

Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget

	2009-11 2nd Supp Enacted Operating Budget	2011-13 Enacted Operating Budget**	Difference	Percent Change
NGF-S*	\$12,994,104,000	\$13,783,417,000	\$789,313,000	6.1%
NGF-S Per Pupil Funding	\$6,559	\$6,862	\$303	4.6%

* *Near-General Fund-State: General Fund, Education Legacy Trust Account, and Pension Funding Stabilization Account.*

** *Total budgeted figures include a 1-day delay in a portion of the June general apportionment payment to school districts. This delay has the effect of reducing the budget by \$128 million in fiscal year 2011, and increasing the budget by the same amount in fiscal year 2012.*

Maintenance & Carryforward Level Changes

Enrollment, Workload, and Inflation

State funding in the amount of \$687 million is provided for pension rate increases, student enrollment increases, inflation of non-employee related costs, school bus replacement costs, and other workload adjustments projected for the 2011-13 biennium. Included in this cost is \$428 million for the cost of adopting the pension rates recommended by the Pension Funding Council, \$36 million for projected increases in school bus replacement costs, \$16 million to cover reduced revenue offsets to general apportionment due to the anticipated non-renewal of the federal Secure Rural Schools Act funding, \$31 million for projected increases in teachers earning certification from the National Board for Professional Teaching Standards, among other small changes. Additional costs are incurred at maintenance level to cover the rising scoring and contractor costs of the state's assessment system (\$53 million). As compared to the 2010-11 school year enrollment, the number of full-time equivalent (FTE) students is expected to increase by 6,455 in the 2011-12 school year and 16,722 in the 2012-13 school year.

In addition to maintenance-level changes, net increases of \$276 million are funded for technical carryforward level adjustments. These changes include funding both years of ongoing increases that were made in 2009-11, increasing funding for enrollment and workload, and providing an additional \$78 million for levy equalization for the increase in the base local levy lid from 24 percent to 28 percent enacted by the 2010 Legislature.

I-732 Cost-of-Living Adjustments (COLA)

Initiative 732 (I-732) requires an annual COLA increase for school employees based on the Seattle Consumer Price Index (CPI) for the prior calendar year. Based on the most recent CPI data, these COLA increases are estimated at 0.3 percent for the 2011-12 school year and 2.5 percent for the 2012-13 school year. Additionally, statute requires a catch-up COLA increase resulting from the I-732 suspension during the 2009-11 biennium. This requirement adds an additional 1.2 percent in each school year. Total maintenance-level costs associated with these requirements are \$283 million for the 2011-13 biennium. These requirements are suspended in the final 2011-13 enacted budget.

I-728 Student Achievement Fund Allocations

Initiative 728 (I-728), approved by voters in 2000 and later amended by the Legislature, allocates a per-student dollar amount to districts to be used for class-size reduction, extended learning opportunities, early-learning programs, or professional development. If not suspended, per-student allocations would have been approximately \$477 per student for the 2011-12 school year and \$484 per student for the 2012-13 school year. The maintenance-level budget includes approximately \$861 million to fulfill these requirements. These requirements are suspended in the final 2011-13 enacted budget.

Policy Level Reductions

Suspend I-728 Student Achievement Program Allocations

I-728, approved by voters in 2000, allocates a per-student dollar amount to districts to be used for class size reduction, extended learning opportunities, early learning programs, or professional development. I-728 allocations to school districts are suspended for the 2011-13 biennium, resulting in General Fund-state budget reductions of \$861 million.

Plan 1 Uniform COLA Changes

Public Employees' and Teachers' Retirement Systems Plan 1 (PERS Plan 1 and TRS Plan 1) members benefits are no longer increased through the Uniform COLA above the amount in effect on July 1, 2010, unless a retiree qualifies for the basic minimum benefit. Members of PERS Plan 1 and TRS Plan 1 that qualify for the minimum benefit formulas in the plans will continue to receive the Uniform COLA. Within the K-12 budget, the change decreases spending by \$275 million.

