

# Public Schools

## Maintenance Level Changes

A total of \$93 million is provided in increased maintenance level costs associated with: 1) 3,571 more students in the 2005-06 school year and 8,119 more students in the 2006-07 school year from the enrollment levels assumed in the original budget; 2) an increase in the inflation factor used in providing an Initiative 732 cost-of-living adjustment (COLA) to K-12 employees for the 2006-07 school year from 1.7 percent to 2.8 percent; and 3) other adjustments, such as inflation increases and additional levy equalization costs, that on net increased estimated state K-12 costs from the amounts assumed in the original 2005-07 budget.

## Student Remediation Assistance

A new program is created, called the Promoting Academic Success (PAS) program, which will be designed to help students who have been unsuccessful on one or more sections of the 10th grade Washington Assessment of Student Learning (WASL) test prepare for retakes. School districts will receive funding based on eligible students actually served in the PAS program and may use the new funding to offer intensive instruction in ways that best fit the needs of the districts' students, including: summer school; Saturday or extended day programs; skill seminars; test preparation seminars; and in-school or out-of-school tutoring. The funding provided includes: 1) \$2.8 million in one-time allocations that support planning and curriculum alignment efforts associated with establishing the program; 2) \$20.2 million for serving Class of 2008 students; 3) \$4.1 million for one-time allocations that will allow school districts to provide WASL remedial instruction to Class of 2007 students or to address other remediation needs identified by the Office of Superintendent of Public Instruction; and 4) \$1.5 million for a grant program to reward districts for innovative and successful remediation programs.

In the future, the PAS program is designed to provide remedial funding for one graduating class each fiscal year. The funding provided for each graduating class is intended to provide remedial assistance to students throughout their junior and senior year, as needed, to successfully pass the WASL. The budget language allows districts to carry over up to 20 percent of PAS funds from one year to the next to meet the needs of students who were not successful on initial retakes and need additional assistance in their senior year in preparing for WASL retakes.

## School Employee Salary Increase

Funding is provided for an additional 0.5 percent salary increase (beyond the 2.8 percent Initiative 732 COLA) for state-funded K-12 employees during the 2006-07 school year.

## Natural Gas and Diesel Fuel Price Increases

One-time funding is provided for: 1) additional allocations to help school districts in managing recent increases in diesel fuel prices (\$5.6 million); and 2) additional assistance to school districts in managing recent increases in natural gas rates and heating oil prices (\$2.1 million).

## Assessment Funding Adjustments

Funding is provided for additional contractor and other costs associated with having the 10th grade assessment results returned to students by June 10th of each year and the development and administration of the state-required science WASL.

## Vocational Equipment Replacement

One-time funding is provided to replace and upgrade equipment in vocational and Skills Center programs. Specifically, the funding will be distributed based on \$75 per vocational student and \$125 per student at Skills Centers.

### Restore Levy Equalization

The original 2005-07 budget made a prorated levy equalization reduction of 4.4 percent during calendar years 2006 and 2007. This reduction is restored in the budget for calendar year 2007. The net effect will be an estimated increase in state levy equalization payments to school districts of \$8.8 million during calendar year 2007 and \$4.8 million during state fiscal year 2007.

### Navigation 101

The Navigation 101 program is a counseling and mentoring program to help students set goals, take courses that will further their goals, and learn where their skills lie. Funding is provided to make the Navigation 101 curriculum available to all school districts. Additionally, funding is provided for grants to at least 100 school districts to implement the Navigation 101 program.

### Math Remediation

Funding is provided for the development and distribution of modules aimed at assisting teachers and students in mathematics. Additionally, a new 10th grade mathematics assessment tool that presents the mathematics essential learnings in segments for assessment will be developed.

### Staffed Residential Homes Pilot Grant Program

Funding is provided for a pilot grant program related to serving students in staffed residential homes. The pilot grant program will seek to identify the fiscal and educational challenges posed to districts that serve concentrations of staffed residential homes students and provide resources to help address these challenges. As part of the pilot grant program, a study will be conducted to make findings and recommendations regarding the variety of circumstances and needs present in the staffed residential home population and recommendations regarding how to best meet those needs.

### Student Data System

Funding is provided to create a statewide database of longitudinal student information. The database will: provide a central repository for student achievement and demographic information; allow teachers to review and track individual student achievement over time on state-standardized and classroom-based assessments by specific content strands; and provide a way to develop, track, and transfer student learning plans.

### School Breakfast Programs

Funding is provided for the following enhancements to the school breakfasts programs: 1) the level of reimbursement per meal is increased for each student eligible for free or reduced prices; 2) the co-pay is eliminated for students eligible for reduced prices; and 3) additional resources are provided to assist school districts in establishing summer food programs.

### CISL/Ombudsman

Funding is provided to implement Chapter 116, Laws of 2006, Partial Veto (ESHB 3127), which reinstates the Center for Improvement of Student Learning (CISL) and creates an ombudsman program which will be implemented through regional offices by the Governor's Office.

