

Public Schools

Compensation

Cost-of-Living -- \$267.3 million General Fund-State

Funding is provided for a 3.0 percent cost-of-living increase for the 1999-00 school year and another 3.0 percent increase in the 2000-01 school year for all K-12 state-funded certificated and classified staff.

Beginning Teacher Salaries -- \$30.9 million General Fund-State

The state uses a salary allocation schedule for teacher compensation purposes. The schedule provides increases for additional years of experience and education. The budget adjusts the salary schedule by allocating funds for the following increases: 7 percent for beginning teachers with no experience; 5 percent for teachers with one year of experience; 4 percent for teachers with 2 and 3 years of experience; 3 percent for teachers with 4 years of experience; and 2 percent for teachers with 5 years of experience. This provides additional salary increases for about 24 percent of teachers. Including the cost-of-living increases and the learning improvement days, the beginning teacher salary on the schedule increases from \$22,950 to \$26,487 by the 2000-01 school year, a 15.4 percent increase.

Senior Teacher Salaries -- \$40.3 million General Fund-State

The state salary schedule currently provides experience increments to the 15th year. Funds are provided to add a row at the 16th year with a 2 percent increment. This applies to teachers in the BA+90 column and beyond and provides additional salary for about 38.5 percent of teachers.

Health Benefit Inflation -- \$123.3 million General Fund-State

Funding is provided for health benefit inflation by increasing the monthly benefit amount from the current \$335.75 per month per full-time equivalent employee to \$388.02 per month for the 1999-00 school year and \$423.57 per month for the 2000-01 school year.

Professional Development

Learning Improvement Days -- \$74.6 million General Fund-State

Funding is provided for three learning improvement days to be added to the annual contract of each certificated instructional staff. The state salary schedule is adjusted to include the additional days, and this is equivalent to a 1.7 percent increase in the salary schedule. The three extra days are provided to implement education reform to improve student learning. In the 1997-99 biennium, funding was provided for similar purposes on a dollar per student basis and served to provide approximately 2.1 extra days. (Certificated instructional staff are composed mainly of teachers, and also include counselors, librarians, nurses, and other educational staff associates.)

Performance Bonus for Teachers -- \$327,000 General Fund-State

Funds are provided for a 15 percent salary bonus for teachers achieving national certification by the National Board for Professional Teaching Standards. This board has established a performance-based system to recognize highly accomplished teachers. Teachers may achieve national certification through a year-long process and rigorous assessments that demonstrate their advanced knowledge and skills. Currently, 12 teachers have attained this certification in Washington State, and funds are provided for a total of 23 teachers in the 1999-00 school year and 45 in the 2000-01 school year.

Mentor/Beginning Teacher Assistance Program -- \$3.8 million General Fund-State

The mentor teacher program pairs up beginning teachers with experienced teachers to help the beginning teacher become successful. State funds are used to provide training, stipends, and substitutes to allow release time for the team to observe exemplary teaching. Funding for this program has eroded over time due to lack of inflation and workload adjustments and budget reductions. The additional appropriation restores funding to the 1985-86 level and increases the total budget for this program to \$6.8 million for next biennium, increasing the funding per team from the current rate of \$782 to approximately \$1,780.

Increase Classroom Resources/Lower Class Size

Increased Classroom Resources -- \$27.3 million General Fund-State

Funds are provided to increase the basic education staff ratio for grade 4, funding 261 more certificated instructional staff per year. Currently, the state allocates 54.3 certificated instructional staff per 1,000 full-time equivalent students in grades K-3 and 46 per 1,000 for grades 4-12. The budget creates a combined ratio of 53.2 certificated instructional staff for grades K-4. Districts are funded at the 53.2 ratio if they staff up to the ratio. The combined K-4 ratio provides districts with flexibility to deploy staff as needed in grades K-4. (Certificated instructional staff are composed mostly of teachers and also include counselors, librarians, nurses, and other educational staff associates.)

Learning Assistance Program -- \$19.3 million General Fund-State

The Learning Assistance Program currently allocates funds to school districts for students in grades K-9. The budget provides an additional \$19.3 million to extend the program to the 11th grade. The additional funds are allocated on the same formula basis as the current K-9 program. Ninety-two percent of the allocation is based on the number of students scoring in the lowest quartile on nationally-normed tests and 8 percent is allocated to school districts whose percent of students eligible for free and reduced-price lunch exceeds the state average percent.

Continuing Education Reform

The Academic Achievement and Accountability Commission -- \$340,000 General Fund-State

This Commission is created by Chapter 388, Laws of 1999 (SSB 5418), to replace the Commission on Student Learning, and \$340,000 is provided for its operation. The function of the new commission is to provide oversight of the new accountability system, establish and revise performance goals, and make recommendations regarding interventions, assistance, and recognition of schools and school districts.

Reading Corps for Struggling Schools -- \$16.0 million General Fund-State

Funds are provided for Reading Corps grants for schools in which significant numbers of students do not perform well on the Washington Assessment of Student Learning. The grants are to provide reading programs for low-performing students in grades K-6. The reading programs may be provided before, during, or after the school day, and on Saturdays, summer, intercessions, or other vacation periods. The programs are to be proven, research-based programs provided by mentors or tutors and shall include pre-and-post testing to determine the effectiveness of the programs.