Suspend I-732 COLA

I-732 requires an annual COLA increase for school employees based on the Seattle CPI for the prior calendar year. The I-732 COLAs are suspended for the 2011-13 biennium. In addition, the provision is eliminated that required catch-up funding from fiscal year 2012 through fiscal year 2015 for the 2009-11 COLA suspension, resulting in total state budget reductions of \$266 million.

1.9 Percent Salary Reductions for Certificated Instructional & Classified Staff, and 3 Percent Reductions for Administrative Staff

Allocations to school districts for K-12 employee salaries are reduced by 1.9 percent for certificated instructional and classified staff and 3.0 percent for administrative staff in the 2011-12 and 2012-13 school years, or a total state reduction of \$179 million.

Eliminate K-4 Class-Size Reduction

Continuing the policy in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086), funding for the K-4 class size reduction is eliminated for the 2011-12 and 2012-13 school years. The formula for allocating funding to districts is adjusted to reflect the following changes in average class sizes: grades Kindergarten through Grade 3 will become 25.23, up from 23.11; and Grade 4 will become 27, up from 26.15. This reflects minimum statutory funding levels in grades K-4 for general education students and reduces General Fund-state funding by \$170 million. Separately, partial class-size reduction funding is restored for high-poverty schools (see below).

National Board Bonus Changes

Two changes are made to the National Board for Professional Teaching Standards (NBPTS) bonus program. Beginning in the 2011-12 school year, the Office of Superintendent of Public Instruction (OSPI) must pay bonuses on July 1 of each school year, achieving a one-time savings in fiscal year 2012 of approximately \$58 million. Additionally, first-year national board bonuses will be prorated by a factor of 60 percent (a 40 percent reduction); to reflect the percentage of the school year newly NBPTS-certified teachers are certified. The proration produces a first year base bonus amount of \$3,054, and a first year high-poverty school bonus of \$3,000. With the exception of the first year proration, the \$5,090 base bonus and \$5,000 high-poverty school bonus are

fully funded in the 2011-13 biennium. National Board bonus changes result in General Fund-state savings of \$61 million.

Assessment System Changes

State funding for student assessments is reduced by \$51 million to reflect several changes: the implementation of modified graduation requirements in math and science, reductions to assessment staffing, reductions in collections-of-evidence costs, and a shifting of diagnostic testing costs from state to federal sources.

Chapter 22, Laws of 2011, 1st sp.s. (ESHB 1410), requires students, starting with the class of 2015 rather than 2013, to meet the state standard on the high school science assessment to earn a Certificate of Academic Achievement (CAA), which is required for graduation. It also establishes the Biology end-of-course (EOC) assessment as the high school science assessment. Chapter 25, Laws of 2011 (HB 1412), allows students in the classes of 2013 and 2014 to pass one math EOC assessment (rather than two) for purposes of high school graduation and also specifies that retakes of the math assessment will be based on an EOC test, not a comprehensive math test.

In addition to the savings resulting from ESHB 1410 and HB 1412, which total \$37.3 million, the reductions also include \$1.4 million in assessment staff reductions, \$6.4 million in assessment contract cost savings, and \$4.4 million from eliminating state allocations for diagnostic assessments funding. Included in the savings estimate for ESHB 1410 and HB 1412 are reductions to the per-test rates paid for collections-of-evidence (COE), as well the impact of limiting the state subsidy to one COE per student in each subject area. An additional savings of approximately \$1 million is assumed by restricting payment for collections, which do not meet minimum submission requirements.

Alternative Learning Experience (ALE) Changes

Funding is adjusted downward by \$41 million to reflect the changes to ALE programs in Chapter 34, Laws of 2011, 1st sp.s. (ESHB 2065). The ALE programs include online learning programs, as well as parent partnership and contract programs where most education occurs outside the traditional school setting in a more flexible, non-seat time based learning program. Funding is reduced, in aggregate, by 15 percent for ALE programs. OSPI is tasked with determining the methodology for achieving the savings based on specific criteria established by ESHB 2065 and requires that no particular ALE program take less than a 10 percent reduction or more than a 20 percent reduction.

