strong to weak court decisions, the decision is arguably quite strong.
 - ▣ Court unequivocally upheld Ehrlich ruling on facts and retained jurisdiction to ensure progress; something Courts are usually reluctant to do.
 - ▣ Court was clear that “baby steps” from prior session were not meaningful steps towards full implementation in 2018.
 - ▣ Signaled that 2261/2776 is appropriate vehicle to fulfill Basic Education obligations (this presumably includes meaningful high school diploma/24 credits).
 - ▣ The decision uses strong language, and leaves no doubt of the Court’s intentions to remain engaged.
 - ▣ One theory is that the Legislature’s actions this session may help determine how the court chooses to “retain jurisdiction.”

Graduation Requirements



- Transition to Kathe and Jack