Mathematics Helping Corps -- \$2.0 million General Fund-State

Funds are provided to establish a Mathematics Helping Corps to assist school districts with low mathematics scores on the Washington Assessment of Student Learning. The Helping Corps would consist of regional school improvement coordinators and mathematics school improvement specialists working out of educational service districts to provide assistance to individual schools in implementing education reform to improve student learning.

Summer Accountability Institutes -- \$1.0 million General Fund-State

Funds are provided for five Summer Accountability Institutes. These institutes are provided for school district staff by the Superintendent of Public Instruction and the commission on student learning to make available: current research on assessment data; advice from experts to assist districts in implementing education reform; and accountability goals in the areas of reading, math, communications, and writing.

Providing Funding Stability

Levy Equalization -- \$17.9 million General Fund-State

Funds are provided to implement Chapter 317, Laws of 1999 (SSB 5298), which, beginning with calendar year 2000, sets levy equalization at 12 percent for all districts requiring an above-average property tax rate for a 12 percent levy. Currently, districts are eligible for levy equalization if they require a property tax rate for a 10 percent levy that exceeds the statewide average property tax rate for a 10 percent levy. The 74 districts in the highest quartile of property tax rates for a 10 percent levy are eligible for 12 percent levy equalization. This bill makes an additional 146 school districts eligible for 12 percent levy equalization.

Miscellaneous

K-20 Operations and Support -- \$9.7 million General Fund-State

The sum of \$5.7 million is provided for K-20 network infrastructure and equipment maintenance and depreciation incurred by school districts and educational service districts. Also, \$4.0 million is provided for technical support to ensure that the K-12 portion of the K-20 network operates reliably. These funds will be used primarily for technical personnel located at educational service districts, the Department of Information Services, and two staff at the Office of the Superintendent of Public Instruction. The K-20 Network was initiated by the state in the 1995-97 biennium to create a telecommunications backbone to provide better access to the Internet and to connect together all the school districts and higher education institutions.

School Security -- \$7.0 million General Fund-State; \$4.0 million Safety and Education Account

During the regular session of the Legislature, \$2.0 million was provided for alternative school grants and \$2.0 million was provided for teacher training in dealing with disruptive students. Both programs were funded from the Public Safety and Education Account. Also, continuing a program from the 1997-99 biennium, \$5.9 million was provided from the Public Safety and Education Account for school security grant program that provides security monitors in schools. In the May special session of the Legislature, an additional \$7.0 million from the state general fund was provided for school safety in Chapter 12, Laws of 1999, 1st sp.s. (EHB 2304). Of this amount, \$4.0 million is for additional alternative school grants and a new intervention and prevention grant program, and \$3.0 million is to increase the existing school security grant program.

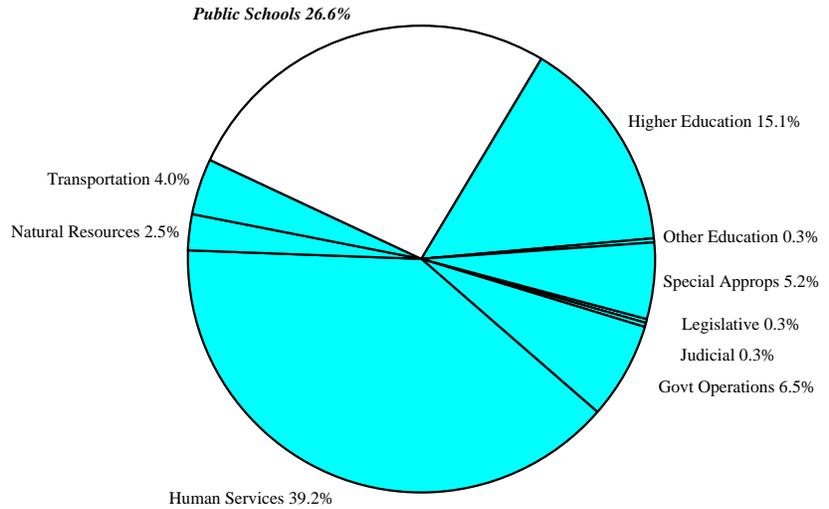
School Nurses -- \$5.2 million Health Services Account

Funds are provided to establish a corps of nurses housed in the educational service districts in the state. The function of the nurse corps is to provide services in the most needy schools not having available nurse services, and to provide training for school staff in the provision of health services to students. Distribution and functions of the nurses is to be determined by the Superintendent of Public Instruction.

