

## WSCC 2013 LEGISLATIVE REPORT BUDGET

### PRINCIPLES

*"The right to life implies and is linked to other human rights—to the basic goods that every human person needs to live and thrive. All the life issues are connected, for erosion of respect for the life of any individual or group in society necessarily diminishes respect for all life. The moral imperative to respond to the needs of our neighbors—basic needs such as food, shelter, health care, education, and meaningful work—is universally binding on our consciences and may be legitimately fulfilled by a variety of means."*

- Forming Consciences for Faithful Citizenship, USCCB, 2011

### WSCC SUPPORTS:

- Retaining programs that provide services for the most vulnerable persons
- Collaborating with policy leaders to improve efficiencies in the provision of services
- Creating a just tax structure
- Providing adequate revenue to support "safety net" programs
- Establishing new revenue sources if the state is not able to address the needs of poor people through existing resources or reprioritizing expenditures.

### 2013-2015 Biennial Budgets

#### Context

On Monday, January 14, 2013, the 63<sup>rd</sup> legislature began its work; the top priority was passage of the 2013-2015 biennial budget. After 153 days, including the 105 day regular session, a 30 day special session and a second special session lasting 18 days, the 2013 legislature adjourned on June 29 one day before the end of the funding for the 2011-2013 biennial budget. There were 2,040 bills introduced, 373 passed, and two vetoed. In the end, a new biennial budget agreement was put into place as well as a capital budget. Only a bare bones transportation budget was approved that simply continues the previous appropriations for existing projects.

#### The conditions for the development of the operating budget could not have been more challenging:

- The November 2012 revenue forecast predicted a deficit of \$1.3 billion between revenue and funding for maintenance level requirements to meet the services the state currently provides.
- Revenues have been substantially lower than needed since the recession began.
- Since 2009, \$12 billion has been cut from the state's budget.
- Caseloads in Medicaid increased substantially, adding an additional cost of \$360 million to the 2013-2015 biennial budget.
- A state Supreme Court ruling affecting estate tax collections, known as the Bracken decision, directed the state to pay back taxes collected from trusts at the time of the death of a spouse. The calculated loss in the 2013-15 biennium was expected to be \$160 million.
- The lack of action by Congress and the sequestration, coupled with the uncertainty of the future impacted both revenue and economic growth.

The \$1.3 billion gap did not take into account the state Supreme Court's decision on the funding of public K-12 schools. It was estimated that the McCleary decision would cost somewhere between \$1.0 and \$1.4 billion in the 2013-15 biennium. Governor Jay Inslee pledged to not raise taxes, but indicated he would propose a package of tax loophole eliminations to help pay for schools. The Republican majority caucus in the Senate also vowed not to raise taxes. Current reserves, with a \$432.5 million balance, could have

been used to help reduce the deficit, but did not come close to solving the problem. There were few legislators who would advocate for a zero fund balance in the reserve accounts. As the deadline for a new budget loomed, 26,000 state employees were notified of a potential layoff as of July 1, 2013 if a budget was not adopted. Fortunately, state revenue and caseload projections in June gave the legislature an additional \$320 million.

The final budget was signed before the June 30<sup>th</sup> deadline and was balanced by fund transfers and revenue redirections of \$519 million, reduced spending of about \$1.55 billion, assumed reversions of \$140 million, continued suspension of Initiative 732 (teacher COLAs for \$320 million savings), and increased revenue of \$259 million from the Bracken estate tax fix and the telecommunications equity bill, which eliminated the sales tax exemptions for residential land lines.

The expenditure level is \$33.6 billion included approximately \$1 billion increase for K-12 schools.

