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Revenue forecast up, budgets to be released this week

Prepared by Marie Sullivan, WSPTA Legislative Consultant, legconsultant@wastatepta.org

As anticipated, the [March 17 revenue forecast](#) presented by state chief economist Steve Lerch was positive – for the 2019-21 biennium, the forecast was increased by \$1.34 billion and for the 2021-23 biennium it increased by nearly \$1.95 billion. This is a dramatic turnaround from the June 2020 forecast, which projected a \$9 billion deficit for fiscal years 2021, 2022 and 2023.

According to Lerch, the positives include two stimulus bills passed; faster than expected vaccine distribution; stronger than expected retail sales; and a super-hot housing market. To the negative, however, Lerch shared that employment growth has been slower than expected; business remains weak for restaurants, bars, arts and entertainment, and travel-related businesses; and rising oil and gas prices may hamper growth.

In addition to that good news, the American Rescue Plan (H.R. 1319, Public Law 117-2) signed into law by President Biden earlier this month is estimated to bring about \$10.64 billion to the state, along with an estimated \$8.4 billion in direct stimulus payments to taxpayers (excluding continuation of pandemic unemployment insurance assistance, which has been extended through Fall 2021). In a [30-minute briefing](#) with the Senate Ways & Means Committee March 19, the state budget office offered an [overview](#) of expected funding, possible uses, and timing. Many details are still being figured out, and Senate budget chair Christine Rolfes, D-Bainbridge Island, said the budget being released this coming week would look unlike anything they've seen before because of the possible impact of federal funds and all the unknowns.

One area that is known is about \$1.85 billion will be available for K-12 education in Washington's schools. OSPI must distribute 90% of the funds to school districts based on the ESEA Title I share. (The [basic principle](#) of Title I is that schools with large concentrations of low-income students receive supplemental funds to assist in meeting student educational goals.) Nearly every district receives at least some money through Title I, however part of the budget challenge for state lawmakers this session will be to balance the use of those anticipated federal funds against school district enrollment decline and school transportation funding losses due to reduced ridership. And, whereas the ESSER II funds were fairly flexible, the ESSER III funds require school districts to reserve 20% to address learning loss. Funds may be used to update ventilation systems, reduce class sizes to help with physical distancing requirements, buy PPE, and hire support staff, among other eligible activities.

Speaking of budgets, Democrats plan to release their two-year spending plans this week, with the Senate Chair going first. On Monday, the Senate Transportation Chair (and possibly House Transportation Chair) will release their 2021-23 budgets, with both transportation committees holding public hearings on March 23. Senator Rolfes announced a plan to release the 2021-23

operating and capital budgets on March 25, with a public hearing on the capital budget that afternoon. At this time, House Appropriations Chair Timm Ormsby, D-Spokane, and House Capital Budget Chair Steve Tharinger, D-Dungeness, are planning to release the operating and capital budgets, respectively, on the 26th, with a public hearing on Saturday, March 27 on the operating budget and likely a public hearing on the capital budget March 30.

Transportation fix, enrollment stabilization bills continue to advance

Last week the House Education Committee heard public testimony on [E2SSB 5128](#) and then passed out of committee a [new version of the bill](#) that strips the language to purely a policy that will serve to stabilize transportation funding for school districts during any emergency. The bill has been passed to House Appropriations.

The Senate Ways & Means Committee will hear [ESHB 1476](#) on Monday, March 22, and has the policy bill scheduled for executive action on March 25. The bill has been stripped of most of its original language, which would stabilize enrollment funding for the 2020-21 school year, because budget writers have said they can handle everything but the enrichment levy stabilization in the omnibus budget.

Committee action main focus last week

Both policy and fiscal committees used last week to take public testimony and act on bills from the opposite chamber. Friday, March 26 is the final day for policy committees to act on these bills, and April 2 is the final day for bills to clear the opposite chambers' fiscal committees.

WSPTA Legislative Priorities

(all bills may be accessed [here](#))

Washington State PTA adopts a [two-year platform](#). Delegates at the 2020 Legislative Assembly adopted five issues as the highest priority issues, and three as "Also Supported." [Videos](#) and handouts for members' use in advocacy efforts this session are posted on the WSPTA Advocacy [page](#) under each position statement.