### Safe Schools Federal Backfill

The federal government has reduced the amount of funding provided to Washington State for the Safe and Drug-Free Schools and Communities grants by approximately \$1.5 million or 21 percent in fiscal year 2007. The budget provides one-time funding to help mitigate the impact of this federal budget reduction. Of this amount, \$200,000 is provided to the Department of Community, Trade, and Economic Development and \$800,000 is provided in the K-12 section of the budget.

### Alternative Routes to Teaching

The alternative route to teaching program provides conditional loan scholarships for candidates seeking teacher certification in an area in which school districts are experiencing shortages. This program is administered by the Professional Educator Standards Board. Funding is provided for additional scholarships specifically for candidates in special education, math, science, and bilingual education.

#### National Board for Professional Teaching Standards

Funding is provided for costs associated with fringe benefits on the \$3,500 salary bonus provided to each of the teachers with National Board for Professional Teaching Standards certification in fiscal year 2006 and fiscal year 2007. Funding will maintain the bonus amount paid to national board certified teachers at \$3,500 per year.

#### Closing the Achievement Gaps Pilot

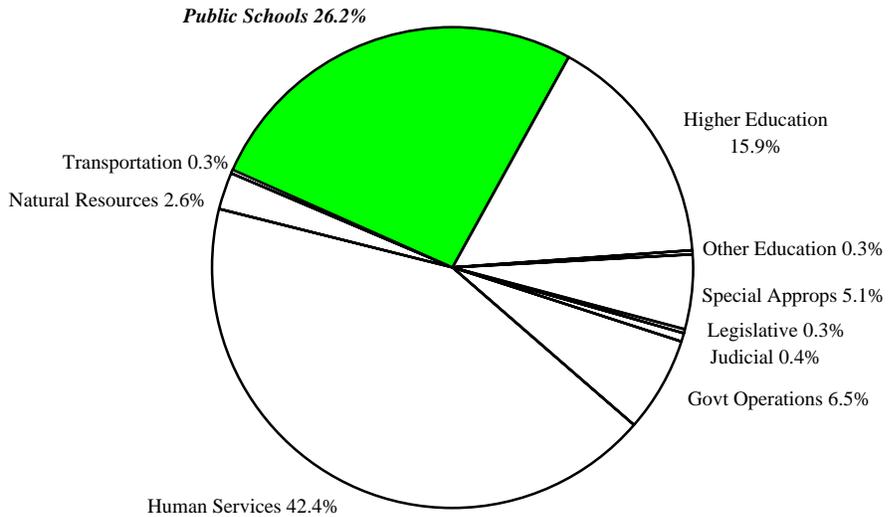
Funding is provided for a parent, community, and school district partnership program that will meet the unique needs of different groups of students in closing the achievement gap. The Office of Superintendent of Public Instruction will award five partnership grants. The intent of the pilot program is to help students meet state learning standards, achieve the skills and knowledge necessary for college or the workplace, reduce the achievement gap, prevent dropouts, and improve graduation rates.

#### Other K-12 Enhancements

Funding is provided for a variety of smaller K-12 enhancements including the following: additional Attorney General Office services related to a lawsuit dealing with special education funding (\$1.1 million); additional funding for incentives to increase Skills Center enrollment and funding for summer programs (\$0.4 million); anti-bias training (\$0.325 million); environmental education programs (\$0.15 million); youth suicide prevention (\$0.1 million); financial literacy programs for students (\$0.05 million); and other smaller miscellaneous increases.

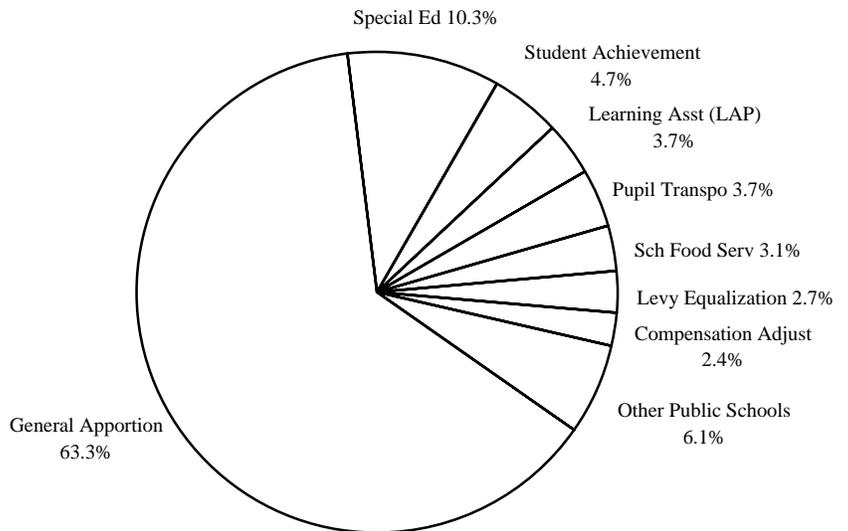
**2005-07 Washington State Omnibus Operating Budget**  
**Including 2006 Supplemental**  
**Total Budgeted Funds**  
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
<b>Public Schools</b>	<b>13,440,836</b>
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
<b>Statewide Total</b>	<b>51,288,737</b>



