

# Public Schools

For the 1997-99 biennium, the Legislature provided various funding enhancements. The major ones were: \$176.53 million for a 3 percent cost-of-living increase; \$50.8 million for learning improvement grants; \$19.75 million for health benefit increases; \$39.3 million for technology; \$19.98 million for instructional materials; \$6.1 million to increase the block grant; \$4.3 million to improve reading; \$2.87 million for the highly capable program; and \$2.41 million to increase levy equalization.

There were also some changes in program funding which produced savings and some program terminations. Major changes were: -\$12.65 million from changing how teacher experience and education is calculated; -\$11.35 million from delaying development of assessments by the commission on student learning; -\$4.9 million from a new audit resolution process; -\$2.97 million from terminating the state school-to-work grant program; -\$1.65 million from terminating the superintendent/principal internship program; and -\$1.5 million from reducing the Magnet School program. Details follow.

## **Cost-of-Living Increase**

An amount of \$176.53 million is appropriated to provide a 3 percent cost-of-living increase, effective September 1, 1997, for all K-12 state-funded certificated administrative, certificated instructional, and classified staff.

## **Health Benefit Increases**

An amount of \$19.75 million is appropriated to increase the 1996-97 monthly health benefit amount from \$314.51, to \$317.34 for 1997-98 and \$335.75 for 1998-99.

## **Common School Construction**

A total of \$75.0 million is appropriated to the common school construction account which, when combined with other capital funds, is expected to provide state matching funds to all the eligible common school projects in the 1997-99 biennium. Of the total, \$62.4 million is appropriated from the state general fund in the 1997 Supplemental Budget and \$12.6 million is appropriated from the education savings account in the 1997-99 biennial budget.

## **Learning Improvement Grants**

An amount of \$50.8 million is appropriated to provide grants to school districts to improve learning in reading, writing, math, and communications. The Commission on Student Learning has prepared essential learning requirements and assessments for these basic subjects for use by school districts. Funding to improve learning is focused on these subject matters and will be phased in the K-12 system starting in the elementary grades. The four subject matters constitute about 80 percent of the teaching effort in the elementary grades, 60 percent in middle schools, and about 40 percent in the high schools. Accordingly, the budget provides \$36.69 per elementary student, \$30.00 per middle school student, and \$22.95 per high school student.

## **Technology Grants**

An amount of \$39.3 million is appropriated from the education savings account to provide matching grants to school district consortia for purchase of computers and other high technology classroom aids designed to improve student learning. The matching funds are to be awarded through a competitive grant process to districts with applications that show the greatest potential educational benefit. Fifteen percent of the funds are designated for districts in financial distress.

### **Instructional Materials**

An amount of \$19.98 million is appropriated for the 1998-99 school year, for purchase of instructional materials such as books, software, and other technology related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. Funds will be allocated at a rate of \$20.82 per student and will provide about \$458 for the average size classroom.

### **Block Grant**

An amount of \$6.1 million is appropriated to increase the current block grant rate per student from \$26.30 to \$29.86 per student for the 1997-98 and 1998-99 school years. Part of the \$6.1 million increase represents two discontinued programs, School-to-Work and Superintendent/Principal Internships, for a total of \$3.6 million. The block grant program serves to provide discretionary funds to school districts for educational purposes.

### **Reading Initiatives: Tests and Learning Grants**

An amount of \$4.3 million is appropriated to implement Chapter 262, Laws of 1997, Partial Veto (ESHB 2042) to establish a second grade reading test and for grants to provide training for K-3 teachers in reading instruction.

### **Levy Equalization Assistance to Districts with High Property Tax Rates and Additional Levy Authority**

An amount of \$2.41 million is appropriated to implement Chapter 259, Laws of 1997 (ESHB 2069 - School Levies). This bill affects the 25 percent of school districts that require the highest property tax rates for a 10 percent maintenance and operation levy. Starting in calendar year 1999, these districts will be eligible to receive levy equalization matching funds for up to a 12 percent levy. Other districts eligible for levy equalization will be eligible for matching funds up to a 10 percent levy. The bill also extends the temporary levy lid increase which expires in 1997 by providing an additional 2 percent in levy authority in calendar year 1998 and 4 percent in calendar year 1999 and thereafter. The additional levy authority will allow districts to collect an estimated \$36 million in calendar year 1998 and \$83 million in 1999.

### **Magnet Schools and Complex Needs Programs**

An amount of \$1.6 million is appropriated for the Magnet School program which provides grants to five school districts for programs to encourage racial integration of schools through voluntary transfers (the 1995-97 amount was \$3.1 million). An amount of \$4.3 million is appropriated for the Complex Needs program which provides grants to 17 school districts based on 1989-91 data showing high incidences of: poor students; students with disabilities; and non-English speaking students.