Eliminate Maintenance, Supplies, and Operating Costs (MSOC) from K-4 Class-Size Reduction Funding

Continuing the policy in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086), funding is adjusted to eliminate that portion of MSOC funding for the 2011-12 and 2012-13 school years that is an enhancement above levels required by statute. The new K-12 funding formula adopted pursuant to Chapter 236, Laws of 2010, Partial Veto (SHB 2776), changed the allocation methodology for non-salary related items. In the prior formula, funding was allocated on a per-certificated staff unit basis. Beginning September 1, 2011, non-salary funding is allocated on a per-student basis. As a result of the new formula, \$24 million of the funding for MSOC for 2011-13 is considered an enhancement to basic education, because it was previously allocated on the basis of non-basic education staff units, and is eliminated in the enacted budget.

Reduce Food Service Funding

Continuing the policy in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086), \$6 million in state funds for the National School Lunch Program previously used to meet state matching requirements for federal funding are eliminated. School food-service programs in the education reform budget are transferred to the school food-services budget for the purpose of meeting the federal match requirements.

Running Start

Running Start is a dual-credit program that allows high school juniors and seniors to attend class at institutions of higher education and earn high school and postsecondary credits simultaneously. The enrollment and funding rules for the Running Start Program are adjusted to establish a combined enrollment cap of 1.2 FTEs. Currently, students can participate in running start programs up to a combined enrollment cap of 2.0 FTEs, allowing full-time enrollment in running start programs, as well as full-time high school enrollment. The budgeted savings of \$6 million, General Fund-state, assumes an overall enrollment reduction of 680 student FTEs per year.

Policy Level Enhancements

K-3 Class Size in High Poverty Schools

Funding is provided for lower class sizes in grades K-3 in high-poverty schools. The funding amount of \$34 million assumes class sizes of 24.1 in grades K-3 in schools that have free and reduced-price lunch eligible student populations exceeding 50 percent in the most recently completed school year.

Implement New Funding Formula

Implementation of the new prototypical school model has established new funding formulas for a number of programs, including General Apportionment, the Learning Assistance Program, the Highly Capable Program, and the Transitional Bilingual Program. State funding of \$25 million is provided to hold districts harmless, in total, to per-student funding amounts resulting from these formula changes, after adjustments for staff mix, and other caseload factors. The policy calculates the hold harmless amount *before* considering new funding provided through inflationary increases to maintenance, supplies, and other operating costs, but *after* considering new funding provided through the K-3 class size enhancement in high poverty schools. Because of the high correlation of districts with large high-poverty school populations and districts receiving hold harmless funding, the K-3 class size funding for high-poverty schools reduces hold harmless funding at approximately a 2:1 ratio.

Full-Day Kindergarten Phase-In

A total of \$5 million, General Fund-state, is provided to continue phasing in full-day kindergarten programs in high-poverty schools. The funding supports approximately 21 percent of kindergarten enrollment in the 2011-12 school year, and 22 percent of kindergarten enrollment in the 2012-13 school year. This is calculated to add 265 total FTE students in the

2011-12 school year, and 835 students in the 2012-13 school year. The Office of the Superintendent of Public Instruction will phase in new schools within the limits of these additional student FTEs.

Implement Transportation Cost Model Formula

Chapter 236, Laws of 2010, Partial Veto (SHB 2776), implements a new state formula to allocate funding to districts for pupil transportation to and from school. Pupil transportation allocations are converted to the new formula, and base funding levels are enhanced by \$5 million, in addition to maintenance-level increases for student enrollment and staff pension costs.

Additionally, Chapter 27, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5919), modifies the pupil transportation funding formula to: include only statistically significant cost factors in the funding formula utilizing regression analysis; utilize state allocations for compensation rather than district actual expenditures; and clarify that the indirect cost rate referenced in the formula is the federal restricted indirect rate.

Information Technology K-12 Academy

Funding is provided for an Information Technology (IT) Academy Program, which provides free educational software, as well as IT certification and software training opportunities for students and staff in public schools. The academy provides access to software licenses, and Web-based e-Learning and course materials. Topics range from computer basics to high-level programming, along with information and communications technology management. Students, as well as teachers and administration personnel, can use the training to get certified in a

wide variety of IT areas, including Microsoft Office (which includes Word, Excel, PowerPoint and Access) as well as advanced technical topics including programming, network administration, web development, and database development. The funding amount of \$4 million represents the state match requirement for the program, which is the product of a public-private partnership.