**Operating Budget Priorities: SB 5034**

- Kinship Caregivers – retains \$2 million budget
- Medicaid Expansion – extends coverage to 300,000 under the ACA. Savings estimated at \$351 million because of federal funding
- State Food Assistance - partially restores the funding, from 50 percent of federal food stamp benefit levels to 75 percent, \$9.4 million
- Food Access – Emergency Food Assistance Program - no new funding
- Farm to School and Small Farms Direct Marketing Programs – Restored, \$250,000
- Apple Health for Kids – premium equity
- Public Guardianship – 50 percent cut
- Home Care Hours – no cuts
- Home care wages and benefits – contract increases funded, agency parity funded
- Long Term Care Planning Task Force - created and funded
- Parent Child Assistance Program – Expanded to \$5.5 million
- Working Connections Child Care – 2 percent increase for subsidized care and another 2 percent for those at Level 2 or above in the Early Achievers program \$14.7 million
- Volunteers Services – program retained and funded at 2011-2013 levels
- Medical Care Services – preserved for current ABD and HEN recipients not eligible for Medicaid
- Housing and Essential Needs Program (HEN) – Preserved
- Aging Blind and Disabled Program – Preserved with increase of \$2 million to fund change in eligibility definition
- Temporary Assistance to Needy Families (TANF)/WORKFIRST – no reduction in grants
- Consolidated Homeless Grants (CHG) – programs funded at current levels
- Washington Families Fund - \$2 million
- Chemical Dependency Treatment – no reductions
- Adult Dental – funding restored
- Home visiting account - \$2 million increase
- Transportation for Medical Treatment Child Care - \$1.05 million

**State Expenditure Limits and Education Funding: SB 5895**

**SB 5895** would establish a state expenditure limit for the entire operating budget, with the exception of education programs, court-ordered expenditures, and appropriations for extraordinary growth in existing state entitlement programs. The limit is based on inflation and population growth, and is estimated to allow for approximately 2.6 percent growth per fiscal year for non-education expenditures. The purpose

was to shift the remaining appropriations to education programs. The bill would have also prioritized state general obligation bonds for capital appropriations for the common school construction budget. The bill passed the Senate, but did not receive a hearing in the House.

#### Capital Budget

The 2013-2015 capital budget provides approximately \$51.5 million in funding to the Housing Trust Fund. \$27 million of which is provided for farmworker housing. There is also an alternate list of unfunded low-income housing projects that total \$48 million.

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## WSCC 2013 LEGISLATIVE REPORT CATHOLIC SCHOOLS

### **PRINCIPLES**

*Parents—the first and most important educators—have a fundamental right to choose the education best suited to the needs of their children, including public, private, and religious schools. Government, through such means as tax credits and publicly funded scholarships, should help provide resources for parents, especially those of modest means, to exercise this basic right without discrimination. Students in all educational settings should have opportunities for moral and character formation.*

- Forming Consciences for Faithful Citizenship, USCCB, 2011

### **WSCC SUPPORTS:**

- Mandating and funding child abuse prevention education programs for all students in K-12 schools
- Monitoring policy proposals relating to early learning programs (child care: pre-school, before and after-school)
- Adding a private school representative to the Professional Educator Standards Board

### **K-12 SCHOOLS – BILLS THAT PASSED**

#### **Honoring Catholic Schools: SR 8639, HR 4641**

The legislature again adopted two resolutions honoring Catholic schools in our state and recognizing Catholic Schools Week 2013 and its theme “Catholic Schools Raise the Standards.” The resolutions noted the dedication to academic excellence, faith-based instruction, and high school graduation rates exceeding ninety-nine percent.

#### **Sex Abuse Prevention in Schools: SB 5563**

For several years the WSCC has worked to advance legislation requiring mandatory child sexual abuse prevention education programs for all students in K-12 schools. Current law does require education programs, but only if the state provides funding. There has not been an appropriation since the requirement was signed into law. **SB 5563** moves the prevention education goal a step ahead by requiring teachers seeking initial certification to complete a course on abuse. The course must include subjects such as identification of all types of abuse, including sexual abuse, commercial sexual abuse and sexual exploitation, impact of abuse on behavior and learning abilities of students, reporting mandates, and method to teach about all types of abuse and their prevention. The Coalition of Sexual Assault Programs, in consultation with other organizations, must update educational materials that inform parents and communities about sexual abuse, prevention of sexual abuse, and prevention of sex trafficking

recruitment. In addition, all certificated and classified school employees must receive training on reporting obligations during orientation and then again every three years.