### **Alternative Education Opportunities for Students who have Dropped Out or Been Expelled**

An amount of \$1.0 million is appropriated to provide start-up grants to school districts for alternative educational approaches to help drop out and expelled students gain educational skills necessary for their re-entry into school. Enrollments in these programs generate state fund allocations in the same manner as regular district enrollments. This is the source of funds to be used for educational programming and to continue such programs in the future. The start-up funds and portions of regular apportionments may be used for educational services contracted out as specified in Chapter 265, Laws of 1997 (EHB 1581 - Disruptive Students/Offenders).

### **Information System Support**

An amount of \$500,000 is appropriated to the Office of the Superintendent of Public Instruction to continue enhancement of information processing. The purpose of this appropriation is to enable the Superintendent to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public. The data system is to have suitable safeguards of student confidentiality.

### **Student Teacher Centers**

An amount of \$275,000 is appropriated to increase funding for Student Teacher Centers. These centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. Total funding for this program increases from \$225,000 in 1995-97 to \$500,000 in 1997-99.

### **Education Centers**

Education centers are educational operations independent of school districts established to provide learning opportunities to students who have dropped out of school. Currently, there are 12 centers and \$100,000 is appropriated to fund a similar center in southwest Washington. In addition, \$100,000 is appropriated to stabilize funding for education centers currently receiving less than \$100,000 per biennium.

### **Highly Capable Program Increase**

An amount of \$2.9 million is appropriated to increase the number of students eligible for state funding in the highly capable program from 1.5 percent to 2.0 percent of each district's K-12 enrollment.

## **K-12 Savings Initiatives**

### **Average Salary Calculation**

As directed in Chapter 141, Laws of 1997 (SB 5395 - Certified Staff Salaries), the calculation of average salaries used for state basic education funding of regular education and special education programs is changed to include actual salary costs in both programs, rather than just regular education. Currently, some districts are overfunded and some underfunded for their state special education salary costs, depending on the actual education and experience of their special education staffs. This legislation is expected to produce \$12.7 million in savings to the state general fund.

### **Modification of the Timelines for Education Reform Statewide Assessments**

Chapter 268, Laws of 1997 (ESB 6072 - Student Assessment System) provides the Commission on Student Learning with modified timelines for the development of the statewide assessment system for the 4th, 7th, and 10th grades by delaying development of certain assessments. The modification in timelines reduces the cost of assessment development by \$11.35 million in the 1997-99 biennium and increases the cost for the subsequent biennium.

### **Truancy Boards**

An amount of \$2.0 million to support local truancy board operations as provided for the 1996-97 school year is not continued. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.

### **ESD Special Education Coordinators**

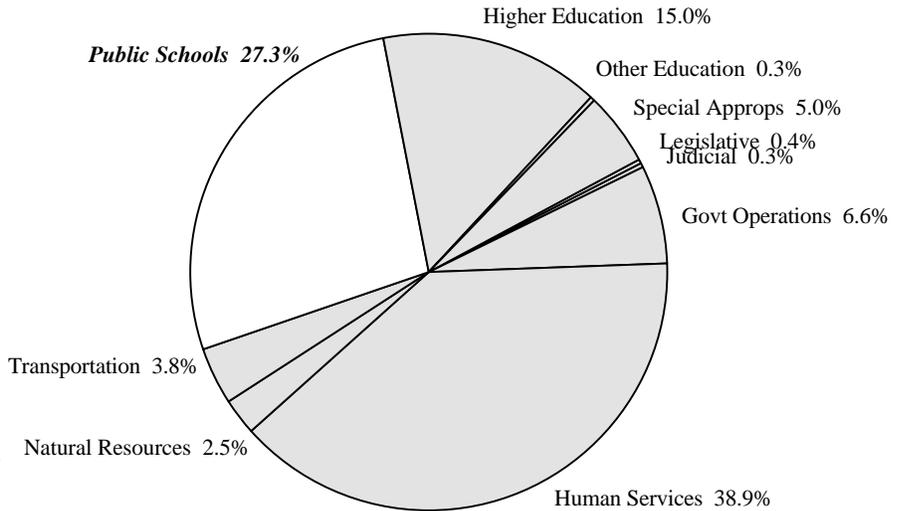
State funding of \$1.74 million for special education coordinators is eliminated. Federal funds for special education are being increased so districts will have the resources to choose whether to support regional staff or purchase assistance in other manners.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