Pay for Actual Student Success (PASS) Act Program

Funding in the amount of \$3 million is provided to implement the PASS Program established in Chapter 288, Laws of 2011, Partial Veto (E2SHB 1599). The PASS Program establishes performance metrics for measuring extended graduation rates and promotes investment in four dropout prevention and intervention programs.

Teacher and Principal Performance-Based Evaluation Pilots

Funding in the amount of \$3 million is provided to support district participation in the development and implementation of improved teacher and principal evaluation systems under reforms initiated in Chapter 235, Laws of 2010 (E2SSB 6696).

Other

June 2011 Apportionment

The 2011-13 operating budget delays \$128 million of the June 2011 apportionment payments to school districts from the last business day of June 2011 to the first business day of July 2011. Additionally, the 2011 supplemental budget also provides \$13 million in financial contingency funding for districts that meet specific financial hardship criteria resulting from the June 2011 apportionment shift. The 2011-13 biennial budget assumes repayment of this funding during fiscal year 2012. The net increase for the 2011-13 budget, combining the apportionment delay with the repayment of contingency funds, is \$115 million.

Various Reductions

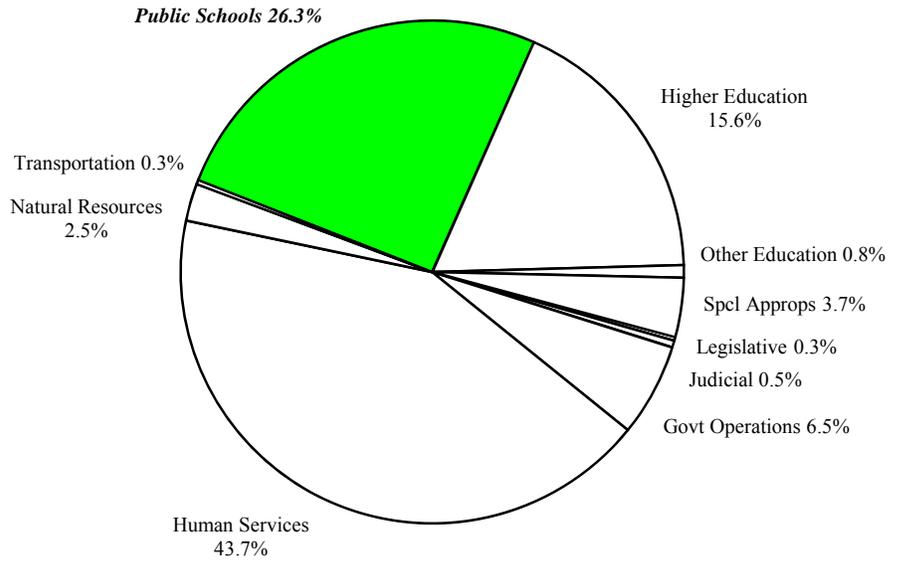
A total of \$64 million in additional savings are realized through a variety of other budget reductions. The largest of these reductions and adjustments include continuation of policy reductions (such as elimination of K-4 class size enhancements) made in the 2010-11 school year for July and August of the 2012 fiscal year (\$20.9 million), adjusting full day kindergarten allocations for reduced pension and salary rates, increased class size, and other general apportionment factors (\$8.4 million), projected savings from a teacher retirement incentive program offering \$250 monthly stipends for health benefit costs (\$7.2 million), elimination of math and science professional development grants (\$3.9 million), reductions to the alternative route program (\$3.2 million), and elimination of state funding for the focused assistance program (\$3.0 million), among other smaller changes.