**Washington State**

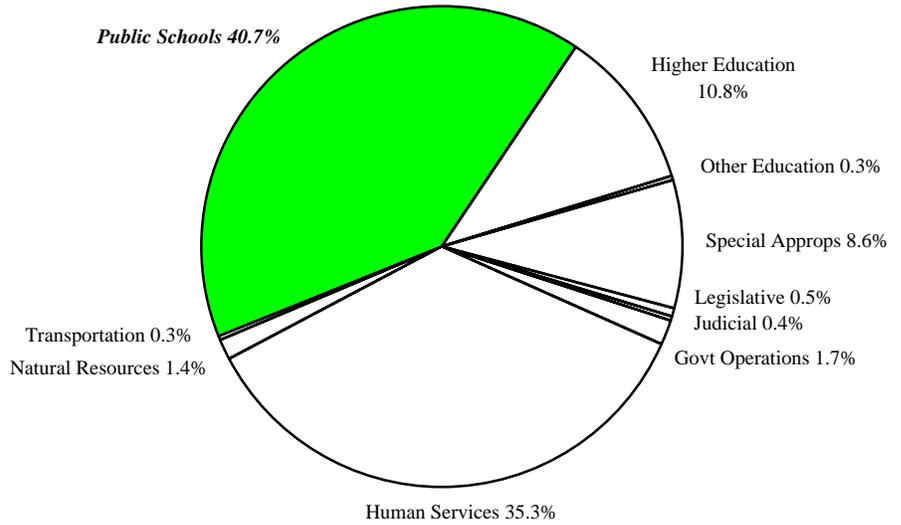
General Apportionment	8,503,797
Special Education	1,381,901
Student Achievement	630,537
Learning Assist Pgm	503,153
Pupil Transportation	500,903
School Food Services	418,226
Levy Equalization	364,110
Compensation Adj	318,968
Other Public Schools	819,241
<b>Public Schools</b>	<b>13,440,836</b>



**Public Schools**

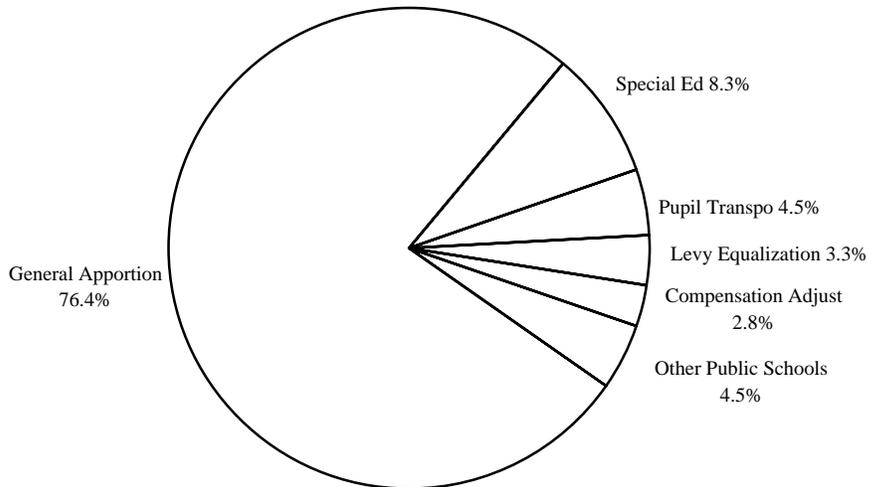
**2005-07 Washington State Omnibus Operating Budget**  
**Including 2006 Supplemental**  
**General Fund-State**  
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
<b>Public Schools</b>	<b>11,098,029</b>
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
<b>Statewide Total</b>	<b>27,297,906</b>



**Washington State**

General Apportionment	8,475,249
Special Education	943,003
Pupil Transportation	500,148
Levy Equalization	364,110
Compensation Adj	315,912
Other Public Schools	499,607
<b>Public Schools</b>	<b>11,098,029</b>