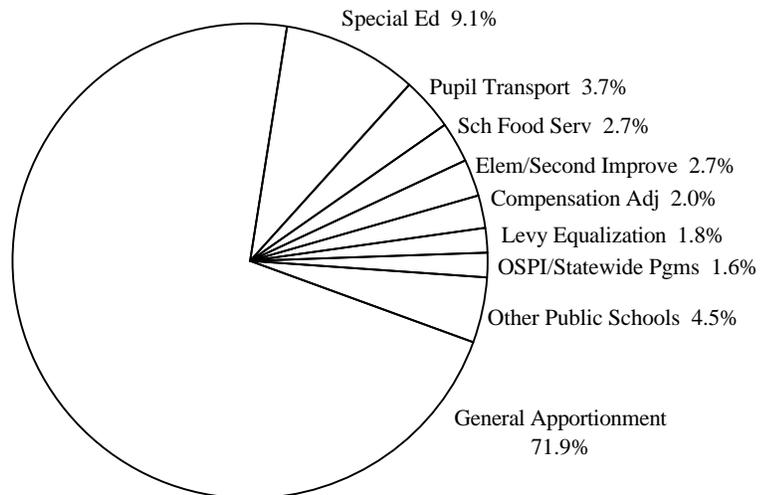
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
<b>Public Schools</b>	<b>9,653,127</b>
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

General Apportionment	6,940,884
Special Education	879,919
Pupil Transportation	353,904
School Food Services	265,190
Elem/Second Sch Improve	255,987
Compensation Adj	196,276
Levy Equalization	173,952
OSPI & Statewide Program	157,195
Other Public Schools	429,820
<b>Public Schools</b>	<b>9,653,127</b>



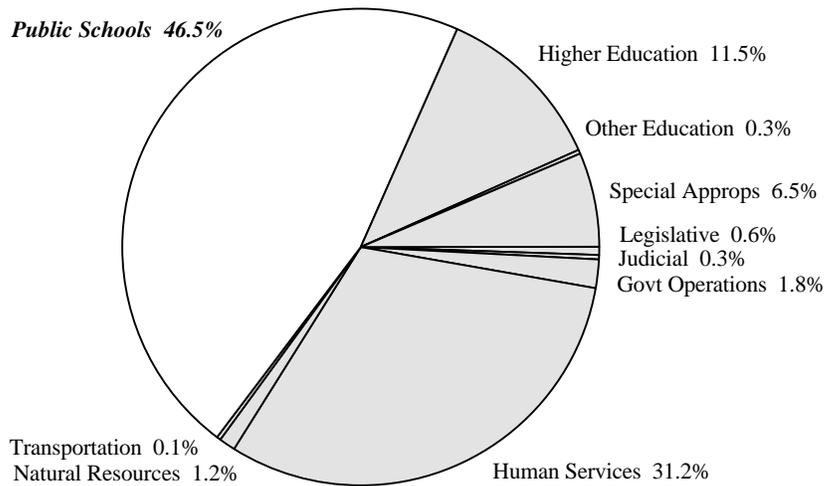
## Public Schools

# 1997-99 Washington State Operating Budget

## General Fund - State

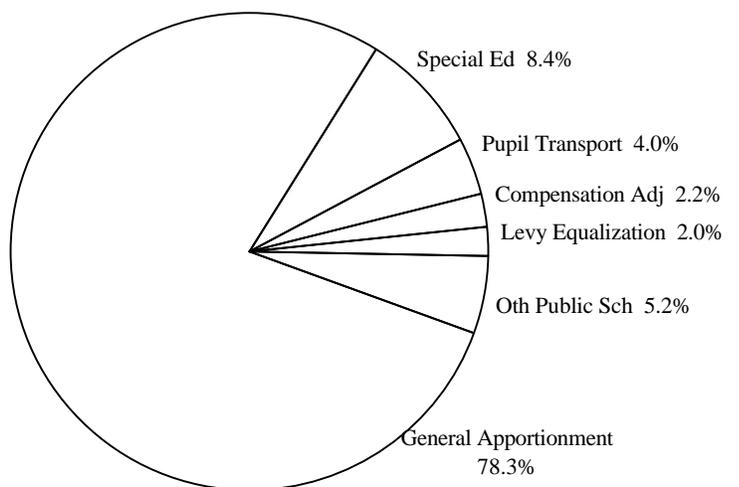
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
<b>Public Schools</b>	<b>8,868,051</b>
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

General Apportionment	6,940,884
Special Education	744,813
Pupil Transportation	353,904
Compensation Adj	196,276
Levy Equalization	173,952
Other Public Schools	458,222
<b>Public Schools</b>	<b>8,868,051</b>



### Public Schools

# Public Schools

## WORKLOAD HISTORY

By School Year

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
								<b>Estimate</b>		
<b>General Apportionment</b>										
FTE Enrollment	768,619	795,703	823,355	850,426	871,735	896,872	903,986	923,619	943,019	959,507
% Change from prior year		3.5%	3.5%	3.3%	2.5%	2.9%	0.8%	2.2%	2.1%	1.7%
<b>Special Education</b>										
Headcount Enrollment *	80,236	84,808	95,954	102,388	101,463	107,232	108,255	109,126	110,704	111,698
% Change from prior year		5.7%	13.1%	6.7%	-0.9%	5.7%	1.0%	0.8%	1.4%	0.9%
<b>Bilingual Education</b>										
Headcount Enrollment	19,344	23,513	28,156	32,200	36,306	39,888	42,981	45,966	48,940	52,646
% Change from prior year		21.6%	19.7%	14.4%	12.8%	9.9%	7.8%	6.9%	6.5%	7.6%
<b>Learning Assistance Program</b>										
Entitlement Units **	86,749	104,123	106,270	114,909	112,771	117,887	154,933	157,583	159,891	160,632
% Change from prior year		20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	1.7%	1.5%	0.5%