**Assessment of Skills for Teacher Certification: HB 1178**

Washington law requires passage of a basic skills test for admission to approved teacher preparation programs and for persons from out-of-state applying for teaching certificates. The Professional Educator Standards Board (PESB) has a single test used for this purpose. The basic skills assessed in this test are reading, writing, and mathematics. **HB 1178** permits PESB to identify and adopt alternatives comparable in rigor to the basic skills assessment currently in place. The bill also requires alternative tests be reviewed by the education committees of the legislature before implementation.

**Troubled Youth In Schools: HB 1336**

Youth who are troubled face substantial issues that interfere with their well-being. In addition to other behaviors, troubled youth may practice acts of self-harm, become aggressive or rebellious, be depressed or have low-esteem, or be suicidal. If identified, intervention can occur to help these youth. **HB 1366** requires all school counselors, psychologists, social workers, and nurses to complete a training program in youth suicide screening and referral as a condition of certification. It also mandates that Issues of Abuse courses, required of all educators, will include steps to recognize, screen, and respond to emotional or behavioral distress in students. Each school district must adopt a plan for recognition, initial screening, and response to emotional or behavioral distress in students, beginning in the 2014-15 school year. A task force is created to identify best practices for school districts to develop partnerships with community agencies to support youth in need. DSHS will provide funds for mental health first-aid training targeted at teachers and educational staff, if funds are appropriated for this purpose.

**Sex Education and Sexual Offense Convictions: HB 1397**

Age-of-consent laws for sexual offenses with minors are not well understood by sexually active teenagers, the legislature adopted **HB 1397**. This bill requires public schools that teach sexual health education to also teach students about sexual criminal law and the legal consequences for committing a sex crime with a minor. Access to the age-appropriate materials developed to serve this purpose will be available to parents, students and interested community members. Catholic schools may use these materials, if they so choose.

**Community Services and High School Graduation Requirements: HB 1412**

The minimum requirements for high school graduation are set by the state Board of Education. The current requirements are 20 credits among as specified distribution of subjects, a culminating project, and a High School and Beyond Plan. School boards may choose to add local high school graduation requirements. In 2011, at least 20 school districts required students to complete community service for graduation. **HB 1412** requires school districts to adopt a policy that is supportive of community service and provides an incentive, such as recognition or credit, for students who participate in community service.

**School Employee Administration of Nasal Sprays: HB 1541**

State law defines what medications may be administered in public and private schools, as well as what is required for that administration to occur. For example, there must be a written request from the parents or guardians and from the licensed health professional indicating there is a health need for the student to have the medication during the school day. The schools must have policies that address who may administer the medications and a plan to collect the written requests and instructions from parents and health care professionals. Schools may administer oral medications, topical medication, eye drops and ear drops. **HB 1541** adds nasal sprays to the list of medications and provides direction on who may administer the sprays, including school nurses, employees, or parent-designated adults.

**CPR Instruction in High Schools: HB 1556**

Cardiopulmonary resuscitation (CPR) is well known as an emergency procedure to assist a person who has gone into cardiac arrest. **HB 1556** requires OSPI to collaboratively develop guidelines for a medical emergency response, and automated external defibrillator program for high schools. It also requires high schools to offer instruction in CPR and include CPR training in one health class necessary for graduation.

**Access to Higher Education for Students with Disabilities: SB 5180**

There are a number of federal laws that protect individuals with disabilities from discrimination. In K-12 education, school districts are required to provide a free appropriate education to each child with a disability. Institutions of higher education are not required to meet that standard, but must provide accommodations to ensure they do not discriminate against people with disabilities. **SB 5180** establishes a legislative task force to improve access to higher education for students with disabilities. The bill defines the membership and provides a set of goals for the task force to accomplish. The first set of recommendations to the legislature is due December 1, 2013, then annually through January 1, 2016.