**Public Schools**

# Public Schools

## WORKLOAD HISTORY By School Year

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	<u>Estimated</u>	
									2005-06	2006-07
<b>General Apportionment</b>										
FTE Enrollment	936,435	946,385	948,485	951,033	956,567	958,846	962,342	966,371	972,804	980,345
% Change from prior year		1.1%	0.2%	0.3%	0.6%	0.2%	0.4%	0.4%	0.7%	0.8%
<b>Special Education</b>										
Funded Enrollment <sup>(1)</sup>	111,257	113,249	115,257	116,709	118,519	120,677	121,467	122,031	121,815	123,322
% Change from prior year		1.8%	1.8%	1.3%	1.6%	1.8%	0.7%	0.5%	-0.2%	1.2%
<b>Bilingual Education</b>										
Headcount Enrollment	47,975	52,040	55,656	59,514	62,522	66,258	70,884	75,255	77,277	81,674
% Change from prior year		8.5%	6.9%	6.9%	5.1%	6.0%	7.0%	6.2%	2.7%	5.7%
<b>Learning Assistance Program</b>										
Entitlement Units <sup>(1)</sup>	159,556	159,481	184,804	177,763	174,275	170,157	161,864	157,935	N/A	N/A
Funded Students <sup>(2)</sup>	N/A	412,060	420,496							
% Change from prior year		0.0%	15.9%	-3.8%	-2.0%	-2.4%	-4.9%	-2.4%		2.0%

<sup>(1)</sup> Beginning in 2002-03, the workload indicators include incorporation of federal funds. For the 2002-03, 2003-04, and 2004-05 school years, school districts were funded for special education services for 0.3 percent of their enrollment beyond the 12.7 percent limit with federal funds. Beginning once again in the 2005-06 school year, school districts are funded for special education services up to 12.7 percent of their enrollment solely with state funds.

<sup>(2)</sup> In the 2005 legislative session, the Legislature made significant changes to the allocation formula for the Learning Assistance Program. For this reason, the workload amounts for the 2005-07 biennium are not comparable to prior years.

Data Sources:

1997-98 through 2004-05 amounts from the Office of the Superintendent of Public Instruction, the Office of Financial Management, and the Caseload Forecast Council.

2005-06 and 2006-07 estimates from the Caseload Forecast Council February 2006 forecast and legislative budgets from the 2006 session.

**Public Schools  
OSPI & Statewide Programs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>46,163</b>	<b>79,965</b>	<b>126,128</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>3,650</b>	<b>3,650</b>
<b>Policy Changes</b>			
1. Utility Costs Emergency Assistance	2,148	0	2,148
2. Pre-Apprenticeship Program Grants	175	0	175
3. Central Service Agency Charges	71	0	71
4. Civics Education	22	0	22
5. Environmental Study	15	0	15
6. Navigation 101	3,980	0	3,980
7. Student Data System	2,896	0	2,896
8. Special Education Lawsuit	1,099	0	1,099
9. Environmental Education	150	0	150
10. Anti-Bias Training	325	0	325
11. Safe Schools Federal Backfill	800	0	800
12. Financial Literacy	50	0	50
13. Youth Suicide Prevention	100	0	100
14. School Safety Plans	45	0	45
15. Special Education Accounting	64	0	64
16. SRH Pilot Grant Program	3,055	0	3,055
17. Alternative Routes to Teaching	511	0	511
18. Sex Offender Workgroup	40	0	40
19. State Board Increased Costs	119	0	119
20. Civics Curriculum Development	25	0	25
<b>Total Policy Changes</b>	<b>15,690</b>	<b>0</b>	<b>15,690</b>
<b>2005-07 Revised Appropriations</b>	<b>61,853</b>	<b>83,615</b>	<b>145,468</b>
Fiscal Year 2006 Total	25,793	44,133	69,926
Fiscal Year 2007 Total	36,060	39,482	75,542

**Comments:**

- Utility Costs Emergency Assistance** - One-time funding is provided for additional assistance to school districts in managing recent increases in natural gas and heating oil costs during the 2005-06 school year.
- Pre-Apprenticeship Program Grants** - Pursuant to Chapter 161, Laws of 2006 (2SHB 2789), funding is provided for grants and pilot programs to develop pre-apprenticeship opportunities. Districts will use the grants to support program design, negotiate school/business/labor agreements, and recruit high school students for pre-apprenticeship programs in the building trades and crafts.
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- Civics Education** - Funding is provided to implement Chapter 113, Laws of 2006 (EHB 2579). The bill requires that beginning in the 2008-09 school year, students in grades 4, 5, 7 or 8, and 11 or 12 will complete a classroom-based assessment in civics. The funding provided supports staff training and competitive grants to districts for curriculum alignment; private donations may also supplement these funds.
- Environmental Study** - Funding is provided for the implementation of Chapter 79, Laws of 2006 (EHB 2910 - Environmental Education), which requires the Office of the Superintendent of Public Instruction (OSPI) to conduct an environmental, natural science, wildlife, forestry, and agriculture education study in partnership with public and private entities that promote quality environmental education experiences.
- Navigation 101** - The Navigation 101 program is a counseling and mentoring program to help students set goals, take courses that will further their goals, and learn where their skills lie. Pursuant to Chapter 117, Laws of 2006 (ESSB 6255), funding is provided to make the Navigation 101 curriculum available to all school districts. Additionally, funding is provided for grants to at least 100 school districts to implement the Navigation 101 program.