\* 1995-96 through 1998-99 represent enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

\*\* Formula changed in 1995 -- entitlement units used for allocation purposes only. Actual students served may vary.

Data Sources:

1989-90 through 1995-96 amounts from SPI/OFM.

1996-97 through 1998-99 estimates from Legislative Conference Budget.

**Public Schools**  
**OSPI & Statewide Programs**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	56,110	48,242	104,352
1997 Supplemental *	2,325	0	2,325
<b>Total 1995-97 Expenditure Authority</b>	<b>58,435</b>	<b>48,242</b>	<b>106,677</b>
<b>1997-99 Maintenance Level</b>	<b>37,771</b>	<b>57,330</b>	<b>95,101</b>
<b>Policy Items</b>			
1. K-12 Technology	0	39,312	39,312
2. OSPI Information System Support	500	0	500
3. VRDE Account Shortfall	0	0	0
4. Teen Aware Fund Shift	400	400	800
5. Truancy Board Funding	-2,000	0	-2,000
6. School Audit Resolution	100	0	100
7. Alternative Education Programs	1,000	0	1,000
8. FCC Licensing Assistance	15	0	15
9. Voc Ag Teacher Recruitment	35	0	35
10. Education Centers	200	0	200
11. School Business Efficiency Studies	50	0	50
12. Complex Needs	-70	0	-70
13. Magnet Schools	-1,495	0	-1,495
14. Federal Goals 2000 Prohibition	0	-680	-680
15. Geographic Alliance	50	0	50
16. Instructional Materials	19,977	0	19,977
17. Reading Initiatives	5,000	0	5,000
18. Governor Veto	-700	0	-700
<b>Total 1997-99 Biennium</b>	<b>60,833</b>	<b>96,362</b>	<b>157,195</b>
Fiscal Year 1998 Totals	20,408	47,036	67,444
Fiscal Year 1999 Totals	40,425	49,326	89,751

**Comments:**

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|---|---|
| <p>1. K-12 TECHNOLOGY - Funding is provided for technology matching grants from the Education Savings Account. The matching grants shall be awarded on a competitive basis to school district consortia with applications showing the greatest potential educational benefits. Fifteen percent of the funds are designated for districts meeting the criteria of "financial distress." One FTE is provided for technical staff to support development of the K-20 network.</p> <p>2. OSPI INFORMATION SYSTEM SUPPORT - Additional funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to enhance information processing. The purpose of these funds are to allow OSPI to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public.</p> <p>3. VRDE ACCOUNT SHORTFALL - Due to a shortfall of revenue in the Violence Reduction and Drug Enforcement Account, Public Safety and Education Account funds are used to maintain school security awards at 1995-97 funding levels.</p> <p>4. TEEN AWARE FUND SHIFT - Funding for teen aware is increased by \$400,000 General Fund-State. Total funding for this program is \$800,000, including \$400,000 from federal funds.</p> <p>5. TRUANCY BOARD FUNDING - Funding for truancy board staffing is eliminated. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.</p> <p>6. SCHOOL AUDIT RESOLUTION - One-half of a full-time equivalent staff is provided to OSPI to increase support for a new school district audit resolution process required by Chapter 167, Laws of 1997 (SSB</p> | <p>5394 -- School Audits). The audit resolution process takes place whenever the state auditor finds that erroneous data has been submitted to the state by a school district for state funding purposes.</p> <p>7. ALTERNATIVE EDUCATION PROGRAMS - School districts are provided funding for start-up costs of alternative educational programs for students who are expelled or drop out of school. Once students are participating in the alternative program, State funding will be allocated on the same basis as district-enrolled students.</p> <p>8. FCC LICENSING ASSISTANCE - Funding is provided to the Superintendent of Public Instruction to assist high school vocational education programs which improve skills in working with FM radio communications.</p> <p>9. VOC AG TEACHER RECRUITMENT - The State Board of Education is to design a program to encourage high school students and others to pursue careers as teachers of agriculture in high school vocational educational programs.</p> <p>10. EDUCATION CENTERS - Funding is provided to increase the number of state-funded education centers and similar programs from 12 to 13, by adding one program in the southwest Washington area. In addition, \$100,000 is provided to help stabilize funding in the existing programs.</p> <p>11. SCHOOL BUSINESS EFFICIENCY STUDIES - Funding is provided for studies of school district business practices.</p> <p>12. COMPLEX NEEDS - Funding is provided for complex needs grants provided to 17 qualifying school districts. The allocation formula is based on 1990 data measuring the incidence of students who are from low-income families, disabled, or non-English speaking.</p> |
|---|---|

