

# Reinvesting in Washington

## 2015–17 Operating Budget Highlights

### EDUCATION

*The budget invests \$2.3 billion in the education continuum. Details are explained below.*

#### Early Learning

*Offer opportunities for our youngest learners with high-quality early learning – \$95.3 million total*

Makes significant state investments in proven early learning programs to ensure more students start kindergarten ready to learn.

##### **Early Childhood Education and Assistance Program – \$24.2 million**

Funds 1,600 new spaces in the Early Childhood Education and Assistance Program, the state’s preschool program for children from low-income families. With the additional spaces, a total of 11,691 children from low-income families will have access to preschool.

##### **Early Start Act (Early Achievers) – \$65.1 million**

Improves child care quality by providing \$65.1 million for the state’s Early Achievers child care rating program that trains child care providers in effective early learning strategies. This investment will reach all children participating in the state’s preschool program and subsidized child care.

##### **Early support for infants and toddlers – \$4.0 million**

Meets rising demand for intervention services provided through the Early Support for Infants and Toddlers program, funding 1,500 more young children with special needs.

##### **Home visiting – \$2.0 million**

Increases the number of families receiving home-visiting services.

#### Kindergarten through 12<sup>th</sup> Grade

*Increase basic education funding to reduce class sizes, increase class time for kindergartners and cover school operation costs – \$1.3 billion total*

##### **Elementary school class-size reduction – \$350.0 million**

Proposes substantial investment in elementary schools, including nearly 5,000 additional teachers by the end of the 2016–17 school year. Reduces class sizes in kindergarten through third grade for both the 2015–16 and 2016–17 school years, making progress on the commitments provided in HB 2776. Washington’s K-3 class sizes will be funded at levels of 17 to 22, depending on the grade and poverty level of the school.

**Statewide full-day kindergarten – \$179.8 million**

Funds full-day kindergarten for all students, offering 1,000 hours of instruction a year, one year ahead of schedule. Today, fewer than half the state's kindergartners participate in a state-funded, full-day program. While some districts provide funding with federal or local funds, most students not in state-funded programs either attend for a half day or their families pay nearly \$3,000 a year in tuition. This budget will offer full-day programming to 72 percent of kindergartners in the 2015–16 school year and 100 percent of kindergartners in the 2016–17 school year.

**Materials, supplies, curricula and operating costs – \$741.0 million**

HB 2776 and the McCleary decision require full funding of an enhanced formula for materials, supplies, curricula and operating costs by the 2015–16 school year. Fully funds this obligation, increasing the funding allocation to \$1,210 per student in the 2015–16 school year, up from \$848 per student in the 2014–15 school year.

**Special education**

Funding of \$151.0 million for special education services is embedded in the previous three items. Districts will dedicate a portion of these amounts for approximately 1,800 principals to receive professional development on best practices for special education instruction and strategies for implementation in schools.

***Promote student success and high-quality instruction – \$21.9 million total*****Mentoring for new teachers – \$5.0 million**

Expands the state's Beginning Educator Support Team program to provide training and support to the nearly 5,000 new teachers entering the system in the 2015–17 biennium.

**Project-based math and science – \$1.0 million**

Expands project-based and work-based math and science learning. Students from all grade levels will be connected through age-appropriate curricula to the environmental, natural resource and agricultural sectors to experience new learning opportunities and explore possible careers in these areas.

**College in the High School – \$6.6 million**

Increases low-income student participation in College in the High School, which offers 11<sup>th</sup> and 12<sup>th</sup> grade students the opportunity to complete college-level academic courses. Students may earn college credit if they pay a fee to the partnering higher education institution. This funding will cover the cost of the fee for up to 10 college credits a year for an estimated 8,179 rural and low-income students.

**Running Start – (\$6.6) million**

Clarifies that the Running Start program for 11<sup>th</sup> and 12<sup>th</sup> graders pertains only to those students taking their courses at the college or online.

**Turnaround programs – \$3.2 million**

Funds turnaround programs for schools identified for the state's persistently lowest-achieving schools program. Under guidance by the Office of Superintendent of Public Instruction, identified schools use evidence-based models for school improvement, including principal and instructional coaching. Under the law, further state intervention can occur for schools and districts, if necessary, after three years.