1999-01 Washington State Operating Budget Total Budgeted Funds

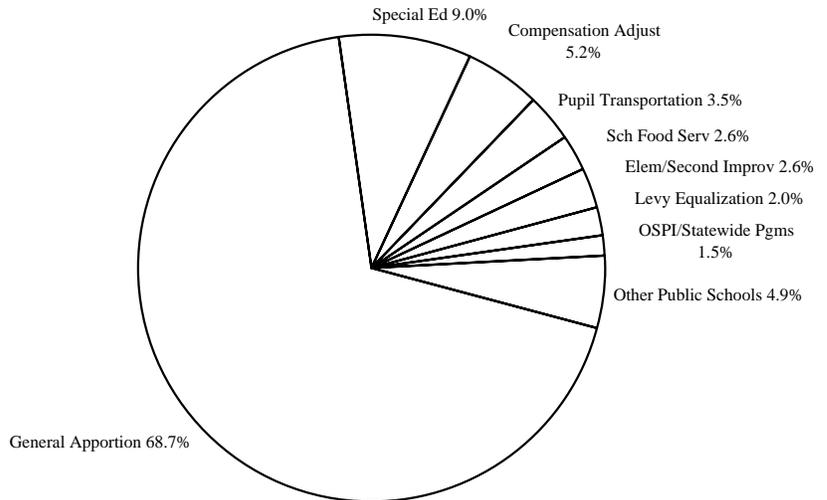
(Dollars in Thousands)

Legislative	134,074
Judicial	117,098
Governmental Operations	2,537,982
Human Services	15,261,315
Natural Resources	980,598
Transportation	1,549,524
Public Schools	10,327,599
Higher Education	5,862,453
Other Education	99,870
Special Appropriations	2,025,008
Statewide Total	38,895,521



Washington State

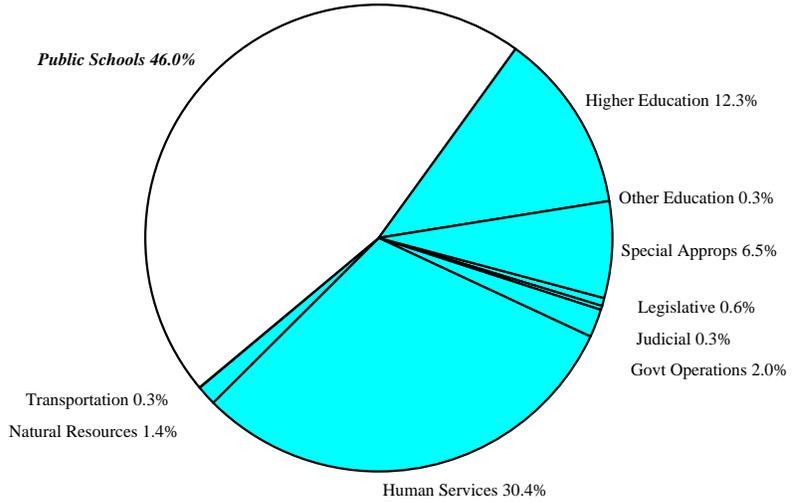
General Apportionment	7,096,837
Special Education	933,656
Compensation Adj	536,295
Pupil Transportation	360,727
School Food Services	265,240
Elem/Second Sch Improve	264,388
Levy Equalization	206,288
OSPI & Statewide Pgms	155,615
Other Public Schools	508,553
Public Schools	10,327,599



Public Schools

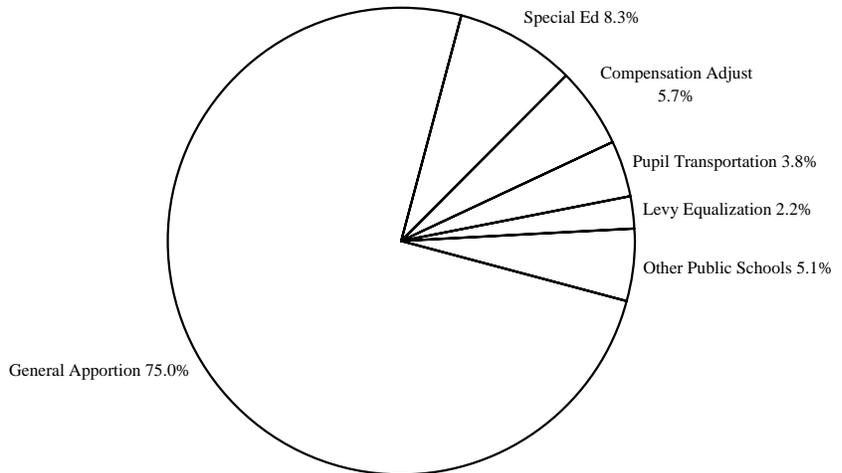
**1999-01 Washington State Operating Budget
General Fund-State**
(Dollars in Thousands)

Legislative	117,413
Judicial	62,060
Governmental Operations	403,375
Human Services	6,252,967
Natural Resources	282,072
Transportation	53,453
Public Schools	9,463,978
Higher Education	2,538,245
Other Education	52,930
Special Appropriations	1,346,329
Statewide Total	20,572,822



Washington State

General Apportionment	7,096,837
Special Education	785,497
Compensation Adj	536,295
Pupil Transportation	360,727
Levy Equalization	206,288
Other Public Schools	478,334
Public Schools	9,463,978



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Estimate		
								1998-99	1999-00	2000-01
General Apportionment										
FTE Enrollment	823,355	850,426	871,735	886,247	904,133	923,679	936,014	946,302	953,997	958,275
% Change from prior year		3.3%	2.5%	1.7%	2.0%	2.2%	1.3%	1.1%	0.8%	0.4%
Special Education										
Headcount Enrollment *	95,954	102,388	101,463	107,232	108,255	109,126	109,323	111,515	113,733	114,810
% Change from prior year		6.7%	-0.9%	5.7%	1.0%	0.8%	0.2%	2.0%	2.0%	0.9%
Bilingual Education										
Headcount Enrollment	28,156	32,200	36,306	39,888	42,981	45,966	48,102	51,681	54,273	56,995
% Change from prior year		14.4%	12.8%	9.9%	7.8%	6.9%	4.6%	7.4%	5.0%	5.0%
Learning Assistance Program										
Entitlement Units **	106,270	114,909	112,771	117,887	154,933	157,583	159,634	159,459	190,947	196,803
% Change from prior year		8.1%	-1.9%	4.5%	31.4%	1.7%	1.3%	-0.1%	19.7%	3.1%

* 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 Source :

1991-92 through 1996-97 amounts from SPI/OFM.