2011-13 Washington State Omnibus Operating Budget

Total Budgeted Funds

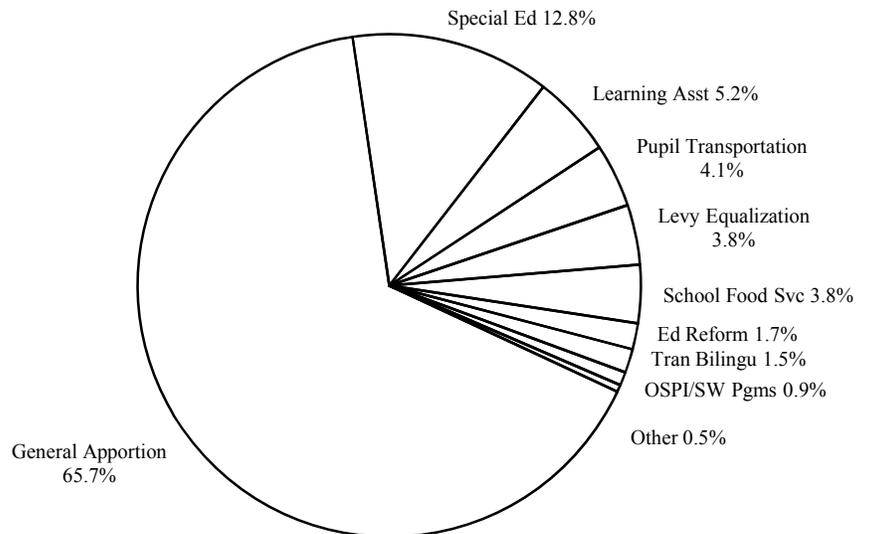
(Dollars in Thousands)

Legislative	149,429
Judicial	274,987
Governmental Operations	3,707,655
Human Services	26,344,252
Natural Resources	1,490,117
Transportation	176,473
Public Schools	15,915,437
Higher Education	11,126,495
Other Education	503,435
Special Appropriations	2,355,947
Statewide Total	62,044,227



Washington State

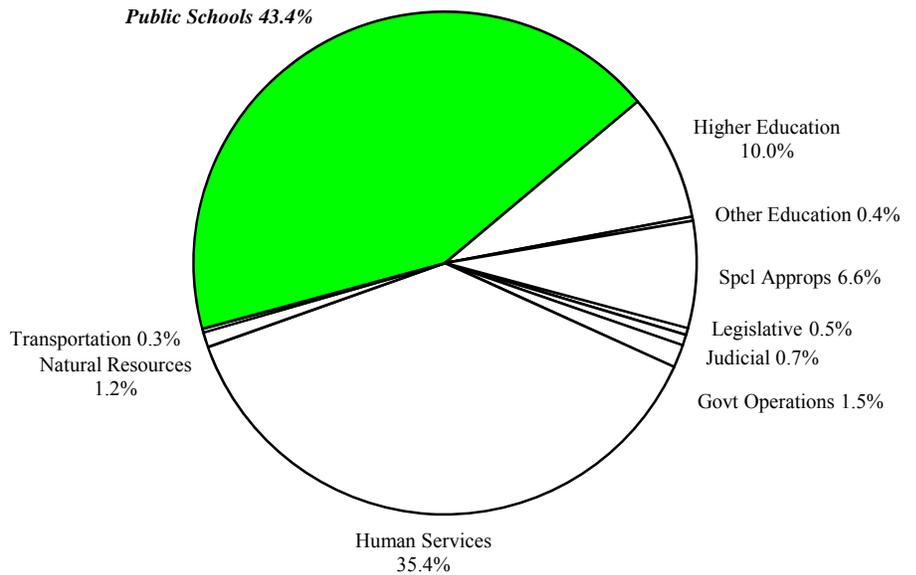
General Apportionment	10,459,774
Special Education	2,041,982
Learning Assist Pgm	833,428
Pupil Transpo	649,813
Levy Equalization	611,782
School Food Services	597,222
Education Reform	266,282
Transit Bilingual Inst	243,540
OSPI & Statewide Pgms	138,300
Other Public Schools	73,314
Public Schools	15,915,437