## Public Schools OSPI & Statewide Programs

7. **Student Data System** - Funding is provided to create a statewide database of longitudinal student information. The database will provide a central repository for student achievement and demographic information; allow teachers to review and track individual student achievement over time on state-standardized and classroom-based assessments by specific content strands; and provide a way to develop, track, and transfer student learning plans. OSPI is required to meet stringent planning requirements that meet the approval of the Department of Information Services prior to beginning this project.
8. **Special Education Lawsuit** - Twelve school districts have filed a lawsuit in Thurston County Superior Court claiming that the state has underfunded special education based on an unconstitutional funding system. This lawsuit will require additional services from the Attorney General's Office, the costs of which will be billed to OSPI. Funding is provided to cover the expected costs for the 2005-07 biennium.
9. **Environmental Education** - Funding is provided for grants for the environmental education program throughout the state. The General Fund-State funding will be deposited into the Washington Natural Science, Wildlife, and Environmental Education Partnership Account to be augmented with other public and private donations for this purpose.
10. **Anti-Bias Training** - Funding is provided for comprehensive cultural competence and anti-bias education programs for educators and students. OSPI will administer grants to school districts with the assistance and input of groups like the Anti-Defamation League and the Jewish Federation of Seattle.
11. **Safe Schools Federal Backfill** - The federal government has reduced the amount of funding provided to Washington State for the Safe and Drug-Free Schools and Communities (SDFSC) grants by approximately \$1.5 million or 21 percent in FY 2007. In Washington State, SDFSC grant funding supports prevention and intervention specialists in schools to implement comprehensive student assistance programs that address problems associated with substance use and violence. These funds are distributed to 13 local grantees, including the 4 largest school districts (Seattle, Tacoma, Spokane, and Kent) and 9 consortia, covering virtually the entire state. One-time state funding is provided to help mitigate the impact of this federal budget reduction.
12. **Financial Literacy** - Funding is provided for additional efforts at promoting financial literacy of students. The effort will be coordinated through the Financial Literacy Public Private Partnership.
13. **Youth Suicide Prevention** - Funding is provided for a pilot youth suicide prevention and information program. OSPI will work with selected school districts and community agencies in identifying effective strategies at preventing youth suicide.
14. **School Safety Plans** - Funding is provided for the Washington State School Safety Center Advisory Committee, in consultation with OSPI, to prepare a report with: 1) the recommended comprehensive school safety plan standards; 2) a potential implementation plan for those standards statewide; and 3) detailed information on the costs and other impacts on school districts from implementing the standards. The development of standards shall address requirements for school mapping and shall include a review of current research regarding safe school planning. The report will be completed by December 1, 2006.
15. **Special Education Accounting** - Funding is provided for OSPI to conduct further evaluation of issues raised in the recently completed Joint Legislative Audit and Review Committee report on the accounting of special education excess costs. Specifically, OSPI will convene a work group to evaluate modifying or replacing the current 1077 methodology. This workgroup will develop a proposal and deliver their report to the Legislature by January 1, 2007, and take into consideration recommendations of the Washington Learns Steering Committee.
16. **SRH Pilot Grant Program** - Funding is provided for a pilot grant program related to serving students in staffed residential homes (SRH). The pilot grant program will seek to identify the fiscal and educational challenges posed to districts that serve concentrations of SRH students and provide resources to help address these challenges. As part of the pilot grant program, a study will be conducted to make findings and recommendations regarding the variety of circumstances and needs present in the SRH population and recommendations regarding how to best meet those needs.
17. **Alternative Routes to Teaching** - The alternative route to teaching program provides conditional loan scholarships for candidates seeking teacher certification in an area in which school districts are experiencing shortages. This program is administered by the Professional Educator Standards Board. Funding is provided for additional scholarships specifically for candidates in special education, math, science, and bilingual education.
18. **Sex Offender Workgroup** - Pursuant to Chapter 135, Laws of 2006 (ESSB 6580), funding is provided for OSPI to convene a workgroup to develop a model policy for schools to follow when receiving notification from the sheriff's office that a sex offender is enrolled. A final report and recommendations must be submitted to the appropriate committees of the Legislature by November 15, 2006.
19. **State Board Increased Costs** - Funding is provided to cover increased operational costs of the State Board of Education. Funding will support new staffing needs and cover increased costs associated with changes in membership and the scope of the Board's duties.
20. **Civics Curriculum Development** - Chapter 113, Laws of 2006 (EHB 2579), appropriates \$25,000 from General Fund-State to OSPI for competitive grants for the development of civics curriculum.