**Expand pre-service classroom experience – \$4.2 million**

Integrates more K-12 classroom experience in pre-service training programs through funding of innovation grants and restoring funding for the Alternative Routes to Teaching program.

**Math and science training – \$3.6 million**

Provides more instructional training for math and science teachers; develops environmental science curricula for career and technical education course equivalencies; and increases the number of teachers endorsed in secondary-level computer science. More than 350 teachers will be trained each year.

**Washington Achievers Scholars – \$2.9 million**

Expands the Washington Achievers Scholars program in King and Pierce counties. The program provides mentorship to selected low-income high school juniors and seniors through their freshman year of college.

**Microsoft IT Academy – \$2.0 million**

Expands the Microsoft IT Academy in middle schools.

***Invest in educator compensation – \$617.5 million total*****Initiative 732 salary increase – \$230.9 million**

Fully funds the Initiative 732 salary increase of 1.8 percent in the 2015–16 school year and 1.2 percent in the 2016–17 school year.

**Additional educator compensation – \$152.3 million**

Provides one-time funding to bring the general wage increase up to 3 percent for the 2015–16 school year, followed by a 1.8 percent in the 2016–17 school year. These rates are in alignment with increases recommended for state employees.

**Pension rates – \$210.0 million**

Provides maintenance-level funding for the state's share of higher employer pension rate contributions for K-12 employees.

**Health care rates – \$24.3 million**

Increases the state's monthly health benefit rate for state-funded K-12 employees from \$768 to \$780 per month. The rate for state-funded classified employees will increase from \$884 to \$899 per month.

## Higher Education

***Maintain higher education access and affordability – \$225.0 million total*****Tuition – \$169.0 million**

Rates for the public colleges and universities have steadily risen since the early 1990s, and then spiked sharply from 2009 to 2013, the result of the state's effort to balance the budget during the Great Recession.

The budget reduces tuition for resident undergraduate students at the public baccalaureate colleges and the community and technical colleges by 5 percent in the first year of the biennium. In the

second year, tuition is reduced by an additional 10 percent at the research institutions; 15 percent at the regional universities; and frozen at the community and technical colleges.

Separate legislation will address residency requirements for our state's veterans and dependents to conform to federal law changes passed in August 2014. The legislation will allow the public colleges and universities to continue participation in the Post-9/11 GI Bill and Montgomery GI Bill programs.

**Opportunity Scholarship – \$41.0 million**

Matches private contributions to the Washington State Opportunity Scholarship, a public-private partnership established in 2011 to address rising tuition and promote career opportunities. Students from families earning up to 125 percent of the state's median family income are eligible if they commit to earn a bachelor's degree in high-demand fields in STEM or health care. With the state's investment, an estimated 4,000 more students are expected to benefit in the 2016–17 academic year, compared to current levels.

**College Bound – \$14.5 million**

Increases enrollment in the College Bound Scholarship program by nearly 4,000 students. The program provides an early commitment of financial aid to low-income 7<sup>th</sup> and 8<sup>th</sup> graders who pledge to attend college. Students who meet eligibility requirements while in high school and attend a college in Washington are eligible for an award covering tuition and fees at public institution rates and a \$500 annual book allowance. The Caseload Forecast Council expects the program to grow from 11,896 students in the 2014–15 academic year to 15,690 students in the 2016–17 academic year.

*Medical education and training – \$27.7 million total*

**School of Medicine, Washington State University – \$2.5 million**

Provides funding for Washington State University to pursue accreditation and establishment of a new medical school in Spokane.

**Continuation and expansion of WWAMI, University of Washington – \$9.0 million**

Provides funding to expand medical education offered by the University of Washington's Washington, Wyoming, Alaska, Montana and Idaho (WWAMI) medical school program in Spokane. Funds will support 60 first-year medical school students in 2015–16 and 60 second-year medical students in 2016–17, up from the current cohorts of 20 students per year.

**Medical residencies, University of Washington – \$8.0 million**

Expands the number of residency slots available at the University of Washington through its Family Practice Medicine Residency Network.

**Targeted health professions funding – \$7.7 million**

Addresses shortages of trained medical and mental health providers. Makes loan repayments for primary care providers working in health professional shortage areas or mental health providers working with adolescents.

