

LEGISLATIVE SUMMARY

2008 GENERAL SESSION

PUBLIC EDUCATION FUNDING

Overall, public education received \$341 million in new funding-\$245 million ongoing and \$96 million one-time-a 7.4 percent overall increase.

Student enrollment growth was fully funded.

The Legislature set aside \$100 million against future revenue decreases.

Weighted Pupil Unit (WPU)

The Governor's proposed budget included a seven percent increase to the WPU, without a separate pay raise or bonus for teachers. Initial reports during the session suggested that a 3-3.5 percent increase might be forthcoming.

However, in part because of reduced revenue projections and in part because of funding of teacher raises and new programs, the Legislature only increased the WPU by 2.5 per cent.

Teacher raises

In contrast to the Governor, the Legislature remained committed to giving teachers another raise. Because of lower than anticipated revenue projections the raise amount was reduced from \$2,500 to \$1,700 (net after payroll taxes and retirement contributions) and school level administrators will not receive this year's raise.

USEA reiterated its longstanding position in favor of funding the WPU instead of earmarking money for teacher raises before the House Education committee, and made the same points in discussions with individual legislators. However, the overwhelming legislative mind-set was that teachers' raises should be directly funded.

Other school employee compensation

SB 281, passed on the last day of the session, makes one-time appropriations of \$5 million for new teacher signing

bonuses and \$20 million for "performance-based compensation" programs. The Legislature left it to individual districts to create plans determining which employees would get this performance pay and how it would be distributed. USEA successfully worked to keep language including all school employees in the bill: legislators specifically stated this money can go to classified employees as well as to teachers.

New program funding

Significant amounts of ongoing funding that could have been used to increase the WPU this year were instead dedicated specifically to new programs, including:

- \$2.9 million Extra days and pay for special education teachers
- \$6.9 million Grant program to extend school year and increase pay for math and science teachers through the USTAR program
- \$4.3 million "Salary supplements" of \$4,100/year for math and science teachers
- \$3.5 million UPSTART program: software and computers for preschool children

Tax cuts

The Legislature passed HB 359, providing tax credits for those who do not get health insurance through an employer. These credits will reduce revenue to the Uniform School Fund by approximately \$24 million over the next two years.

State employee compensation

The Legislature gave state employees and higher education employees a three percent COLA raise this year. Most state employees will also receive an additional two percent raise, funded by savings from a reduction in their health insurance benefits.

Funding summary

The Legislature chose to fund new programs and tax cuts this session. Those funds, had they been placed in the WPU where

they would support the basic operations of public schools, would have increased the WPU by an additional 1-1.5 percent.

The Legislature again chose to earmark funds for teacher raises. Those funds, had they been placed in the WPU, would have increased the WPU by an additional 2.25 percent.

PRIVATIZATION

A number of legislators believe that privatization will invariably result in cheaper, more efficient operation of government entities. Several bills introduced this session, if passed, would have effectively taken the decision to privatize out of the hands of local school boards.

HB 76 Government Competition and Privatization Act (Rep. Frank)

This bill would have created a statewide "Government Competition and Privatization Commission" and local commissions to facilitate privatization. The commissions would have been required to order privatization if it was shown a private supplier could provide an equivalent service at a cost equal to the government entities' cost plus an artificial surcharge representing the taxes the entity would have to pay if private.

USEA strongly opposed this bill and worked to keep it from even being considered. The bill did not get out of House Rules Committee this session: however, other bills that did pass make it likely we will see this bill again next session.

HB 75 Inventory and Review of Commercial Activities (Rep. Frank)

The original version of this bill would have created a "Government Competition and Privatization Council" to advise the existing Privatization Policy Board "regarding methods of providing a portion or all of a commercial activity by a private enterprise" and to create an inventory of government activities with an aim to identifying those that could be privatized, and would have expanded the Board's jurisdiction to include school districts.

The bill would also have required the Governor to select at least three commercial activities being performed by a state entity for examination, and permits the Governor to require an executive branch entity to privatize a commercial activity if it would result in reduced costs or other benefit to the state and

assure the activity was done in "the most cost efficient and effective manner."

Subsequent versions of this bill eliminated the Council and placed the inventory function under the existing Privatization Policy Board, and changed the makeup of the Board to add two seats for private sector entities and take one of two public employee seats.

USEA successfully lobbied the bill's sponsor to remove school districts from the scope of the final form of the bill.

This bill passed the Legislature and has been signed by the Governor.

SB 45 Accounting for Competitive Activities of Local Entities (Sen. Stephenson)

Although this bill did not specifically affect school districts, USEA closely watched it. The bill originally required government entities to account for each "competitive activity" they undertook (defined as an activity, that is not a core governmental activity, by which the governmental entity provides a good or service that is substantially similar to a good or service provided by a private entity) in a separate account or fund, and to annually review one or more of their activities to determine if it is actually a "competitive activity" or is substantially similar to an activity provided by a private entity.

The bill was subsequently amended to only require an inventory of competitive activities by certain county and municipal entities.

This bill passed the Legislature and has been signed by the Governor.

HB 426 Government Procurement-Private Proposals (Rep. Garn)

This bill creates a process by which private entities may submit an unsolicited proposal to provide information technology or telecommunications products or services or supplies or services for or on behalf of the Department of Technology Services or the State Board of Education, and a process for reviewing those proposals. After ongoing negotiations involving the Governor's office and several amendments, this bill passed

on the last night of the session and has been signed by the Governor.