**Public Schools  
OSPI & Statewide Programs**

13. MAGNET SCHOOLS - Funding is reduced by 50 percent for Magnet School grants to qualifying school districts for programs designed to encourage racial integration of schools through voluntary transfers.
14. FEDERAL GOALS 2000 PROHIBITION - The budget prohibits the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program. This proviso was vetoed by the Governor. (See Item 18.)
15. GEOGRAPHIC ALLIANCE - Funds are provided for matching purposes of a grant by the National Geographic Society for the improvement of teaching of geography in public schools.
16. INSTRUCTIONAL MATERIALS - Funds are allocated for the 1998-99 school year at a rate of \$20.82 per student for purchase of instructional materials such as books, software, and other technology-related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. This is expected to provide \$458 per average size classroom.
17. READING INITIATIVES - The budget provides \$5.0 million to implement two reading initiatives: 2SSB 5508 and Chapter 262, Laws of 1997 (ESHB 2042). An amount of \$700,000 was provided to implement 2SSB 5508 for a third grade reading test. The bill was not enacted. An amount of \$4.3 million was provided to implement ESHB 2042 to establish a second grade reading test and provide grants for reading instruction training for K-3 teachers.
18. GOVERNOR VETO - The Governor vetoed the \$700,000 appropriation to implement 2SSB 5508 which would have established a third grade reading test. The bill was not enacted by the Legislature.

The Governor vetoed the proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**General Apportionment**  
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,428,005	0	6,428,005
1997 Supplemental *	-8,214	0	-8,214
<b>Total 1995-97 Expenditure Authority</b>	<b>6,419,791</b>	<b>0</b>	<b>6,419,791</b>
<b>1997-99 Maintenance Level</b>	<b>6,954,838</b>	<b>0</b>	<b>6,954,838</b>
<b>Policy Items</b>			
1. Mix Factor Averaging	-11,454	0	-11,454
2. School Audit Resolution	-2,500	0	-2,500
<b>Total 1997-99 Biennium</b>	<b>6,940,884</b>	<b>0</b>	<b>6,940,884</b>
Fiscal Year 1998 Totals	3,429,727	0	3,429,727
Fiscal Year 1999 Totals	3,511,157	0	3,511,157

**Comments:**

1. MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Pupil Transportation**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	328,753	0	328,753
1997 Supplemental *	-1,729	0	-1,729
<b>Total 1995-97 Expenditure Authority</b>	<b>327,024</b>	<b>0</b>	<b>327,024</b>
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<b>1997-99 Maintenance Level</b>	<b>353,904</b>	<b>0</b>	<b>353,904</b>
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<b>Total 1997-99 Biennium</b>	<b>353,904</b>	<b>0</b>	<b>353,904</b>
Fiscal Year 1998 Totals	174,344	0	174,344
Fiscal Year 1999 Totals	179,560	0	179,560

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**School Food Services**  
 (Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>6,000</b>	<b>263,619</b>	<b>269,619</b>
<b>1997-99 Maintenance Level</b>	<b>6,000</b>	<b>276,040</b>	<b>282,040</b>
<b>Policy Items</b>			
1. Summer Food Program	150	0	150
2. Federal Day Care Home Food	0	-17,000	-17,000
<b>Total 1997-99 Biennium</b>	<b>6,150</b>	<b>259,040</b>	<b>265,190</b>
Fiscal Year 1998 Totals	3,075	129,519	132,594
Fiscal Year 1999 Totals	3,075	129,521	132,596

**Comments:**

1. SUMMER FOOD PROGRAM - This item provides state funding to replace a portion of lost federal funding for summer food programs for children who live in low-income areas.
2. FEDERAL DAY CARE HOME FOOD - The federal welfare reform legislation restricts eligibility for food subsidies for home day care providers. This is a reduction in non-appropriated federal funds.

**Public Schools**  
**Special Education**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	747,920	98,684	846,604
1997 Supplemental *	-13,038	0	-13,038
<b>Total 1995-97 Expenditure Authority</b>	<b>734,882</b>	<b>98,684</b>	<b>833,566</b>
<b>1997-99 Maintenance Level</b>	<b>749,544</b>	<b>135,106</b>	<b>884,650</b>
<b>Policy Items</b>			
1. Mix Factor Averaging	-1,196	0	-1,196
2. School Audit Resolution	-2,500	0	-2,500
3. Medicaid @ Dists Under 2,000	700	0	700
4. ESD Special Ed. Coordinators	-1,735	0	-1,735
<b>Total 1997-99 Biennium</b>	<b>744,813</b>	<b>135,106</b>	<b>879,919</b>
Fiscal Year 1998 Totals	370,486	66,118	436,604
Fiscal Year 1999 Totals	374,327	68,988	443,315

**Comments:**

- MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.  
  
Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.
- SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.
- MEDICAID @ DISTIS UNDER 2,000 - School districts with fewer than 2,000 pupils (class 2) are permitted to keep 50 percent of federal Medicaid fund reimbursements for services provided to special education students. Larger districts will continue to be provided 20 percent of the reimbursements with the balance returned to the state to offset special education costs.

- ESD SPECIAL ED. COORDINATORS - State funding is eliminated for special education coordinators housed at each of the Educational Service Districts (ESDs). The function of these coordinators has been to assist school districts with the following: state reports and applications for state and federal funds; local special education cooperatives; employment of special education staff; etc.

The majority of ESD funding comes from services purchased by school districts. Services provided by special education coordinators could be maintained through charges to school districts. Funds to pay these charges are expected to be available from federal funds increases to school districts. The source of the federal fund increases to school districts is due to:

- Increases in federal funding for special education of approximately \$14.7 million per year; and
- A budget proviso which requires the Superintendent of Public Instruction to reduce the amount of federal funds retained for agency administrative costs and increase the flow-through of federal funds to school districts by an additional 4 percent. This is expected to increase federal funds allocated to school districts by at least \$2.6 million per year.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Traffic Safety Education**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	16,928	16,928
1997 Supplemental *	0	-104	-104
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>16,824</b>	<b>16,824</b>
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<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>17,179</b>	<b>17,179</b>
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<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>17,179</b>	<b>17,179</b>
Fiscal Year 1998 Totals	0	8,589	8,589
Fiscal Year 1999 Totals	0	8,590	8,590

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Educational Service Districts**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>8,901</b>	<b>0</b>	<b>8,901</b>
<b>1997-99 Maintenance Level</b>	<b>8,746</b>	<b>0</b>	<b>8,746</b>
<b>Policy Items</b>			
1. Student Teacher Centers	275	0	275
<b>Total 1997-99 Biennium</b>	<b>9,021</b>	<b>0</b>	<b>9,021</b>
Fiscal Year 1998 Totals	4,511	0	4,511
Fiscal Year 1999 Totals	4,510	0	4,510

**Comments:**

1. STUDENT TEACHER CENTERS - Funding is increased for Student Teacher Centers. These Centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. The 1991-93 biennium appropriation for this program was initially \$500,000 and has been reduced over time to \$225,000.

**Public Schools**  
**Levy Equalization**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	159,677	0	159,677
1997 Supplemental *	25	0	25
<b>Total 1995-97 Expenditure Authority</b>	<b>159,702</b>	<b>0</b>	<b>159,702</b>
<b>1997-99 Maintenance Level</b>	<b>171,545</b>	<b>0</b>	<b>171,545</b>
<b>Policy Items</b>			
1. Increase Levy Equalization	2,407	0	2,407
<b>Total 1997-99 Biennium</b>	<b>173,952</b>	<b>0</b>	<b>173,952</b>
Fiscal Year 1998 Totals	84,347	0	84,347
Fiscal Year 1999 Totals	89,605	0	89,605

**Comments:**

1. INCREASE LEVY EQUALIZATION - Funds are provided to implement the provisions of Chapter 259, Laws of 1997 (ESHB 2069 -- School Levies), which provides extra support for districts which must request the highest property tax rates to provide a supplement to a district's state and federal budgeted funds. Districts in the quartile which must request the highest tax rates to achieve equal maintenance and operation levy support rates are provided state levy equalization funding at 12 percent. Other districts with qualifying local levy effort will be provided the equivalent of a 10 percent levy as in current statute.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Elementary & Secondary School Improvement**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>222,376</b>	<b>222,376</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>255,987</b>	<b>255,987</b>
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>255,987</b>	<b>255,987</b>
Fiscal Year 1998 Totals	0	123,793	123,793
Fiscal Year 1999 Totals	0	132,194	132,194

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

**Public Schools**  
**Institutional Education**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	33,726	8,548	42,274
1997 Supplemental *	-1,693	0	-1,693
<b>Total 1995-97 Expenditure Authority</b>	<b>32,033</b>	<b>8,548</b>	<b>40,581</b>
<b>1997-99 Maintenance Level</b>	<b>36,261</b>	<b>8,548</b>	<b>44,809</b>
<b>Policy Items</b>			
1. Juvenile Justice Act Revisions	748	0	748
<b>Total 1997-99 Biennium</b>	<b>37,009</b>	<b>8,548</b>	<b>45,557</b>
Fiscal Year 1998 Totals	18,026	4,274	22,300
Fiscal Year 1999 Totals	18,983	4,274	23,257