This was a busy week for policy committees. Here's a list of bills that are still in play:

- SHB 1162, changing high school graduation requirements, has had a public hearing in Senate education, was scheduled for executive action, and has until March 26 to pass committee.
- E2SHB 1139, acting on lead in drinking water, passed out of the Senate education committee without amendment. It goes to the Senate Ways & Means Committee.
- SHB 1208, creating flexibility in LAP, also passed the Senate education committee, was sent to Rules and pulled to the Senate floor.
- ESHB 1214, expanding training requirements for SROs and school safety and security staff, was heard March 19 and has been scheduled for executive action in Senate education March 22.

- SHB 1225, creating a school-based health center grant program, passed Senate Health & Long-Term Care and has been sent to Senate Ways and Means.
- ESHB 1273, supplying menstrual products, passed out of Senate education with no amendments.
- SHB 1302, modifying College in the High School programs, passed Senate education without amendment and has been sent to the Rules committee.
- EHB 1342, eliminating lunch copays for students who qualify for reduced-price lunches, passed the policy committee and is scheduled for a public hearing in Senate Ways & Means March 22.
- E2SHB 1356, prohibiting the inappropriate use of Native American names, symbols or images, was amended in the Senate education committee to create an account to help school districts that need to replace signage and uniforms. The bill has a public hearing in the Senate Ways & Means Committee March 22.
- E2SHB 1365, procuring and supporting appropriate computers and devices, passed with no amendments from Senate education and is waiting a hearing in Senate Ways & Means.
- E2SHB 1477, implementing the national 988 system, passed the House and is scheduled for a public hearing in the Senate Behavioral Health Subcommittee on March 26.
- ESSB 5044, requiring professional development on equity, cultural competency, and dismantling institutional racism, had a public hearing in House Education and is scheduled for exec next week.
- ESSB 5096, enacting a capital gains tax, had a public hearing March 15 in the House Finance Committee.
- SSB 5126, concerning the Washington climate commitment act, had a public hearing in Senate Ways & Means, was scheduled for executive action March 18, and has been rescheduled for the 22nd.
- SB 5184, establishing a building point of contact in all K-12 public schools for students in foster care, had a public hearing in House Education and is scheduled for executive action March 23.
- SSB 5249, supporting mastery-based learning, had a public hearing and is scheduled for a vote on March 23 in House Education.

The Week Ahead

See the Week 11 events and bill tracker.

Advocacy in Action

Washington State PTA parent advocates testified on the following issues:

- After passing the House by a 94-4 margin, the Senate education committee heard public testimony on [E2SHB 1139](#), taking action on lead in drinking water. Speaking for Washington State PTA was Gwen Loosmore, who urged committee members to protect

student health, ensure sufficient funding for school districts, and pass the bill. Listen [here](#).

- Last fall, WSPTA members voted into the Top 5 a position in support of closing the digital divide, creating affordable and accessible connectivity, and making sure students had access to developmentally appropriate devices. Advocate Heidi Bennett [urged members](#) of the Senate Early Learning & K-12 Education Committee to adopt [E2SHB 1365](#) as a good first step to ensuring 1:1 devices for students, as well as training for staff and families.
- Heidi Zamora had her testimony ready to go when [SHB 1225](#) was heard in the House policy committee but, unfortunately, the committee ran out of time for all the speakers. She had a chance to dust it off and speak in favor of the Legislature adopting this bill, which would create a grant program to support planning, start-up or expansion of school-based health centers. [Hear](#) Heidi's testimony.
- [SHB 1162](#) would allow students to graduate with 20 credits, as long as the student had completed the 17 core credits and 3 personal pathways credits related to their high school and beyond plan. The bill also would create a new graduation pathway option – the performance exhibit. Michelle Nims [voiced WSPTA support](#) for the bill and urged Senate education committee members to pass it.
- Speaking with concerns about [E2SSB 5128](#), the bill designed to preserve transportation funding despite reduced ridership this school year, Heidi Bennett urged House Education Committee members to reject language that would require districts to use federal ESSER funds to backfill state funding rather than support student learning recovery programs. Listen to Heidi [here](#). The bill was amended before being passed out of the committee, with the offending section removed but critical policy recognizing other allowable uses, such as delivering meals, homework and hot spots, retained.