Although this bill does not specifically apply to school districts USEA will be closely watching how it is implemented. It is likely that there will be an effort to expand this program in future sessions.

RETIREMENT

Legislators continued to show an interest in reducing, limiting, or restructuring the current defined-benefit retirement program in favor of a defined contribution program.

HB 96 Retired Teachers-Return to Work(Rep. Bowman)

This bill would have reduced the waiting period for retired teachers to return to work after retiring. USEA lobbied the sponsor of the bill to include all school employees, but he declined to do so because of the additional cost. The bill was ultimately amended because of IRS concerns to apply only to those teachers who were at least 62 years old and eligible for a full retirement benefit.

This bill did not pass.

HB 202 Employee Benefit Amendments (Rep. Dougall)

This bill allows certain high-level appointed "at-will" state employees have their defined benefit balances transferred to a defined contribution system, and employees of the Governor's Office, Auditor's office, Treasurer's office, and legislative employees to opt out of the defined benefit system. A provision that would have allowed police officers to opt out of the public safety retirement system and into the noncontributory system and receive the difference in contributions as additional salary was amended out of the bill before passage.

This bill passed the Legislature and has been signed by the Governor.

OTHER BILLS OF INTEREST

HB 66 Paraeducator to Teacher Scholarship Program. (Rep. Menlove)

This bill establishes a program to provide paraeducators in certain areas who pursue an associate's degree in order to become a licensed teacher scholarships of up to \$5,000 (amended from originally proposed \$10,000). Rep. Menlove has previously sponsored similar legislation for teachers seeking specialized training or advanced degrees, and we had often suggested that she expand those programs to include paraeducators. USEA strongly supported this bill.

Unfortunately, the originally proposed funding of \$1,000,000 was cut to only \$25,000, substantially reducing the effect of the bill. However, funding may be increased in future years.

This bill passed the Legislature and has been signed by the Governor. The State Board of Education is in the process of adopting rules for this program.

HB 67 Extended Year for Special Educators (Rep. Menlove)

This bill would have appropriated money for stipends of \$200/day for up to ten additional days for certain special education teachers, to be used for duties related to the IEP process.

USEA expressed its concern that special education aides might be required to work some of those extra days as well, but without funding in the bill for those employees' time.

The provisions of this bill were incorporated into SB 2, the "omnibus" education bill, which passed the Legislature on the last night of the session and has been signed by the Governor.

HB 146 School Bus Amendments (Rep. Johnson)

This bill as originally drafted would have prohibited a school bus driver from allowing their bus to idle for more than two minutes while within 100 feet of a school, or for more than five minutes if more than 100 feet from a school, with exceptions such as idling necessary to inspect the bus, obey traffic control devices or peace officers, or to operate

necessary equipment. Drivers violating these restrictions would have been subject to civil (up to \$100) and criminal (class C misdemeanor) penalties.

USEA worked with Rep. Johnson and obtained amendments removing the civil and criminal penalties, and instead requiring the adoption of idling guidelines.

This bill passed the Legislature and has been signed by the Governor.

HB 325 Bullying and Hazing (Rep. Moss)

This bill prohibits bullying and hazing by or against students and school employees and requires school districts to adopt appropriate policies. Provisions that would have required school employees who witness or have reliable information regarding bullying or hazing to report that information were amended out of the bill.

This bill passed the Legislature and has been signed by the Governor.

HB 475 Labor Organization Amendments (Rep. Hughes)

This bill would have imposed restrictions on payroll deduction of dues and other payments to public employee organizations. USEA and other organizations lobbied the bill's sponsor and successfully obtained amendments removing the most unfavorable provisions. The bill ultimately failed to pass in the House.

SB 2 Minimum School Program Budget Amendments (Sen. Stephenson)

This bill, which provides basic increases to education funding every year, was turned into an "omnibus" education bill this year. Legislators took a number of favorite projects and programs, including some that had been rejected in committee or on the floor, and rolled them into the same bill that increased the WPU and other ongoing budget items, in a ploy to force legislators to take the bad with the good. Despite efforts to amend programs in or out of the bill, the final form of the bill included a number of specific programs noted in the discussion of education funding, most of which did not have the support of the public education community.

This bill passed the Legislature and has been signed by the Governor.

SB 118 Education Transportation Amendments

This bill set a goal of state funding of 85% of approved transportation costs "subject to budget constraints" and made other changes to the method by which the state reimburses districts for the costs of transporting students to and from school.

Although the 85% funding goal is an improvement over the funding levels of previous years, USEA believes that funding should be affirmatively set at a specific percentage rather than expressed as a goal. We made that argument to the Legislature again this year.

This bill did not pass but most of its provisions were included in the "omnibus" bill SB2. However, because of the downturn in revenues and the funding of other programs, ongoing transportation funding was increased by approximately five percent, and only \$3 million in one-time funding was approved (opposed to over thirteen percent and \$8 million last year).

Miscellaneous bills

Rep. Hutchings opened a bill file for HB 484, "Certification by Paraeducators" but did not release any language or provide any details for that bill.

Rep. Bigelow introduced HB 120, which would have created a printing office in the State Office of Education that would have competed with local district printing operations. That bill was amended to eliminate the printing office provisions and ultimately failed to pass.

Files were opened during the session for a number of bills relating to aspects of education funding or educator compensation, but for various reasons those bills were not considered.