**Public Schools  
 General Apportionment**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>8,423,967</b>	<b>0</b>	<b>8,423,967</b>
<b>Total Maintenance Changes</b>	<b>45,926</b>	<b>0</b>	<b>45,926</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	0	28,548	28,548
2. Skills Center Incentive Grants	413	0	413
3. Vocational Equipment Replacement	4,943	0	4,943
<b>Total Policy Changes</b>	<b>5,356</b>	<b>28,548</b>	<b>33,904</b>
<b>2005-07 Revised Appropriations</b>	<b>8,475,249</b>	<b>28,548</b>	<b>8,503,797</b>
Fiscal Year 2006 Total	4,193,442	0	4,193,442
Fiscal Year 2007 Total	4,281,807	28,548	4,310,355

**Comments:**

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
2. **Skills Center Incentive Grants** - Additional funding is provided to address financial disincentives experienced by districts in sending their students to Skill Centers and to expand Skills Center summer school programs.
3. **Vocational Equipment Replacement** - Funding is provided for a one-time allocation to replace and upgrade equipment in vocational and Skills Center programs. The funding will be distributed based on \$75 per vocational student and \$125 per student at Skills Centers.

**Public Schools  
Compensation Adjustments**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>260,949</b>	<b>1,334</b>	<b>262,283</b>
<b>Total Maintenance Changes</b>	<b>35,827</b>	<b>118</b>	<b>35,945</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	0	1,545	1,545
2. Health Benefit Changes	2,588	8	2,596
3. Promoting Academic Success	832	0	832
4. School Employee Salary Increase	15,716	51	15,767
<b>Total Policy Changes</b>	<b>19,136</b>	<b>1,604</b>	<b>20,740</b>
<b>2005-07 Revised Appropriations</b>	<b>315,912</b>	<b>3,056</b>	<b>318,968</b>
Fiscal Year 2006 Total	74,336	362	74,698
Fiscal Year 2007 Total	241,576	2,694	244,270

**Comments:**

- 1. Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
- 2. Health Benefit Changes** - The original 2005-07 operating budget provided an increase in the health benefit funding rate from the 2005-06 school year to the 2006-07 school year of 8 percent. Funding is now provided for a rate increase of 8.5 percent between the two school years. As a result of this change, the increases in the K-12 funding rates correspond to similar increases in the state employer classified staff rates.
- 3. Promoting Academic Success** - The additional certificated instructional staff provided under the new Promoting Academic Success program causes compensation increases to cost more.
- 4. School Employee Salary Increase** - Funding is provided for an additional 0.5 percent salary increase (beyond the 2.8 percent Initiative 732 cost-of-living-adjustment [COLA]) for state funded K-12 employees during the 2006-07 school year.

**Public Schools  
 Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>490,745</b>	<b>0</b>	<b>490,745</b>
<b>Total Maintenance Changes</b>	<b>3,808</b>	<b>0</b>	<b>3,808</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	0	755	755
2. Transportation Emergency Assistance	5,595	0	5,595
<b>Total Policy Changes</b>	<b>5,595</b>	<b>755</b>	<b>6,350</b>
<b>2005-07 Revised Appropriations</b>	<b>500,148</b>	<b>755</b>	<b>500,903</b>
Fiscal Year 2006 Total	247,541	0	247,541
Fiscal Year 2007 Total	252,607	755	253,362

**Comments:**

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
2. **Transportation Emergency Assistance** - One-time funding is provided for additional assistance to school districts in managing recent increases in diesel fuel prices during the 2005-06 school year.

**Public Schools  
 School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>6,306</b>	<b>397,260</b>	<b>403,566</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>14,660</b>	<b>14,660</b>
<b>2005-07 Revised Appropriations</b>	<b>6,306</b>	<b>411,920</b>	<b>418,226</b>
Fiscal Year 2006 Total	3,147	199,324	202,471
Fiscal Year 2007 Total	3,159	212,596	215,755

**Comments:**

There were no policy level changes.

**Public Schools  
Special Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>931,993</b>	<b>435,464</b>	<b>1,367,457</b>
<b>Total Maintenance Changes</b>	<b>11,010</b>	<b>165</b>	<b>11,175</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>3,269</u>	<u>3,269</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>3,269</b>	<b>3,269</b>
<b>2005-07 Revised Appropriations</b>	<b>943,003</b>	<b>438,898</b>	<b>1,381,901</b>
Fiscal Year 2006 Total	464,812	207,415	672,227
Fiscal Year 2007 Total	478,191	231,483	709,674

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools  
 Educational Service Districts**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>7,418</b>	<b>0</b>	<b>7,418</b>
<b>Total Maintenance Changes</b>	<b>-16</b>	<b>0</b>	<b>-16</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>28</u>	<u>28</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>28</b>	<b>28</b>
<hr/>			
<b>2005-07 Revised Appropriations</b>	<b>7,402</b>	<b>28</b>	<b>7,430</b>
Fiscal Year 2006 Total	3,691	0	3,691
Fiscal Year 2007 Total	3,711	28	3,739