**Online School Programs in Private Schools: SB 5496**

Washington private schools are determined to be approved when an application is submitted indicating the school is in compliance with the standards set out in statute. OSPI reviews the application, and finding the school compliant, sends it to the Board of Education for the formal approval. The state has been working on guidelines for online school programs for a number of years. OSPI consulted with the Private School Advisory Committee (PSAC) for comments on guidelines under development. **SB 5496** will allow private schools approved by the Board of Education to offer and administer online school programs. The online program approval process will not require a different set of standards for minimum instructional hour offerings and allows residential dwellings as adequate physical facilities for the online programs. No private school online program may receive state funding. PSAC will examine issues related to approval of these on-line programs and recommend any additional criteria or procedures that should be considered by the legislature. Recommendations are due January 1, 2014.

**Educational Specialist Degrees: SB 5559**

An educational specialist degree is an advanced degree for people with a master's degree in teaching or a master's degree with an educational focus. Regional universities have not offered these degrees until 2011, when Eastern Washington University was given the authorization to offer an educational specialist degree. **SB 5559** extends that authority to Central Washington University, Western Washington University, and The Evergreen State College.

**K-12 SCHOOLS – BILLS THAT FAILED**

**Community Athletic Facilities Grants: HB 1187**

**HB 1187** would have required transfer of tax revenues from competitive team sports activities to the Youth Athletic Facility Account. This account funds community outdoor and indoor athletic facilities that serve youth or communities. The WSCC monitored this legislation for the purpose of CYO access to the facilities. These grants would be used for the development of new facilities, renovation of existing facilities, or maintenance projects. A nonprofit organization could have applied as a joint applicant with a local government or park district.

**K-12 Online Professional Development Project: HB 1252**

**HB 1252** was written to establish the K-12 Online Professional Development Project. The purpose was to make online professional development modules available on demand and at no cost to teachers and principals. OSPI would have been the lead in the project. Potential exists for the professional development materials to be accessible to teachers and principals in the private school system.

**Compulsory School Attendance: HB 1283**

Washington's current compulsory attendance law requires children between eight and eighteen years old to attend either a public or private school or receive home-based instruction. If the child does not attend school, the child and the parent may be subject to the truancy provisions in state law. **HB 1283** would have reduced the age of compulsory attendance to six years of age, but truancy provisions would not impact six and seven year olds. Instead, truancy would continue to cover those eight years of age and older.

**School Speed Zone Signs: HB 1698**

Keeping driving speeds down in school zones has long been considered an important means to keeping students and staff safe. Currently, school speed zone signs are required to be installed to convey to drivers they are entering a designated school zone and convey the end of a school zone. This bill would have required that speed zone signs located at the end of the zone must indicate such with an "END SCHOOL ZONE" sign. The cost of these signs would have been paid for by the Department of Transportation, county government, or city government.

**School Siting Outside Urban Growth Areas: HB 1848**

Introduced late in the session, **HB 1848** was monitored by the WSCC due to the experiences of Catholic schools in siting new buildings. **HB 1848** would have authorized counties with plans under the Growth Management Act to permit schools outside of designated urban growth areas. For this to occur, certain requirements would have to be met, such as student capacity needs, environment protection, and/or unavailability of vacant land to site the school within the urban growth boundary.

**Safe Routes to School: SB 5506**

The Safe Routes to School Program, housed in the state's Department of Transportation, provides support for initiatives to enable and encourage children to safely walk and bicycle to school, as well as initiatives that promote healthy and active lifestyles from an early age. The Safe Routes program also assists in planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. **SB 5506** would have set aside \$10.4 million in federal funds for the Safe Routes to School program each biennium.

**Back-to-School Clothing and Supplies Tax Holiday: SB 5529**

**SB 5529** would have created a sales tax holiday for back-to-school sales of clothing items and school supplies. The tax holiday is for clothing items with a value of less than \$100 each and for school supplies with a value of less than \$10 each. The back-to-school sales tax holiday would occur on the second adjacent Friday, Saturday, and Sunday of August each year. A seller would not be obligated to collect the sales tax for these purchases and would be exempt from the equivalent use tax attributed to the sales. The sales tax holiday would expire July 1, 2016.