Public Schools

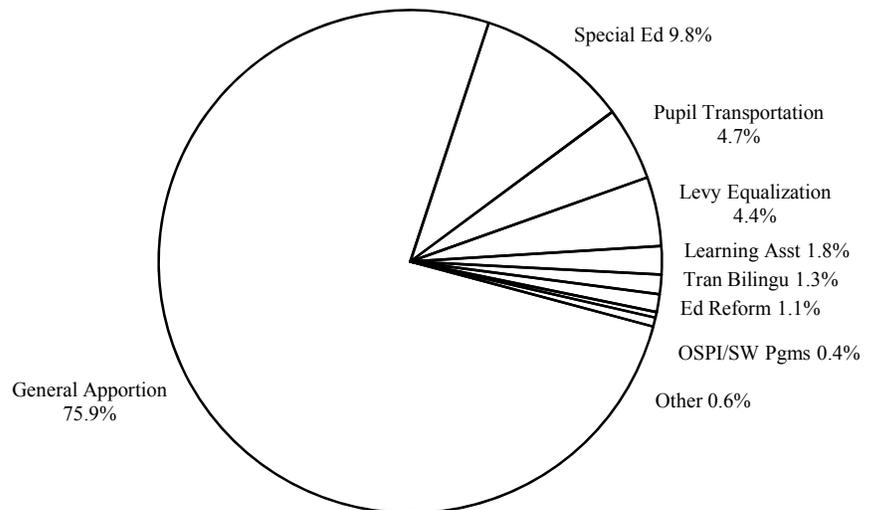
2011-13 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	142,344
Judicial	221,808
Governmental Operations	474,248
Human Services	12,080,537
Natural Resources	309,303
Transportation	78,272
Public Schools	13,783,321
Higher Education	2,602,642
Other Education	86,323
Special Appropriations	2,194,154
Statewide Total	31,972,952



Washington State

General Apportionment	10,459,774
Special Education	1,350,186
Pupil Transportation	649,813
Levy Equalization	611,782
Learning Assistance Program (LAP)	252,221
Transitional Bilingual Instruction	172,539
Education Reform	158,167
OSPI & Statewide Programs	48,657
Other Public Schools	80,182
Public Schools	13,783,321



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Estimated		
							2010-11	2011-12	2012-13
General Apportionment									
FTE Enrollment	966,246	972,079	973,612	975,540	980,955	988,501	992,740	997,724	1,007,990
% Change from prior year		0.6%	0.2%	0.2%	0.6%	0.8%	0.4%	0.5%	1.0%
Special Education									
Funded Enrollment ⁽¹⁾	120,673	121,678	121,612	126,053	127,867	130,315	132,436	134,624	136,908
% Change from prior year		0.8%	-0.1%	3.7%	1.4%	1.9%	1.6%	1.7%	1.7%
Bilingual Education									
Headcount Enrollment	75,255	76,716	76,505	80,689	82,916	84,855	89,855	94,670	99,929
% Change from prior year		1.9%	-0.3%	5.5%	2.8%	2.3%	5.9%	5.4%	5.6%
Learning Assistance Program (LAP)									
Entitlement Units ⁽²⁾	157,935	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Funded Student Units ⁽³⁾	N/A	408,477	419,033	413,797	432,542	451,783	489,158	N/A	N/A
Funded Student Units ⁽⁴⁾								432,591	443,368
% Change from prior year			2.6%	-1.2%	4.5%	4.4%	8.3%		2.5%

⁽¹⁾ For the 2004-05 school year, a portion of the special education enrollment was funded with federal dollars.

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

⁽³⁾ Beginning in the 2008-09 school year, additional LAP units are provided to school districts with concentrations of bilingual students exceeding 20 percent of enrollment pursuant to RCW 28A.165.055, making year-to-year comparisons before and after this change non-comparable.

⁽⁴⁾ Beginning in the 2011-12 school year, LAP units are provided to school districts based on hours of additional instruction per student, as provided in RCW 28A.150.260(10)(a), making year-to-year comparisons of total LAP units before and after this change non-comparable.

Data Sources :

Caseload Forecast Council, March 2011 forecast, and legislative budgets from the 2011 session.