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools  
 Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>357,167</b>	<b>0</b>	<b>357,167</b>
<b>Total Maintenance Changes</b>	<b>2,130</b>	<b>0</b>	<b>2,130</b>
<b>Policy Changes</b>			
1. Restore Levy Equalization	4,813	0	4,813
<b>Total Policy Changes</b>	<b>4,813</b>	<b>0</b>	<b>4,813</b>
<b>2005-07 Revised Appropriations</b>	<b>364,110</b>	<b>0</b>	<b>364,110</b>
Fiscal Year 2006 Total	173,153	0	173,153
Fiscal Year 2007 Total	190,957	0	190,957

**Comments:**

- Restore Levy Equalization** - The original 2005-07 budget made a prorated levy equalization reduction of 4.4 percent during calendar years 2006 and 2007. The budget restores this reduction for calendar year 2007. The net effect will be an estimated increase in state levy equalization payments to school districts of \$8.8 million during calendar year 2007 and \$4.8 million during state FY 2007.

**Public Schools  
 Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>38,757</b>	<b>0</b>	<b>38,757</b>
<b>Total Maintenance Changes</b>	<b>-2,442</b>	<b>0</b>	<b>-2,442</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>117</u>	<u>117</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>117</b>	<b>117</b>
<hr/>			
<b>2005-07 Revised Appropriations</b>	<b>36,315</b>	<b>117</b>	<b>36,432</b>
Fiscal Year 2006 Total	18,078	0	18,078
Fiscal Year 2007 Total	18,237	117	18,354

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools  
 Education of Highly Capable Students**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>13,786</b>	<b>0</b>	<b>13,786</b>
<b>Total Maintenance Changes</b>	<b>88</b>	<b>0</b>	<b>88</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>44</u>	<u>44</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>44</b>	<b>44</b>
<b>2005-07 Revised Appropriations</b>	<b>13,874</b>	<b>44</b>	<b>13,918</b>
Fiscal Year 2006 Total	6,900	0	6,900
Fiscal Year 2007 Total	6,974	44	7,018

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools  
Education Reform**

(Dollars in Thousands)

	GF-S	Other	Total
<b>2005-07 Original Appropriations</b>	<b>83,503</b>	<b>124,305</b>	<b>207,808</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>24,454</b>	<b>24,454</b>
<b>Policy Changes</b>			
1. Move Early Read to Early Learning	-125	0	-125
2. Alternative for English Learners	100	0	100
3. Math Remediation	3,390	0	3,390
4. Principal Support Program	150	0	150
5. CISL/Ombudsman	1,327	0	1,327
6. Assessment Funding Adjustments	5,074	0	5,074
7. 9th Grade Diagnostic Test	250	0	250
8. National Board - Other Costs	510	0	510
9. School Breakfast Programs	2,000	0	2,000
10. Closing Achievement Gaps Pilot	500	0	500
<b>Total Policy Changes</b>	<b>13,176</b>	<b>0</b>	<b>13,176</b>
<b>2005-07 Revised Appropriations</b>	<b>96,679</b>	<b>148,759</b>	<b>245,438</b>
Fiscal Year 2006 Total	45,382	72,071	117,453
Fiscal Year 2007 Total	51,297	76,688	127,985

**Comments:**

1. **Move Early Read to Early Learning** - Pursuant to Chapter 265, Laws of 2006 (2SHB 2964), the Early Reading Grant program created last year will be transferred to the new Department of Early Learning.
2. **Alternative for English Learners** - Funding is provided to study assessment alternatives for English language learners and to estimate the costs of translating and scoring test questions in foreign languages on the Washington Assessment of Student Learning (WASL).
3. **Math Remediation** - Funding is provided for the development of: 1) WASL knowledge and skill learning modules to assist students performing at 10th grade Level 1 in mathematics (\$110,000); 2) mathematics knowledge and skill learning modules to teach middle and high school students specific skills that have been identified as areas of difficulty for 10th grade students (\$330,000); 3) web-based applications of the curriculum and materials produced for the learning modules (\$600,000); and 4) a new 10th grade mathematics assessment tool that presents the mathematics essential learnings in segments for assessment (\$2,350,000).
4. **Principal Support Program** - The Principal Support Program provides assistance, assessment, and mentoring to improve the skills of principals. Additional principals will be served in FY 2007.
5. **CISL/Ombudsman** - Funding is provided to implement Chapter 116, Laws of 2006, Partial Veto (ESHB 3127), which reinstates the Center for Improvement of Student Learning (CISL) and creates an ombudsman program which will be implemented through regional offices by the Governor's Office.
6. **Assessment Funding Adjustments** - The 2005 Legislature enacted a two-year assessment budget expecting the Office of Superintendent of Public Instruction (OSPI) to obtain favorable contract prices, federal funding, or a combination of the two to cover the cost of returning the 10th grade assessment results to students by June 10th of each year and to develop and administer the state-required science WASL. Since OSPI was unable to secure additional federal funding or get further contractor reductions, funding is provided for costs associated with these two items.
7. **9th Grade Diagnostic Test** - Funding is provided for OSPI to make diagnostic assessments available to assist school districts. Subject to available funds, OSPI will provide funding to school districts for administering diagnostic assessments in grade 9 for the purpose of identifying academic weaknesses and developing strategies to assist students before the high school WASL.
8. **National Board - Other Costs** - Funding is provided for costs associated with fringe benefits on the \$3,500 salary bonus provided to each of the teachers with National Board for Professional Teaching Standards certification in FY 2006 and FY 2007. Funding will maintain the bonus amount paid to national board certified teachers at \$3,500 per year.
9. **School Breakfast Programs** - Funding is provided for the following enhancements to the funding for school breakfasts programs: 1) the level of reimbursement per meal is increased for each student eligible for free and reduced price; 2) the co-pay is eliminated for students eligible for reduced price; and 3)