**Latino Center for Health, University of Washington – \$500,000**

Supports leadership and education to promote the health and well-being of Latinos in Washington and the region.

### *Boost higher education attainment and training – \$18.5 million total*

#### **Computer science and engineering programs – \$12.4 million**

Expands advanced computer science and engineering programs at the University of Washington, Washington State University and Western Washington University to keep up with job demands in these competitive fields. Approximately 350 high-demand slots will be added. Also includes funding for the development of a baccalaureate of science degree in computer science at Bellevue College starting in the fall of 2016.

#### **Increase degree completions – \$4.5 million**

Increases resources for student advising programs to support student success and degree completion at Central and Eastern Washington universities and The Evergreen State College.

#### **Training programs – \$1.6 million**

Targets industry investments to maintain economic competitiveness for the operation of a fabrication composite wing incumbent-worker training program at the Washington Aerospace Training and Research Center in Everett.

### *Higher education — other programs*

#### **Ocean acidification – \$1.6 million**

Supports the Washington Ocean Acidification Center at the University of Washington to continue coordination and research to understand, monitor and adapt to increasingly acidic waters. One-time funding was provided in the 2013–15 biennium. This will establish permanent funding of \$1.4 million for the program. In addition, one-time funding of \$200,000 is provided to study the biological response of selected commercial and managed species, such as rockfish and salmon, to ocean acidification.

#### **Climate Impacts Group – \$400,000**

Adds funding for the Climate Impacts Group at the University of Washington to conduct data modeling and provide technical assistance on climate impact analysis to Washington communities, businesses and governments.

#### **Monitoring private vocational schools – \$106,000**

Expands consumer protection and oversight at the Workforce Training and Education Coordinating Board of private vocational school students.

## **HUMAN SERVICES AND PUBLIC SAFETY**

#### **Single bed certification, Department of Social and Health Services – \$31.4 million General Fund-State; \$18.3 million General Fund-Federal**

Prevents inappropriate boarding of patients at medical hospitals by funding 145 more psychiatric community beds for individuals in need of mental health services. Improves public safety by ensuring that individuals determined to be a danger to themselves or others receive necessary mental health services.

**T.R. implementation, DSHS – \$16.6 million GF-S; \$16.6 million GF-F**

Expands intensive mental health services for high-needs youth. DSHS is expected to accomplish the year 3 and 4 commitments set forth in the so-called T.R. settlement agreement.

**Trueblood implementation, DSHS – \$26.9 million GF-S**

Opens a new 30-bed forensic ward at Western State Hospital, adds 15 beds at Western State Hospital, adds 30 beds at Eastern State Hospital and hires 174 staff to address the rising demand for inpatient, court-ordered competency restoration and forensic services. Cuts wait times for people in jail for inpatient competency evaluation and restoration services, pursuant to the court decision in Trueblood v. DSHS.

**Civil admission ward, DSHS – \$7.6 million GF-S**

Prevents inappropriate boarding of patients at medical hospitals by funding a new, 30-bed civil admission ward at Western State Hospital. Increases the availability of mental health inpatient services for individuals determined to be a danger to themselves or others, or who are seriously mentally ill.

**Competency evaluation staff, DSHS – \$4.7 million GF-S**

Funds 18 new positions to perform and support competency evaluation work and to improve the state mental health hospitals' ability to keep up with demand for competency evaluations. Helps the state hospitals meet statutory targets, reduce waiting lists and avoid contempt of court rulings by developing adequate data, a service delivery approach and a staffing model to address the demand for competency evaluations.

**Psychiatric intensive care unit, DSHS – \$3.8 million GF-S**

Creates a psychiatric intensive care unit (PICU) to serve violent and assaultive patients at Eastern State Hospital and hires 22.8 more staff. To increase patient safety, the PICU will house high-acuity patients for short-term stays, then transition them back to a standard ward after stabilization. PICU patients will be provided specialized care and treatment.

**Psychiatric emergency response team, DSHS – \$3.5 million GF-S**

Hires 23 staff and expands the psychiatric emergency response team at the Center for Forensic Services in Western State Hospital. This enhances the safety of both staff and patients at the state hospitals through the addition of a team for day and evening shifts to support the civil wards of both facilities.