**Expanding Authority for Warrantless Searches: SB 5618**

Washington State provides for a "school search exception" to the Constitution's warrant requirement that probable cause be present to conduct a search. If a school official has reasonable grounds to believe the search is necessary to aid maintenance of school discipline and order, the exception is allowed. The definition of "school official" has been unclear and in a recent decision the Washington Supreme Court ruled that a "school resource officer" (a local police department officer) was not a school official. **SB 5618** would have allowed school resource officers and local school police liaison officers to conduct searches.

**Alternative Learning Experiences: SB 5794**

In Washington, alternative learning experience (ALE) programs provide a way for students to be enrolled in public education without being required to meet the in-class seat-time requirements for regular

instruction. They also provide a way for schools to claim students enrolled in nontraditional programs for purposes of state funding. **SB 5794** would have re-defined the three types of ALE programs as on-line, site-based, or remote. All types would then require contact time with a certificated instructor. Funding for ALE students would have been clarified.

#### **Education Reforms: SB 5901**

In the past few years, the legislature has worked to implement changes to the public K-12 system through the Quality Education Council (QEC). The QEC provided recommendations on teacher compensation, the allocation of funding, and data collection. **SB 5901** would have provided greater flexibility to schools by allowing them to fully realign resources around evidence-based practices, created school recognition and reform programs; and addressed student discipline and expulsion policies. This bill would have established a school grading system and consequences for schools that receive an “F” under the state’s Accountability Index. The bill would have frozen TRII contracts, the supplemental compensation for additional time, responsibilities, incentives, or innovations, and created a joint select committee on educator compensation.

#### **Tax Credits for K-12 Private Schools: HB 2063**

**HB 2063** provides for an education investment tax credit for businesses that fund private school scholarships. The scholarships would be for students from low-income families and the tax credit would be equivalent to the scholarship. The bill was introduced too late for consideration, but may be considered in 2014.

### **EARLY LEARNING AND CARE – BILLS THAT PASSED**

#### **Children’s Personal Information: HB 1203**

This Department of Early Learning request bill addresses the concern that current state law, under the Public Records Act, requires that all state and local government agencies make all public records available for public inspection and copying unless they fall within certain statutory exemptions, including the personal information of children in early learning programs and services. **HB 1203** protects these children by exempting personal information contained in child care and early learning records from public disclosure.

#### **Drop-In Educational or Recreational Programs for School-Aged Children: HB 1547**

**HB 1547** exempts from child care licensing those organizations that 1) use a drop-in model for programming where children are able to attend during any or all program hours without a formal reservation; 2) do not assume responsibility in the place of the parent, outside of transportation; 3) are local affiliates of a national non-profit organization; and 4) are in compliance with all safety and quality standards set by the associated national agency. An exemption for this purpose has been in place, but the bill clarifies the requirements for exemption and removes a section of the law that exempts a provider from licensing if in operation in the state 10 years prior to 1967.

#### **Expanding and Streamlining Early Learning Programs: HB 1723**

In recent years, Washington has developed and expanded a myriad of early learning programs to make available a high quality system for all children, regardless of their income levels. The umbrella for these programs and services is “Early Start.” **HB 1723** adds to and amends the provisions in place that define and implement the programs and services. These changes include: 1) creation of a technical working group to examine child care and early learning eligibility processes and funding streams; 2) allows schools using the Washington Kindergarten Inventory of Developing Skills (WaKids) to use three school days at the start of each school year to meet with parents and families; 3) defines the Early Achievers, Early Start, and Washington State preschool programs; 4) Specifies that all Washington State preschool

programs receiving state funding must enroll in Early Achievers by 2015; and 5) subject to appropriations, provides increases in the base rates for providers and additional increased for those who choose to enroll and work toward quality improvements in the Early Achievers program.