1997-98 through 1998-99 estimates from Legislative Conference Budget.

**Public Schools
OSPI & Statewide Programs**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	78,594	96,362	174,956
1999 Supplemental *	152	0	152
Total 1997-99 Biennium	78,746	96,362	175,108
1999-01 Maintenance Level	36,146	85,735	121,881
Policy Items			
1. Information Tech Workforce Training	2,000	0	2,000
2. Teacher Professional Standards Bd	497	0	497
3. Assessing Teacher Skills	200	0	200
4. Alternative School Start-Up Grants	0	2,000	2,000
5. K-20 Operations	5,702	0	5,702
6. K-20 Support Services in K-12	4,000	0	4,000
7. School Safety	1,000	0	1,000
8. Internet Curriculum	500	0	500
9. Nursing Support	0	5,242	5,242
10. Agency Systems Support	750	0	750
11. Pacific Science Center	350	0	350
12. Changing District Boundaries	42	0	42
13. Geographic Alliance	50	0	50
14. NEVAC	1,100	0	1,100
15. Math Train & Curricul SHB 1569	1,500	0	1,500
16. Disruptive Students E2SHB 2085	0	2,000	2,000
17. Voc Student Organization	100	0	100
18. Student Assessments	128	0	128
19. Institutional Education Director	145	0	145
20. Management Review Grants	50	0	50
21. Speech Pathology Grants	75	0	75
22. Lapse	-697	0	-697
23. EHB 2304 - School Safety Programs	7,000	0	7,000
Total 1999-01 Biennium	60,638	94,977	155,615
Fiscal Year 2000 Total	30,938	47,426	78,364
Fiscal Year 2001 Total	29,700	47,551	77,251

Comments:

1. INFORMATION TECH WORKFORCE TRAINING - Funds are provided for K-12 information technology training grants. The grants are for high school programs which prepare students to achieve skills certification for careers in the information technology industry.
2. TEACHER PROFESSIONAL STANDARDS BD - Funds are provided to implement ESSB 5593 - Professional Educator Board, which creates the Washington Professional Educator Standards Board. This new board will take over the current State Board of Education duties regarding educator certification, preparation, assessments, and standards of practice. Because the bill was not enacted, this funding lapses (see item 22).
3. ASSESSING TEACHER SKILLS - Funds are provided to implement SSB 5413 - Assessing Teacher Skills, which requires the State Board of Education to make assessments available for use as an entrance requirement for teacher preparation programs and initial teaching certificates by September 1, 2000. The budget assumes part of the development cost will be borne by the test developer. Because the bill was not enacted, this funding lapses (see item 22).
4. ALTERNATIVE SCHOOL START-UP GRANTS - Funds are provided from the Public Safety and Education Account for approximately 20 start-up grants per year for alternative schools. In the 1997-99 biennium, \$1.0 million was provided for alternative school start-up grants and requests for funds exceed the appropriated amount by several million dollars. Alternative schools provide a setting for students not able to participate in a traditional public school. These grants provide short-term assistance until enrollment in a new program is sufficient to operate within the regular state basic education funding.
5. K-20 OPERATIONS - Funds are provided for K-20 network infrastructure, equipment maintenance, and depreciation incurred by school districts and educational service districts. The K-20 network was initiated by the state in 1996 to create a telecommunications backbone for better Internet access and to provide a state system of connections between all the school districts and higher education institutions.
6. K-20 SUPPORT SERVICES IN K-12 - Funds are provided for technical support to ensure that the K-12 portion of the K-20 network operates reliably. The funds would be used primarily for technical personnel located at educational service districts, technical support contracts with the Department of Information Services, and 2.0 FTEs at the Office of the Superintendent of Public Instruction.