**Public Schools
OSPI & Statewide Programs**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	65,111	91,694	156,805
2011 Supplemental *	500	0	500
Total 2009-11 Biennium	65,611	91,694	157,305
2011-13 Maintenance Level	62,108	86,401	148,509
Policy Changes - Non-Comp			
1. Funding System Development	200	0	200
2. State Data Center Rate Increase	275	0	275
3. Achievement Gap Committee	-100	0	-100
4. Bullying Prevention Workgroup	112	0	112
5. School District Insolvency	166	0	166
6. Kindergarten Readiness	900	0	900
7. Education Reforms	96	0	96
8. Apportionment System Development	-146	0	-146
9. State Board of Education Reduction	-190	0	-190
10. Reduce OSPI State Office Staffing	-2,167	0	-2,167
11. Online Learning Program Reduction	-140	0	-140
12. Finance Reform Reduction	-78	0	-78
13. Eliminate Skills Center Director	-196	0	-196
14. K-20 Network Reduction	-1,048	0	-1,048
15. E-Certification	-855	0	-855
16. PESB Reduction	-134	0	-134
17. Alt Routes Reduction and Suspension	-3,184	0	-3,184
18. Jobs for America	-30	0	-30
19. Private/Local Authority	0	4,000	4,000
20. Transfer School Safety Functions	-392	0	-392
21. Youth Suicide Prevention	140	0	140
22. Interagency Charges - AG	-102	0	-102
23. Management Efficiency	-536	0	-536
24. Data System Reduction	-462	0	-462
25. Reduce Navigation 101	-624	0	-624
26. Eliminate Supp CTE Organizations	-194	0	-194
27. Eliminate Special Services Pilot	-2,658	0	-2,658
28. Eliminate Dyslexia Pilot Program	-150	0	-150
29. Suspend Pre-Apprenticeship Grants	-350	0	-350
30. Teaching as a Profession Pilot	-150	0	-150
31. Reduce Mentoring of WA Achievers	-150	0	-150
32. Governor Veto	-96	0	-96
Policy -- Non-Comp Total	-12,243	4,000	-8,243
Policy Changes - Comp			
33. Average Final Compensation Adjust	4	2	6
34. 3% Salary Cut for State Employees	-775	-463	-1,238
35. Suspend Plan 1 Uniform COLA	-435	-297	-732
36. Retire-Rehire Changes (State)	-2	0	-2
Policy -- Comp Total	-1,208	-758	-1,966
Total 2011-13 Biennium	48,657	89,643	138,300
Fiscal Year 2012 Total	25,610	43,718	69,328
Fiscal Year 2013 Total	23,047	45,925	68,972

Comments:

1. **Funding System Development** - Funding is provided for apportionment system projects that were underexpended in FY

2011 and for which the amount of underexpenditure is reappropriated in FY 2012 to ensure project completion.