**Safety and security at facilities, DSHS – \$1.2 million GF-S**

Improves the safety and security of staff and youth by adding nine new graveyard staff for each of the eight juvenile rehabilitation community facilities. Also funds additional safety equipment such as partitioned vehicles, safety harnesses for maintenance staff and eyewash stations.

**Prison swift and certain sanctioning, Department of Corrections – (\$1.7) million GF-S**

Achieves savings by reducing offenders' time spent on supervision based on good behavior and compliance with supervision terms.

**Juvenile Offender Basic Training Camp, DSHS – (\$1.7) million GF-S**

Closes the 15-bed, 120-day program known as the Juvenile Offender Basic Training Camp (JOBTC) in Connell. JOBTC-eligible youth are low-risk, non-violent, non-sex offenders with a commitment of less than a year. This population is one-third the size it was at peak levels in 1997.

**Central office funding reduction, Department of Veterans Affairs – (\$553,000) GF-S**

Achieves savings related to cost containment and efficiencies in administrative functions in the DVA central office.

**Enterprise Veterans Case Management System, DVA – \$600,000 GF-S**

One-time funding is provided for the first phase of an information technology project to create an automated exchange of information among the federal Department of Defense, federal Veterans Administration and DVA.

**Contracted forensic psychologists, DSHS – \$90,000 GF-S**

Funds additional contracted capacity for annual reviews of sexually violent predators, as directed by Chapter 71.09 RCW. Without timely annual reviews, there is a potential risk of residents being released because they cannot be legally placed at the Special Commitment Center.

**Foster Parent Association of Washington litigation, DSHS – \$12.5 million GF-S; \$4.2 million GF-F**

Settles the Foster Parent Association of Washington lawsuit and increases reimbursement to foster parents to fully cover the cost of care when a foster child is placed in their home. Allows for adequate reimbursement and supports foster parent recruitment and retention.

**Braam compliance and Child Protective Services staffing, DSHS – \$6.4 million GF-S; \$800,000 GF-F**

Hires 43 more staff in child protective services, child and family welfare services, and family assessment response. Helps the department improve the conditions and treatment of children in the state foster care system to comply with measures required under the Braam settlement, effective November 2011, and enables investigations and assessments of child abuse and neglect allegations to be completed within 90 days.

**Assisted living rate increase, DSHS – \$3.7 million GF-S; \$4.6 million GF-F**

Increases reimbursement rates for assisted living facilities residential services. These facilities include assisted living, adult residential care and enhanced adult residential care. Assisted living was the only setting to receive two rate reductions in the past five years. This setting is a crucial Medicaid service that allows people in need of a residential placement to be served in the community instead of a more expensive nursing home.

**Residential habilitation centers Medicaid compliance, DSHS – \$6.0 million GF-S; \$6.0 million GF-F**

Hires 82 staff to ensure compliance with Centers for Medicare & Medicaid Services requirements for habilitation, nursing care, staff safety and client safety at the residential habilitation centers.

**Community residential rate adjustment, DSHS – \$19.8 million GF-S; \$19.9 million GF-F**

Increases by \$0.60 the hourly rate in fiscal year 2016 and by \$1.20 in fiscal year 2017. These rates are paid to supported-living providers who deliver in-home care services such as coordinating care and teaching skills to increase client independence. These services help keep people living in community settings.

**Infectious disease response, Department of Health – \$6.0 million GF-F**

Prevents new and emerging communicable disease threats from taking hold in Washington by increasing the resources necessary to recognize, identify and effectively combat communicable disease outbreaks. Resources include implementation of evidence-based practices to improve immunization coverage rates; standardizing and prioritizing communicable disease tracking, monitoring and response; and increasing capacity to receive electronic laboratory reporting of diseases through a health information exchange.

**Marijuana and tobacco prevention, DOH – \$14.5 million GF-F**

Supports investments in youth substance abuse prevention and education that include media-based education campaigns for youth and adults; a marijuana-use public health hotline; grants to prevent youth marijuana use; assessment and evaluation; e-cigarette prevention related to marijuana use; and tobacco prevention activities aimed at youth populations with high incidence of tobacco use.

**Office of Youth Homelessness, Department of Commerce – \$900,000**

Funds the creation of the Office of Youth Homelessness in Commerce to coordinate and improve services to reduce the number of homeless youth in our state.