**Comments:**

1. JUVENILE JUSTICE ACT REVISIONS - The initial budget passed by the Legislature provided \$1.197 million for the institutional education cost associated with Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions). The legislation is expected to result in an increase in the number of juveniles in local detention centers and juvenile delinquent institutions. Revisions to the bill since the budget was passed have reduced the amount needed to \$748,000.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Education of Highly Capable Students**  
 (Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,454	0	8,454
1997 Supplemental *	-37	0	-37
<b>Total 1995-97 Expenditure Authority</b>	<b>8,417</b>	<b>0</b>	<b>8,417</b>
<b>1997-99 Maintenance Level</b>	<b>8,966</b>	<b>0</b>	<b>8,966</b>
<b>Policy Items</b>			
1. Centrum Program Transfer	-86	0	-86
2. Odyssey of the Mind Transfer	186	0	186
3. Gifted Funded @ 2 Percent	2,862	0	2,862
<b>Total 1997-99 Biennium</b>	<b>11,928</b>	<b>0</b>	<b>11,928</b>
Fiscal Year 1998 Totals	5,752	0	5,752
Fiscal Year 1999 Totals	6,176	0	6,176

**Comments:**

1. CENTRUM PROGRAM TRANSFER - The program support for Odyssey of the Mind through Centrum is transferred to the state Odyssey of the Mind program.
2. ODYSSEY OF THE MIND TRANSFER - Funding is provided for Odyssey of the Mind program support through the state Odyssey of the Mind organization.
3. GIFTED FUNDED @ 2 PERCENT - The percentage of K-12 enrollment funded in the highly capable program is increased from the current 1.5 percent to 2.0 percent. In addition, the rate per student is increased from \$302.78 in the 1996-97 school year, to \$318.13 for 1997-98 and \$319.94 in 1998-99. These rates include salary and health benefit increases.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools  
Education Reform**  
(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>35,966</b>	<b>12,500</b>	<b>48,466</b>
<b>1997-99 Maintenance Level</b>	<b>56,713</b>	<b>12,733</b>	<b>69,446</b>
<b>Policy Items</b>			
1. Change Assessment Timeline	-11,350	0	-11,350
2. School-To-Work	-2,970	0	-2,970
3. Superintendent/Principal Internship	-1,620	0	-1,620
4. Federal Goals 2000 Prohibition	0	-12,500	-12,500
<b>Total 1997-99 Biennium</b>	<b>40,773</b>	<b>233</b>	<b>41,006</b>
Fiscal Year 1998 Totals	18,905	127	19,032
Fiscal Year 1999 Totals	21,868	106	21,974

**Comments:**

- CHANGE ASSESSMENT TIMELINE - The budget for the Commission on Student Learning implements Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System), which delays the timelines for development of assessments for various subject matters.  
  
The availability of the elementary, middle, and high school tests for reading, writing, communications, and mathematics will be staggered over the 1997-99 biennium instead of all being required in the 1996-97 school year. A phased approach is also taken in the development of test specifications and assessments for science, social studies, arts, and health and fitness.
- SCHOOL-TO-WORK - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program.
- SUPERINTENDENT/PRINCIPAL INTERNSHIP - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program. The purpose of this program was to provide funds for release time for staff to receive training to become future administrators.
- FEDERAL GOALS 2000 PROHIBITION - The budget prohibited the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

NOTE: The Governor vetoed the budget proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

**Public Schools**  
**Transitional Bilingual Instruction**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	54,810	0	54,810
1997 Supplemental *	-211	0	-211
<b>Total 1995-97 Expenditure Authority</b>	<b>54,599</b>	<b>0</b>	<b>54,599</b>
<b>1997-99 Maintenance Level</b>	<b>65,198</b>	<b>0</b>	<b>65,198</b>
<b>Policy Items</b>			
1. Bilingual Enrollment	-638	0	-638
<b>Total 1997-99 Biennium</b>	<b>64,560</b>	<b>0</b>	<b>64,560</b>
Fiscal Year 1998 Totals	31,146	0	31,146
Fiscal Year 1999 Totals	33,414	0	33,414

**Comments:**

1. BILINGUAL ENROLLMENT - Enrollment is adjusted to be consistent with the definition of eligibility in the budget. The budget defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12 and receiving instruction in accordance with state bilingual laws.

NEW BILINGUAL FORMULA - The budget contains a new bilingual formula for implementation beginning with the 1998-99 school year. The new formula replaces the current dollar per student funding formula with a weighted formula based on time in program and grade level of students.

**Governor's Vetoes:**

The Governor vetoed the budget proviso which defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12.

