

### ***Legislative session begins, focus will be on education and revenue options***

The Legislature began its 105-day legislative session on 1/9. Expectations for this session are for a very long session, as members grapple with the final Supreme Court order to fund basic education. Lawmakers could end up in multiple special sessions as the divided legislature is likely to struggle to come to agreement on a biennial budget that addresses the remaining pieces of the Washington Supreme Court's McCleary decision regarding basic education funding.

### ***Nationstar negotiations continue***

We met with consumer advocates again this week, and continued to make progress to address the *Jordan v. Nationstar* issue. While we do not yet have a concrete proposal, negotiations are moving in the right direction and we will continue to keep this group updated as these negotiations continue.

### ***Education Task Force adopts partisan proposals***

The Education Funding Task Force, which has been meeting through the 2016 interim to identify the size of the basic education problem, met on the first day of session to adopt its recommendations to the Legislature. After receiving school district data and presentations over the last few months, the Task Force wound up voting along partisan lines in a 4-4 tie. Each party adopted a separate recommendation.

Democrats put forward recommendations calling for additional state investment of \$7.3 billion in K-12 education over the next two biennia. That includes \$1.6 billion in the 2017-19 biennium for school employee compensation. The proposal also funds class size reduction, increases beginning salaries for new teachers, and provides relief for districts that rely on local property taxes to help recruit and retain educators. Republicans did not put forward specific recommendations, citing the need for further work with their respective caucuses, and instead provided "guiding principles" focused on a compensation allocation policy "that provides clear limitations on salaries, but retains sufficient local flexibility to tailor to unique district needs and available workforce." Republicans also support increasing beginning teacher salaries.

### ***Senate adopts a 2/3 floor rule for passage of tax increases***

On 1/11, prior to listening to the Governor's state on state address, the Republican-led Senate adopted a procedural rule change requiring the chamber to pass any tax bill with a two-thirds vote before a proposal can advance to the floor for a final vote.

A challenge of constitutionality will ultimately be determined by the newly sworn in Lieutenant Governor Habib. In 2015, the former Lieutenant Governor Own had held that the rule was unconstitutional.

### ***Revenue up \$83.6M since November forecast***

The Economic & Revenue Forecast Council released its economic and revenue update on 1/11. The council reported that major general fund-state revenue collections for the December 11 – January 10 collection period were up \$52.8 million (3.8%) above the November forecast. Cumulatively, collections were up \$83.6 million (2.4%) higher than forecasted.

Overall, employment data showed 1,900 more jobs than the 3,900 anticipated in the November forecast. Much of this was seen from the manufacturing sector. Housing construction has been strong, and Seattle home prices continue to rise.

### *Significant number of new legislators this year*

After a major election cycle last year, there was also a significant amount of turnover in the state Legislature. Here is a summary of the new members or new positions:

## House

- Rep. Kloba (D, 1<sup>st</sup> LD)
- Rep. Barkis (R, 2<sup>nd</sup> LD)
- Rep. Graves (R, 5<sup>th</sup> LD)
- Rep. Volz (R, 6<sup>th</sup> LD)
- Rep. Steele (R, 12<sup>th</sup> LD)
- Rep. Jenkin (R, 16<sup>th</sup> LD)
- Rep. Kraft (R, 17<sup>th</sup> LD)
- Rep. J. Walsh (R, 19<sup>th</sup> LD)
- Rep. Doglio (D, 22<sup>nd</sup> LD)
- Rep. Dolan (D, 22<sup>nd</sup> LD)
- Rep. Chapman (D, 24<sup>th</sup> LD)
- Rep. McDonald (R, 25<sup>th</sup> LD)
- Rep. Pellicciotti (D, 30<sup>th</sup> LD)
- Rep. Reeves (D, 30<sup>th</sup> LD)
- Rep. Irwin (R, 31<sup>st</sup> LD) (appointed to fill Phil Fortunato's seat)
- Rep. Koster (R, 31<sup>st</sup> LD)
- Rep. Macri (D, 43<sup>rd</sup> LD)
- Rep. Lovick (D, 44<sup>th</sup> LD)
- Rep. Slatter (D, 48<sup>th</sup> LD) (appointed to fill Rep. Kuderer's seat)

## Senate

- Sen. Palumbo (D, 1<sup>st</sup> LD)
- Sen. Hawkins (R, 12<sup>th</sup> LD) (moved from House)
- Sen. Walsh (R, 16<sup>th</sup> LD) (moved from House)
- Sen. Wilson (R, 17<sup>th</sup> LD) (moved from House)
- Sen. Takko (D, 19<sup>th</sup> LD)
- Sen. Van De Wege (D, 24<sup>th</sup> LD) (move from House)
- Sen. Zeiger (R, 25<sup>th</sup> LD) (moved from House)
- Sen. Fortunato (R, 31<sup>st</sup> LD) (appointed to fill Pam Roach's seat)
- Sen. Saldana (D, 37<sup>th</sup> LD) (appointed to fill Pramila Jayapal's seat)
- Sen. Wellman (D, 41<sup>st</sup> LD)
- Sen. Rossi (R, 45<sup>th</sup> LD) (appointed to fill Andy Hill's seat)
- Sen. Kuderer (D, 48<sup>th</sup> LD) (appointed to fill Cyrus Habib's seat)