

\$2 billion hole in state budget after bill on class-size cuts fails

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How the fight over a high-school biology test, and a shortage of votes to delay a voter-approved measure to reduce K-12 class sizes are holding things up in Olympia — after Gov. Jay Inslee signed the state budget.

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OLYMPIA — Just hours after Gov. Jay Inslee signed the state's new operating budget, lawmakers Wednesday failed to approve a delay to Initiative 1351, the measure to reduce K-12 class sizes that voters passed in November.

Implementing I-1351 would likely cost billions, and lawmakers and Inslee never came up with the money — because they expected to limit or suspend the measure.

That expectation set legislators up early Wednesday morning for a rude surprise, when the Senate couldn't find the two-thirds' majority vote necessary to delay the bill.

It is illegal for Washington to have a budget that isn't balanced, and in this case the hole is estimated at \$2 billion. Still, the situation is "not a crisis," said David Schumacher, director for the state Office of Financial Management.

"It's a problem that needs to be addressed," he said Wednesday.

Lawmakers and Inslee were working to find agreement, but Schumacher couldn't say when a solution might come.

With some Democrats declining to vote to delay I-1351 until they get what they want on unrelated legislation, Sen. Andy Hill, of Redmond, the GOP's chief budget writer, accused them of breaking the overall agreement on the new two-year, \$38.2 billion operating budget.

“If we do not pass this bill, we’re in a \$2 billion hole ... that was not what was agreed to,” said Hill, during debate early Wednesday.

“Everything went haywire,” Sen. Kevin Ranker, D-Orcas Island, one of the budget negotiators, said in an interview. Both parties, he said, share blame for the I-1351 meltdown.

All along, legislators from both parties have said I-1351, [estimated to cost \\$2 billion through 2017](#), is too expensive to fund. But altering or setting aside an initiative during its first two years as law requires a two-thirds’ vote of the Legislature.

The Democrat-controlled House cleared that threshold Monday night by approving legislation to delay the start of I-1351 for four years.

But Senate Democrats on Wednesday tried to use their votes as leverage, withholding approval for I-1351 while pressing Senate Republicans to agree to a separate bill sidelined earlier in the year.

That bill, House Bill 2214, makes [changes to high-school student assessments](#) and if approved would help about 2,000 Washington students at risk for not graduating high school after failing a required biology exam. This is the first year students had to pass that exam, along with others in reading and math.

Hill rejected Democrats’ efforts to bring up the assessment bill as a subterfuge prompted by the state teachers union.

“I think it is a fabrication and thrown up as a roadblock,” Hill said.

Rich Wood, spokesman for the Washington Education Association, applauded Democrats’ effort to block an I-1351 delay.

“It’s understandable if legislators are reluctant to overturn the law,” he said. But, “how individual legislators voted is up to them.”

In a statement, Democratic Minority Leader Sen. Sharon Nelson, of Maury Island, defended that push.

“We have an opportunity to fix a serious problem not just for kids who are going to graduate this year, but for all kids forced into high-stakes tests that can make or break their futures,” Nelson said.

She added the assessments bill passed the House with a bipartisan majority and accused Republicans of holding up final passage of the state’s capital budget.

“Senate Republicans are holding onto the final piece of our construction budget and refusing to have a vote on a bill that will ensure our state’s high-school seniors receive their hard-earned and well deserved diplomas,” she said.

The stalemate over those two measures appeared to delay not just a bonding bill for the capital budget, but also the 16-year, \$16 billion transportation package.

While both the House and Senate approved the revenue bill for a transportation package — and its [11.9-cent gas-tax increase](#) — other bills related to the package remained on hold.

If lawmakers can’t find a quick fix on I-1351, Schumacher said Inslee would like the transportation and capital budget bills to move forward.

Most lawmakers are unlikely to return before next week.

The disagreements came just hours after Inslee’s late Tuesday signing of the state’s 2015-17 operating budget.

Among other things, the budget spends \$350 million on smaller K-3 class sizes, a requirement of the state Supreme Court’s education funding order [known as the McCleary decision](#).

It also increases K-12 spending in other areas per the McCleary ruling, including for all-day kindergarten and materials and supplies.

Speaking in support of Wednesday’s vote to delay I-1351, Sen. Bruce Dammeier, R-Puyallup, urged lawmakers to keep those points in mind.

“I would like to remind this body that we have done some very good work together on education issues,” Dammeier said.

Inslee hailed lawmakers’ progress and called for quick resolution on the issues surrounding I-1351.

“I believe it is important for the Legislature to find a solution that results in a balanced budget sooner rather than later,” Inslee said. “We are so close.”

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