**Facility Licensing Standards for Before and After-school Programs: HB 1968**

Fondly known as the “3:00 p.m. bill,” **HB 1968** addresses an on-going concern of schools (public and private), and before and after-school care providers, who provide or collaborate to provide, programs in school buildings. Currently, the state fire marshal has two sets of standards for school buildings: One set for the school day, and one set for the before and after-school care programs for school-aged children. Despite the fact it is largely the same set of school students participating in the before and after-school care programs, many schools have been denied the certificate of compliance necessary to be licensed as a care program. **HB 1968** requires the Fire Marshal's office to adopt licensing standards that allow children who attend classes in a school building during school hours or children who attend another school and are transported to the school, to remain in the same school building to participate in before or after-school programs. The WSCC led the effort to achieve passage of **HB 1968**.

**Early Learning System Reform: SB 5595**

**SB 5595** requires short-term and long-term improvements to the child care system to ensure families have access to assistance. In the short-term, the bill requires the Department of Early Learning (DEL) to modify rules that have prevented some families from gaining and maintaining eligibility. It also calls for better communication between DSHS and families about eligibility status. The bill establishes a legislative task force on child care improvement that will: 1) provide recommendations to the legislature on the creation of a tiered reimbursement model; 2) develop an implementation plan for expansion of the Early Childhood Education and Assistance Program (ECEAP); 3) establish a system for market rate reimbursements; and 4) create a plan for further graduation of the co-pay scale to eliminate the cliff that occurs at subsidy cut off. **SB 5595** also requires DEL to adopt rules allowing parents who participate in one hundred ten hours of work or related activities to be eligible for full-time child care services.

**Home Visiting Services Account: SB 5809**

To aid in efforts to support home visiting services, a program offered in the Yakima Charities array of services, **SB 5809** directs the Office of Financial Management to deposit all federal funds for home visiting into the Home Visiting Services Account. The Department of Early Learning will now be the lead agency on home visiting services and the non-governmental partner, Thrive by Five, will work with DEL to determine the match rate of private funds each year. Programs may be funded through a competitive bid process or in compliance with the regulations of the funding source.

**EARLY LEARNING AND CARE – BILLS THAT FAILED**

**Child Care Reforms in Working Connections and Early Achievers: HB 1671**

Working Connections Child Care is a program that provides subsidies for families below 200 percent of the federal poverty level. DSHS establishes eligibility and DEL develops and implements the program's policies. For some time, concerns have been raised by providers and parents about the customer service provided at both agencies. These concerns have included the length of time required to receive a response from a phone call or application processing, and the lack of professionalism by agency staff when communicating with providers and parents. **HB 1671** would have established standards and required training for staff. A Parent and Provider Oversight Board would have been established. The Early Achievers program (formerly QRIS) would have been defined in statute as “a program that improves the quality of early learning programs and supports and rewards providers for participation.” Participation would remain voluntary. The statute would also lay out the goals of the program, which include



providing parents with information about quality child care and early education programs, improving early learning throughout the state, and increasing school readiness for children.

**Childhood Obesity Prevention: HB 1784**

**HB 1784** would have required the Department of Early Learning to consider child obesity when developing and adopting rules on physical activity, television, computers, and other screened technology use, and nutritional standards. DEL would also be responsible for providing parents utilizing early learning programs or services culturally relevant information regarding the prevention of childhood obesity.

**High Quality Early Learning: SB 5904**

**SB 5904** would have required the Department of Early Learning to increase enrollments in the Early Childhood Education and Assistance Program (ECEAP) by 10 percent in the 2013-2015 biennium, subject to the availability of funds. Rates paid for early learning program enrollments would have been increased by 10 percent, also subject to the availability of funds. The Washington State Institute for Public Policy would conduct an outcome evaluation and return on investment analysis of ECEAP, assessing both short-term and long-term outcomes for participants, including educational and social outcomes. The study would have also included a review of the research evidence on components of successful early education program strategies and an examination of family support services provided through early childhood programs.

**Regulating Child Care Subsidies: SB 5157**

An audit at the Department of Early Learning finding errors in some child care payments led to the introduction of this legislation. **SB 5157** would have required the Department of Early Learning to review rule violations pertaining to subsidy payments and to develop recommendations by December 1, 2013 to increase compliance with subsidy payment rules.