Public Schools OSPI & Statewide Programs

7. SCHOOL SAFETY - Funds are provided to implement school safety grant programs to prepare schools for a wide range of emergency situations. The grants are to cover the building-level costs for emergency preparedness. School safety costs will include such things as technical assistance, planning materials, staff training including costs of conducting practice drills, implementing planning with local emergency assistance, and acquiring disaster supplies. An additional \$4 million is provided in Chapter 12, Laws of 1999, 1st sp.s. (EHB 2304), for school safety-related issues including alternative school start-up costs as well as programs for prevention and intervention of school violence. This legislation was adopted in the first special session of the 1999 Legislature and is not part of the Appropriations Act.
 8. INTERNET CURRICULUM - Funds are provided for the purchase of advanced, Internet-based courses for high school students. A key element of the funding is to provide students in relatively remote regions of the state access to materials and instruction in high-level courses such as calculus.
 9. NURSING SUPPORT - Funds from the Health Service Account are provided to establish a corps of nurses housed at the educational service districts. The function of the nurse corps is to provide services on a priority basis to schools not having available nurse services, and to train school staff in providing health services to students.
 10. AGENCY SYSTEMS SUPPORT - Funding is provided to the Office of the Superintendent of Public Instruction for updated data systems technology, changes to agency maintenance of apportionment systems, and statewide reporting systems.
 11. PACIFIC SCIENCE CENTER - Funds are provided to the Pacific Science Center to expand the Science on Wheels Traveling Van program to include a "Math Van." The Math Van will provide elementary grade students a hands-on, real world experience in applying mathematics that supplements classroom instruction.
 12. CHANGING DISTRICT BOUNDARIES - Funding is provided for the increased costs of mediating school district boundary disputes resulting from Chapter 315, Laws of 1999, Partial Veto (E2SHB 1477).
 13. GEOGRAPHIC ALLIANCE - Funds are provided to double the funding for the Geographic Alliance. The state funds provide matching funds for grants received from the National Geographic Society. The purpose of the program is improvement of teaching of geography in the public schools and also to sponsor the state geography competition.
 14. NEVAC - Matching funds are provided for creation of a high technology learning center by the Northeast Vocational Area Cooperative (NEVAC) to provide college-level technology curriculum for high school students leading to an information technology certificate or degree.
 15. MATH TRAIN & CURRICUL SHB 1569 - Funds are provided to implement Chapter 347, Laws of 1999 (SHB 1569, as amended). The amended bill establishes a teacher mathematics training program administered by the Superintendent of Public Instruction to improve students' mathematics performance. The program will train teachers in successful instructional methods as confirmed by empirical research.
 16. DISRUPTIVE STUDENTS E2SHB 2085 - Funding is provided from the Public Safety and Education Account to implement Chapter 166, Laws of 1999 (E2SHB 2085, as amended). The amended bill establishes summer institutes beginning in summer 2000 to conduct training for school staff on effective research-based practices for handling disruptive students. Also, the institutes will provide training on how to establish alternative learning settings and programs for such students.
 17. VOC STUDENT ORGANIZATION - Funding will provide coordination of current vocational student organizations (VSOs). VSOs provide opportunities for all students to improve their communication and employability skills, and to explore the multiple dimensions of academic learning in potential careers. VSOs give students the opportunities to gain the competencies necessary to integrate and apply learning in families, communities, business, and industry.
 18. STUDENT ASSESSMENTS - Funds are provided for the increased costs of providing a norm-referenced test to all third grade students in accordance with Chapter 319, Laws of 1998.
 19. INSTITUTIONAL EDUCATION DIRECTOR - The institutional education director position at the Office of the Superintendent of Public Instruction has been funded from federal funds. State funding is provided for this purpose because federal funds are no longer available.
 20. MANAGEMENT REVIEW GRANTS - Funds are provided to continue matching grants for school district management reviews. The Washington Association of School Administrators (WASA) has a process to review the management and operations of school districts including the efficiency of school district business practices. These reviews are conducted at the request of districts and the districts must provide matching funds.
 21. SPEECH PATHOLOGY GRANTS - Funding is provided for grants to nonprofit organizations providing free speech pathology by nationally-certified speech pathologists to children who have demonstrated a lack of verbal communication skills and would benefit from such a program.
 22. LAPSE - PROFESSIONAL STANDARDS BOARD - Funds provided to create a professional educator standards board under ESSB 5593 (Item #2 above) will lapse because ESSB 5593 failed to be enacted. (General Fund-State)
 - LAPSE - ASSESSING TEACHER SKILLS - Funds provided for assessments for use as an entrance requirement for teacher preparation programs and initial teaching certificates under SSB 5413 (Item #3 above) will lapse because SSB 5413 failed to be enacted. (General Fund-State)
 23. EHB 2304 - SCHOOL SAFETY PROGRAMS - Chapter 12, Laws of 1999, 1st sp.s. (EHB 2304), appropriates \$4.0 million for alternative school start-up grants and school safety grants for prevention and intervention and \$3.0 million for matching grants to enhance security in schools.
- * Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
General Apportionment**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	6,879,248	0	6,879,248
1999 Supplemental *	-24,032	0	-24,032
Total 1997-99 Biennium	6,855,216	0	6,855,216
1999-01 Maintenance Level	7,064,860	0	7,064,860
Policy Items			
1. Increased Classroom Resources	27,335	0	27,335
2. Pension Rate Changes	4,342	0	4,342
3. Summer Skills FTE	300	0	300
Total 1999-01 Biennium	7,096,837	0	7,096,837
Fiscal Year 2000 Total	3,545,737	0	3,545,737
Fiscal Year 2001 Total	3,551,100	0	3,551,100

Comments:

1. INCREASED CLASSROOM RESOURCES - Funding is provided to reduce class sizes by adding 261 certificated staff per year for the 4th grade. Currently, the state allocates 54.3 certificated instructional staff per 1,000 full-time equivalent (FTE) students in grades K-3 and 46 per 1,000 for grades 4-12. The K-4 combined approach creates an overall ratio of 53.2 certificated instructional staff for those grades. Districts are funded at the 53.2 ratio if they staff up to the ratio. The combined K-4 ratio provides districts with flexibility to deploy staff as needed in grades K-4. Certificated instructional staff is composed mostly of teachers and also includes counselors, librarians, nurses, and other educational staff associates.
2. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 Investment Gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.
3. SUMMER SKILLS FTE - An additional \$300,000 is provided for about 260 more students per year in summer skills center programs. For the 1997-99 biennium, \$3.9 million was provided for these programs which enrolled more than 3,262 headcount students in nine skills centers.