## Public Schools Education Reform

additional resources are provided to assist school districts in establishing summer food programs.

10. **Closing Achievement Gaps Pilot** - Funding is provided for a parent, community, and school district partnership program that will meet the unique needs of different groups of students in closing the achievement gap. OSPI will award five partnership grants. The intent for the the pilot program is to help students meet state learning standards and achieve the skills and knowledge necessary for college or the workplace by reducing the achievement gap and dropout rates and improving graduation rates.

**Public Schools  
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>123,208</b>	<b>45,561</b>	<b>168,769</b>
<b>Total Maintenance Changes</b>	<b>-3,395</b>	<b>6,180</b>	<b>2,785</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>504</u>	<u>504</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>504</b>	<b>504</b>
<hr/>			
<b>2005-07 Revised Appropriations</b>	<b>119,813</b>	<b>52,245</b>	<b>172,058</b>
Fiscal Year 2006 Total	58,205	25,167	83,372
Fiscal Year 2007 Total	61,608	27,078	88,686

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>130,801</b>	<b>367,832</b>	<b>498,633</b>
<b>Total Maintenance Changes</b>	<b>-1,157</b>	<b>5,124</b>	<b>3,967</b>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>553</u>	<u>553</u>
<b>Total Policy Changes</b>	<b>0</b>	<b>553</b>	<b>553</b>
<b>2005-07 Revised Appropriations</b>	<b>129,644</b>	<b>373,509</b>	<b>503,153</b>
Fiscal Year 2006 Total	65,018	181,930	246,948
Fiscal Year 2007 Total	64,626	191,579	256,205

**Comments:**

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools  
 Promoting Academic Success**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Policy Changes</b>			
1. Pension Plan 1 Unfunded Liability	0	189	189
2. Promoting Academic Success	<u>27,721</u>	<u>0</u>	<u>27,721</u>
<b>Total Policy Changes</b>	<b>27,721</b>	<b>189</b>	<b>27,910</b>
<b>2005-07 Revised Appropriations</b>	<b>27,721</b>	<b>189</b>	<b>27,910</b>
Fiscal Year 2006 Total	3,842	0	3,842
Fiscal Year 2007 Total	23,879	189	24,068

**Comments:**

- 1. Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
- 2. Promoting Academic Success** - A new program is created, called the Promoting Academic Success (PAS) program, which will be designed to help students who have been unsuccessful on one or more sections of the 10th grade Washington Assessment of Student Learning (WASL) test prepare for retakes. School districts will receive funding based on eligible students actually served in the PAS program and may use the new funding to offer intensive instruction in ways that best fit the needs of the districts' students, including: summer school; Saturday or extended day programs; skill seminars; test preparation seminars; and in-school or out-of-school tutoring. The funding provided includes: 1) \$2.8 million in one-time allocations that support planning and curriculum alignment efforts associated with establishing the program; 2) \$20.2 million for serving Class of 2008 students; 3) \$4.1 million for one-time allocations that will allow school districts to provide WASL remedial instruction to Class of 2007 students or to address other remediation needs identified by the Office of Superintendent of Public Instruction; and 4) \$1.5 million for a grant program to reward districts for innovative and successful remediation programs.

In the future, the PAS program is designed to provide remedial funding for one graduating class each fiscal year. The funding provided for each graduating class is intended to provide remedial assistance to students throughout their junior and senior year, as needed, to successfully pass the WASL. The budget language allows districts to carry over up to 20 percent of PAS funds from one year to the next to meet the needs of students who were not successful on initial retakes and need additional assistance in their senior year in preparing for WASL retakes.

**Public Schools**  
**Student Achievement Program**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>2005-07 Original Appropriations</b>	<b>0</b>	<b>629,356</b>	<b>629,356</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>1,181</b>	<b>1,181</b>
<hr/>			
<b>2005-07 Revised Appropriations</b>	<b>0</b>	<b>630,537</b>	<b>630,537</b>
Fiscal Year 2006 Total	0	280,758	280,758
Fiscal Year 2007 Total	0	349,779	349,779

**Comments:**

There were no policy level changes.