The Governor vetoed the new bilingual formula for implementation beginning with the 1998-99 school year. This leaves the old formula in place.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Learning Assistance Program (LAP)**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,627	0	114,627
1997 Supplemental *	-759	0	-759
<b>Total 1995-97 Expenditure Authority</b>	<b>113,868</b>	<b>0</b>	<b>113,868</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>121,171</b>	<b>0</b>	<b>121,171</b>
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>121,171</b>	<b>0</b>	<b>121,171</b>
Fiscal Year 1998 Totals	60,309	0	60,309
Fiscal Year 1999 Totals	60,862	0	60,862

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Block Grants**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,969	0	114,969
1997 Supplemental *	-47	0	-47
<b>Total 1995-97 Expenditure Authority</b>	<b>114,922</b>	<b>0</b>	<b>114,922</b>
<b>1997-99 Maintenance Level</b>	<b>49,847</b>	<b>0</b>	<b>49,847</b>
<b>Policy Items</b>			
1. Student Learning Improvement Grants	50,840	0	50,840
2. Block Grant Rate	6,090	0	6,090
<b>Total 1997-99 Biennium</b>	<b>106,777</b>	<b>0</b>	<b>106,777</b>
Fiscal Year 1998 Totals	49,815	0	49,815
Fiscal Year 1999 Totals	56,962	0	56,962

**Comments:**

1. STUDENT LEARNING IMPROVEMENT GRANTS - Learning Improvement allocations are provided at a rate of \$36.69 per K-4 student, \$30.00 per student in grades 5-7, and \$22.95 per student for grades 8-12. The allocations for learning improvements focus on reading, writing, communication, and mathematics in accordance with the timelines specified by Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System). These subjects constitute about 80 percent of the instruction taking place in grades K-4, about 60 percent in grades 5-7, and about 40 percent in grades 8-12. This requires greater resources in the early grades and less in the upper grades.
2. BLOCK GRANT RATE - The block grant rate is increased from the current \$26.30 per student to \$29.86 per student. Part of the increase is due to the transfer of \$3.6 million from two discontinued programs, School-to-Work, and Superintendent/Principal Internship programs.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Compensation Adjustments**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	218,964	0	218,964
1997 Supplemental *	-369	0	-369
<b>Total 1995-97 Expenditure Authority</b>	<b>218,595</b>	<b>0</b>	<b>218,595</b>
<b>Policy Items</b>			
1. K-12 Salary COLA	176,525	0	176,525
2. Health Benefit Rate Adjustments	19,751	0	19,751
<b>Total 1997-99 Biennium</b>	<b>196,276</b>	<b>0</b>	<b>196,276</b>
Fiscal Year 1998 Totals	79,966	0	79,966
Fiscal Year 1999 Totals	116,310	0	116,310

**Comments:**

1. K-12 SALARY COLA - Salary cost of living adjustments (COLAs) are provided to all state funded school district staff, including certificated instructional staff, classified staff, and certificated administrative staff. A 3 percent increase is effective September 1, 1997.
2. HEALTH BENEFIT RATE ADJUSTMENTS - The current health benefits rate per month of \$314.51 is increased to \$317.34 in 1997-98 and \$335.75 in 1998-99.

NOTE: A budget proviso requires that the 3 percent salary increase be given to all state funded classified staff.

A budget proviso requires the Superintendent of Public Instruction to submit a report to the legislature by February 15, 1998, for the 1997-98 school year, showing the salary levels which each school district may pay to its certificated instructional staff according to RCW 28A.400.200 and the actual salary paid, based on the personnel report that school districts submit for state apportionment purposes.

A budget proviso requires, for the 1998-99 school year, that the Superintendent withhold state salary increase funds to any school district which exceeds the allowable salary for certificated instructional staff by the amount of the overage.

The Governor vetoed the budget proviso which requires that the 3 percent salary increase be given to all state funded classified staff.

The Governor vetoed the budget proviso which, for the 1998-99 school year, requires that the Superintendent withhold state salary increase funds to any school district exceeding the allowable salary for certificated instructional staff.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Common School Construction**  
 (Dollars in Thousands)

	GF-S	Other	Total
1997 Supplemental *	62,379	0	62,379
<b>Total 1995-97 Expenditure Authority</b>	<b>62,379</b>	<b>0</b>	<b>62,379</b>
<b>Policy Items</b>			
1. Common School Const Fund	0	12,621	12,621
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>12,621</b>	<b>12,621</b>
Fiscal Year 1999 Totals	0	12,621	12,621

**Comments:**

1. COMMON SCHOOL CONST FUND - This appropriation from the Education Savings Account when combined with the \$62.4 million General Fund-State appropriation in the 1997 Supplemental Budget provides an additional \$75.0 million for common school construction. This amount plus revenues from trust lands and bond moneys are expected to provide sufficient funds to fund all the eligible common school capital projects in the 1997-99 biennium.

\* Please see the 1997 Supplemental Operating Budget section for additional information.