Governor's Vetoes:

The Governor vetoed Section 502(10) of Chapter 309, Laws of 1999, Partial Veto (ESSB 5180), which contained an incorrect calculation of the rate to be applied to the per pupil inflator used to apportion state funds to school districts for levy equalization and for the amount of locally approved operating levy funds that could be collected. The correct rate is specified in Chapter 10, Laws of 1999, 1st sp.s. (EHB 2297), which was adopted during the May special session of the Legislature.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	194,599	0	194,599
1999 Supplemental *	-529	0	-529
Total 1997-99 Biennium	194,070	0	194,070
1999-01 Maintenance Level	0	0	0
Policy Items			
1. Learning Improvement Days	74,563	0	74,563
2. Retaining Beginning Teachers	30,819	0	30,819
3. Seniority Adjustments	40,343	0	40,343
4. K-12 Salary Increase	267,270	0	267,270
5. HLD Rate Adjustments	123,300	0	123,300
Total 1999-01 Biennium	536,295	0	536,295
Fiscal Year 2000 Total	187,659	0	187,659
Fiscal Year 2001 Total	348,636	0	348,636

Comments:

1. LEARNING IMPROVEMENT DAYS - Funding is provided to extend the contract year of certificated instructional staff by three learning improvement days for activities related to education reform. The learning improvement days are included in the state salary allocation schedule and result in a 1.67 percent salary increase. Districts become eligible for the funds if the days are added to the contract year.
2. RETAINING BEGINNING TEACHERS - The state uses a salary schedule to allocate funds to school districts for certificated instructional staff salaries. This schedule provides increments for additional experience and education. For the 1998-99 school year, the state funded annual salary for a beginning teacher was \$22,950. Funding is provided to increase beginning teacher salaries by an average of 7 percent for beginning teachers with no experience, 5 percent for first year teachers, 4 percent for second and third year teachers, 3 percent for the fourth year, and 2 percent for the fifth year. An estimated 24 percent of the teachers will receive additional salary increases as a result of these salary schedule adjustments.
3. SENIORITY ADJUSTMENTS - The salary allocation schedule provides increments up to the 15th year of teaching experience. The budget provides funding to add a 16th year row to the salary schedule, with a 2 percent increment for the added row. About 38.5 percent of the teachers will receive additional salary increases as a result of the added row.
4. K-12 SALARY INCREASE - The budget provides a cost-of-living increase of 3 percent in the 1999-00 school year and an additional 3 percent for the 2000-01 school year for state-funded certificated instructional staff, administrators, and classified staff.
5. HLD RATE ADJUSTMENTS - The monthly funding rate for health, life, and disability (HLD) insurance benefits for state-funded K-12 staff is increased from \$335.75 per eligible employee in the 1998-99 school year to \$388.02 in the 1999-00 school year and to \$423.57 for the 2000-01 school year.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
Pupil Transportation**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	354,607	0	354,607
1999 Supplemental *	-3,821	0	-3,821
Total 1997-99 Biennium	350,786	0	350,786
1999-01 Maintenance Level	360,655	0	360,655
Policy Items			
1. Pension Rate Changes	72	0	72
Total 1999-01 Biennium	360,727	0	360,727
Fiscal Year 2000 Total	179,802	0	179,802
Fiscal Year 2001 Total	180,925	0	180,925

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
 School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 Expenditure Authority	6,175	259,040	265,215
1999-01 Maintenance Level	6,200	259,040	265,240
Total 1999-01 Biennium	6,200	259,040	265,240
Fiscal Year 2000 Total	3,100	129,519	132,619
Fiscal Year 2001 Total	3,100	129,521	132,621

Comments:

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

**Public Schools
Special Education**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	750,092	143,106	893,198
1999 Supplemental *	-594	0	-594
Total 1997-99 Biennium	749,498	143,106	892,604
1999-01 Maintenance Level	786,454	148,159	934,613
Policy Items			
1. Pension Rate Changes	473	0	473
2. Medicaid Reimbursement	-1,430	0	-1,430
Total 1999-01 Biennium	785,497	148,159	933,656
Fiscal Year 2000 Total	392,036	72,071	464,107
Fiscal Year 2001 Total	393,461	76,088	469,549

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.
2. MEDICAID REIMBURSEMENT - School districts are required to bill for federal Medicaid dollars as reimbursement for costs incurred providing services to Medicaid-eligible special education students. Currently, the state receives 80 percent of the federal Medicaid funds received to offset state special education costs and school districts receive the remaining 20 percent. Due to the low district share, school district participation is low. Chapter 318, Laws of 1999 (SSB 5626) increases the potential district share to half of the percentage of Medicaid-eligible students billed. As an example, a district billing on 100 percent of its Medicaid-eligible students would receive a 50 percent share of the federal Medicaid funds, while one billing on 80 percent of eligible students would receive a 40 percent share. The new approach is expected to provide an incentive to school districts to increase billing. The result would be to realize more federal Medicaid funds for school districts and for the state which would lower the state cost of the special education program by \$1.4 million.