**12 months of subsidized child care, DSHS – \$22.2 million GF-S**

Promotes continuity of care for children receiving Working Connections Child Care, allowing low-income children to bond and build trusting relationships with caregivers for 12 months before eligibility is re-determined. This change in state law reflects recommendations of Public Law 113-186.

**TANF grant increase, DSHS – \$30.6 million GF-S**

Increases the Temporary Assistance for Needy Families grant and income standard by 9 percent for 61,042 low-income families.

**State food assistance grant increase, DSHS – \$9.6 million GF-S**

Increases the state Food Assistance Program benefit from 75 percent to 100 percent of the federal food benefit level, providing 11,253 families with more food assistance.

## **NATURAL RESOURCES**

*Enhance State Parks operations and maintenance*

Provides an additional \$20.6 million in ongoing GF-S support to stabilize and maintain State Park operations. Additional funding and staff are provided to improve park services, including more facilities and trail maintenance, and security at campgrounds.

**Oil transportation safety, Department of Ecology, Utilities and Transportation Commission, Military Department, Washington Department of Fish and Wildlife – \$8.7 million**

Implements HB 1449 and other measures to prevent and respond to oil spills. Funds will be used to increase the safety of oil transportation by rail and marine waters in the state. This includes developing oil spill contingency plans for oil transported by rail, completing a vessel traffic risk assessments for the Columbia River and providing grants to local communities for oil spill response equipment.

**Identify geologic hazards, Department of Natural Resources – \$4.6 million**

Prevents and prepares for natural disasters by providing funding on an ongoing basis for LiDAR technology to identify and map geologic hazards from landslides, earthquakes and tsunamis.

**Increase wildland fire response, DNR – \$1.8 million**

Provides additional resources to protect the public and property in fighting wildland fires, including \$1.2 million for additional fire engine crews and Helitack support. A total of \$648,000 is provided to implement HB 2093 to improve the use of local fire suppression contractors and coordinate with local governments on fire response.

**Prevent toxics in our environment, Ecology – \$2.0 million**

Provides funding to expand local source control of toxics and conduct studies of sources of toxics in stormwater.

**Ocean acidification – Marine Resource Advisory Committee, DNR – \$150,000**

Provides on-the-ground implementation of the comprehensive strategy to reduce the impacts of ocean acidification. Funding is provided from the Aquatic Lands Enhancement Account to continue the committee’s work.

## GENERAL GOVERNMENT

*New central IT agency will better position state government for the future*

The Legislature approved Governor Inslee’s proposed legislation to align central information technology services in a single new agency. This alignment will optimize coordination among IT policy, infrastructure, services and applications groups now housed in the Office of the Chief Information Officer (OCIO), Consolidated Technology Services (CTS) and Department of Enterprise Services (DES). The state CIO will serve as director of the new agency.

The new agency will build on the consolidation efforts of 2011 to provide more value and faster service to citizens and agencies, all for less cost. This move is not expected to result in significant cost savings beyond those realized through the IT consolidation efforts in 2011. However, the budget assumes savings of about \$2.4 million through lower administrative costs by combining OCIO, CTS and parts of DES.

## STATE EMPLOYEES

*Budget includes modest pay raises for state employees*

The 2015–17 budget includes funding for the first general wage increase for state employees in seven years. Last fall, the state reached agreements with unions representing nearly 50,000 employees in general government and higher education. The state also reached agreements with unions representing about 40,000 non-state employees who are paid by the state, including home-care workers, child care providers, adult family home workers and language access providers.

Under most of the agreements bargained by the state, employees will receive a 3 percent wage increase July 1, 2015. In the second year, employees would receive a 1.8 percent increase or 1

percent plus \$20 per month, whichever is greater. Some employees in targeted job classifications would get additional increases to help agencies address recruitment and retention issues. And a number of other employees would get larger wage increases under agreements reached through interest arbitration. The agreements with non-state employees include varying annual increases. The budget also funds a new employee health care agreement that continues the current premium split under which the state pays an average of 85 percent and the employee pays an average of 15 percent.

Altogether, compensation changes for state employees are projected to cost about \$271 million GF-S over two years. The Legislature's funding for employee health insurance during the next biennium is less than expected, reducing the overall cost of the compensation packages.