* Please see the 1999 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>
1997-99 Expenditure Authority	0	16,883	16,883
1999 Supplemental *	0	-697	-697
Total 1997-99 Biennium	0	16,186	16,186
<hr/>			
1999-01 Maintenance Level	0	16,276	16,276
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Total 1999-01 Biennium	0	16,276	16,276
Fiscal Year 2000 Total	0	8,136	8,136
Fiscal Year 2001 Total	0	8,140	8,140

Comments:

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

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
 Educational Service Districts**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	9,021	0	9,021
1999-01 Maintenance Level	9,090	0	9,090
Policy Items			
1. Pension Rate Changes	4	0	4
Total 1999-01 Biennium	9,094	0	9,094
Fiscal Year 2000 Total	4,547	0	4,547
Fiscal Year 2001 Total	4,547	0	4,547

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.

**Public Schools
Levy Equalization**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	168,351	0	168,351
1999 Supplemental *	-3,019	0	-3,019
Total 1997-99 Biennium	165,332	0	165,332
1999-01 Maintenance Level	188,345	0	188,345
Policy Items			
1. Levy Equalization	17,943	0	17,943
Total 1999-01 Biennium	206,288	0	206,288
Fiscal Year 2000 Total	98,315	0	98,315
Fiscal Year 2001 Total	107,973	0	107,973

Comments:

1. LEVY EQUALIZATION - Beginning with calendar year 2000, Chapter 317, Laws of 1999 (SSB 5298), sets levy equalization at 12 percent for all districts requiring an above average property tax rate for a 12 percent levy. Currently, districts are eligible for levy equalization if they require a property tax rate for a 10 percent levy that exceeds the statewide average property tax rate for a 10 percent levy. The 74 districts in the highest quartile of property tax rates for a 10 percent levy are eligible for 12 percent levy equalization. The change in eligibility criteria makes an additional 146 school districts eligible for 12 percent levy equalization.

* Please see the 1999 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>
1997-99 Expenditure Authority	0	255,987	255,987
1999-01 Maintenance Level	0	264,388	264,388
Total 1999-01 Biennium	0	264,388	264,388
Fiscal Year 2000 Total	0	132,194	132,194
Fiscal Year 2001 Total	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)

	GF-S	Other	Total
1997-99 Expenditure Authority	35,493	8,548	44,041
1999 Supplemental *	-29	0	-29
Total 1997-99 Biennium	35,464	8,548	44,012
1999-01 Maintenance Level	41,480	8,548	50,028
Policy Items			
1. Pension Rate Changes	28	0	28
2. Minimum Staffing Floor	235	0	235
Total 1999-01 Biennium	41,743	8,548	50,291
Fiscal Year 2000 Total	20,201	4,274	24,475
Fiscal Year 2001 Total	21,542	4,274	25,816

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.
2. MINIMUM STAFFING FLOOR - Funding is provided to maintain at least one certificated instructional staff at an institution even if the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff under the current funding formula. The following types of institutions are included: residential programs under the Department of Social and Health Services for developmentally-disabled juveniles; programs for juveniles under the Department of Corrections; and programs for juveniles under the Juvenile Rehabilitation Administration.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
 Education of Highly Capable Students**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 Expenditure Authority	11,822	0	11,822
1999 Supplemental *	-25	0	-25
Total 1997-99 Biennium	11,797	0	11,797
1999-01 Maintenance Level	12,439	0	12,439
Policy Items			
1. Pension Rate Changes	7	0	7
Total 1999-01 Biennium	12,446	0	12,446
Fiscal Year 2000 Total	6,226	0	6,226
Fiscal Year 2001 Total	6,220	0	6,220

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
Education Reform**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	40,622	233	40,855
1999 Supplemental *	-50	0	-50
Total 1997-99 Biennium	40,572	233	40,805
1999-01 Maintenance Level	46,324	233	46,557
Policy Items			
1. Reading Corps	16,000	0	16,000
2. Summer Accountability Institutes	1,000	0	1,000
3. Performance Bonus for Teachers	327	0	327
4. Retaining Beginning Teachers	3,848	0	3,848
5. Helping Corps	2,000	0	2,000
Total 1999-01 Biennium	69,499	233	69,732
Fiscal Year 2000 Total	35,144	127	35,271
Fiscal Year 2001 Total	34,355	106	34,461

Comments:

1. **READING CORPS** - Funding is provided for a Reading Corps program similar to the program established in the 1998 supplemental budget. Reading Corps grants will be for schools in which significant numbers of students do not perform well on the Washington Assessment of Student Learning (WASL). The grants are to provide reading programs for low-performing students in grades K-6. The reading programs may be provided before, during, or after the school day, and on Saturdays, summer, intercessions, or other vacation periods. The programs are to be proven, research-based programs provided by mentors or tutors and shall include pre- and post-testing to determine the effectiveness of the programs.
2. **SUMMER ACCOUNTABILITY INSTITUTES** - Funding is provided to continue summer accountability institutes to assist school district staff involved in implementing education reform and accountability goals in the areas of reading, communications, writing, and math. The institutes are to place an emphasis on math. Previously, these institutes were funded from a variety of funding sources instead of through a specific budget proviso.
3. **PERFORMANCE BONUS FOR TEACHERS** - The National Board for Professional Teaching Standards has established a performance-based system to recognize highly accomplished teachers. Teachers can achieve National Board Certification through a year-long process including rigorous assessments that demonstrate their advanced knowledge and skills. Funds are provided for a 15 percent annual bonus for Washington teachers certified by the national board. Currently, 12 teachers have attained this certification, and funds are provided for a total of 23 teachers in school year 1999-00 and 45 in school year 2000-01.
4. **RETAINING BEGINNING TEACHERS** - Funding is provided to increase the allocation to the Mentor Teacher Program which pairs beginning teachers as well as teachers experiencing problems in the classroom with mentor teachers for on-the-job training, counseling, and training. This funding increases the amount available per team from \$780 to an estimated \$1,780 to serve approximately 80 percent of beginning teachers.
5. **HELPING CORPS** - Funds are provided to establish a Mathematics Helping Corps to assist school districts with low mathematics scores on the Washington Assessment of Student Learning (WASL). The Helping Corps would consist of regional school improvement coordinators and mathematics school improvement specialists based in the educational service districts. The program is to provide assistance to individual schools

* Please see the 1999 Supplemental Operating Budget Section for additional information.

in modifying their curriculum and classroom techniques to improve student learning.

**Public Schools
Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 Expenditure Authority	62,896	0	62,896
1999 Supplemental *	640	0	640
Total 1997-99 Biennium	63,536	0	63,536
1999-01 Maintenance Level	71,689	0	71,689
Policy Items			
1. Pension Rate Changes	55	0	55
Total 1999-01 Biennium	71,744	0	71,744
Fiscal Year 2000 Total	35,136	0	35,136
Fiscal Year 2001 Total	36,608	0	36,608

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS Plan 3] investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
Learning Assistance Program (LAP)**

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 Expenditure Authority	121,224	0	121,224
1999 Supplemental *	-592	0	-592
Total 1997-99 Biennium	120,632	0	120,632
1999-01 Maintenance Level	126,837	0	126,837
Policy Items			
1. Pension Rate Changes	73	0	73
2. Struggling Students	19,340	0	19,340
Total 1999-01 Biennium	146,250	0	146,250
Fiscal Year 2000 Total	71,205	0	71,205
Fiscal Year 2001 Total	75,045	0	75,045

Comments:

1. PENSION RATE CHANGES - Funding is provided to implement Chapter 223, Laws of 1999 (HB 1023 - Teachers' Retirement System [TRS] Plan 3 investment gains), which makes a technical correction to the 1998 TRS 3 extraordinary investment gain-sharing bill. The effect is to make about 22,600 TRS 3 members eligible for gain-sharing payments. In addition, funding is provided for the 0.05 percent increase in the employer contribution rate for the Public Employees' Retirement System which results from changing the effective date of the new funding rates from September 1999 to July 1999.
2. STRUGGLING STUDENTS - Funding is provided to extend the Learning Assistance Program (LAP) to the 10th and 11th grades. The additional funds are allocated on the same formula basis as the current K-9 program. Ninety-two percent of the allocation is based on the number of students scoring in the lowest quartile on nationally-normed tests and 8 percent is allocated to school districts based on a poverty factor. Poverty factor funding is based on the percentage of students eligible for free and reduced-price lunches. A district qualifies for funding if the number of students meeting the poverty factor exceeds the state average percent. Funding is provided to the district for the number of students exceeding the state average percent.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

**Public Schools
Block Grants**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 Expenditure Authority	105,152	0	105,152
1999 Supplemental *	-185	0	-185
Total 1997-99 Biennium	104,967	0	104,967
1999-01 Maintenance Level	60,720	0	60,720
Total 1999-01 Biennium	60,720	0	60,720
Fiscal Year 2000 Total	33,095	0	33,095
Fiscal Year 2001 Total	27,625	0	27,625

Comments:

In the 1997-99 biennium the block grant program included funds for learning improvement days allocated on a dollar per student basis. The 1999-01 budget changes the allocation methodology by funding three learning improvement days as part of certificated instructional staff salaries. The funds for these extra days are detailed in the Compensation Adjustments program and total \$74.563 million.

* Please see the 1999 Supplemental Operating Budget Section for additional information.

Public Schools
Common School Construction

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 Expenditure Authority	0	12,621	12,621
1999 Supplemental *	53,050	66,295	119,345
Total 1997-99 Biennium	53,050	78,916	131,966
1999-01 Maintenance Level	0	0	0
Policy Items			
1. Transfer to Common School Const	0	72,000	72,000
Total 1999-01 Biennium	0	72,000	72,000
Fiscal Year 2000 Total	0	36,000	36,000
Fiscal Year 2001 Total	0	36,000	36,000

Comments:

1. TRANSFER TO COMMON SCHOOL CONST - Education Savings Account funds are transferred to the Common School Construction Fund to serve as state matching funds for locally-raised funding for K-12 school construction projects in the 1999-01 biennium.

* Please see the 1999 Supplemental Operating Budget Section for additional information.