Public Schools OSPI & Statewide Programs

- (General Fund-State)
2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)
 3. **Achievement Gap Committee** - Funding for the achievement gap oversight and accountability committee is reduced by 50 percent. (General Fund-State)
 4. **Bullying Prevention Workgroup** - Funding is provided for the implementation of Chapter 185, Laws of 2011 (2SHB 1163 - Bullying Prevention), which requires the Office of the Superintendent of Public Instruction (OSPI) to convene a workgroup on school bullying and harassment prevention to develop, recommend, and implement strategies to improve the school climate and create respectful learning environments in public schools. (General Fund-State)
 5. **School District Insolvency** - Funding is provided for the implementation of Chapter 192, Laws of 2011 (SHB 1431 - School District Insolvency). Funding is provided to OSPI to work with the educational service districts to conduct an analysis and submit a report with recommendations for a clear legal framework and process for dissolution of a school district. The funding covers convening and consultant costs. (General Fund-State)
 6. **Kindergarten Readiness** - Funding is provided for the implementation of 2SHB 1510 (State-Funded Kindergarten), including the development and implementation of the Washington Kindergarten Inventory of Developing Skills (WaKIDS). Funding supports the development and implementation of the inventory, OSPI staffing for oversight of the program, and training of school district staff. The amount funded assumes the availability of private and federal resources to partially defray costs. (General Fund-State) *This bill did not pass the Legislature - needs some reference to that.*
 7. **Education Reforms** - Funding is provided for the implementation of HB 2111 (Implementing selected recommendations from the 2011 report of the Quality Education Council), including additional funding for the Compensation Working Group to analyze educator professional development and mentoring needs, strengthening the availability of data about transitional bilingual students on OSPI's online report card, development of administrative rules for the Highly Capable Program, and a study of the Learning Assistance Program (LAP) funding by the Washington State Institute for Public Policy. Funding for the LAP study is contained in the budget for The Evergreen State College. (General Fund-State) This appropriation was vetoed by the Governor as the legislation was not enacted.
 8. **Apportionment System Development** - Funding for the development of the pupil transportation and general apportionment school finance systems required by the enactment of Chapter 236, Laws of 2010, Partial Veto (SHB 2776), is reduced. (General Fund-State)
 9. **State Board of Education Reduction** - The State Board of Education's operating budget is reduced by 10 percent. (General Fund-State)
 10. **Reduce OSPI State Office Staffing** - OSPI's operating budget is reduced. (General Fund-State)
 11. **Online Learning Program Reduction** - OSPI staffing and expenses related to online learning programs are reduced by 10 percent. (General Fund-State)
 12. **Finance Reform Reduction** - OSPI's administrative budget contains funding for research, development, and implementation of a new K-12 funding system as required in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261). Funding for these functions is reduced. (General Fund-State)
 13. **Eliminate Skills Center Director** - Funding for the position of Skills Center Director is eliminated at OSPI. (General Fund-State)
 14. **K-20 Network Reduction** - The K-20 Network provides internet, data processing, and video-conferencing capacity to school districts and state offices. State funding support for the K-20 Network at OSPI is reduced by 30 percent. (General Fund-State)
 15. **E-Certification** - Savings are assumed from the implementation of an e-certification system at OSPI, in accordance with Chapter 23, Laws of 2011, 1st sp.s., (ESHB 1449 - Establishing a Processing Fee for Educator Certificates). Once the e-certification system is built, an administrative fee of \$33 is applied to all current teacher certification fees, effective July 1, 2012, to be deposited into the newly-created Educator Certification Processing Account. Funding from the new fee will be used to implement a web-based, centralized educator licensure/certification system. In FY 2013, 12.5 FTE certification staff will be transferred from General Fund-State to the new account, saving General Fund-State \$855,000. OSPI is directed to use federal grant money provided for student longitudinal database development for system construction costs, to the extent allowable. (General Fund-State, Educator Certification Processing Account-State)
 16. **PESB Reduction** - The Professional Educator Standards Board (PESB) operating budget is reduced by 8 percent. (General Fund-State)
 17. **Alt Routes Reduction and Suspension** - Alternative certification routes are teacher-training programs that serve as different options to traditional teacher preparation programs. Funding is reduced to reflect changes in demand for new teachers in the current labor market environment. Funding

Public Schools OSPI & Statewide Programs

- levels will support continuation of scholarships for existing teacher candidates. (General Fund-State)
18. **Jobs for America** - Jobs for America's Graduates is a dropout prevention program at OSPI, started in FY 2011. Funding for the program is reduced by 10 percent. (General Fund-State)
 19. **Private/Local Authority** - Private/local authority is provided for an assortment of gifts, grants, and other funding provided by private parties or local government agencies. (General Fund-Local)
 20. **Transfer School Safety Functions** - School safety functions, including school safety training funds, are transferred to the Criminal Justice Training Commission. (General Fund-State)
 21. **Youth Suicide Prevention** - Funding is provided for youth suicide prevention programs to support implementation of Chapter 185, Laws of 2011 (2SHB 1163 - Bullying Prevention). (General Fund-State)
 22. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
 23. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delaying and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
 24. **Data System Reduction** - Funding for the K-12 data governance group and ongoing implementation of a comprehensive data system that includes financial, student, and educator data is reduced. (General Fund-State)
 25. **Reduce Navigation 101** - Navigation 101 provides implementation grants to districts for guidance and career counseling programs in secondary schools. Funding for this program is reduced by 10 percent. (General Fund-State)
 26. **Eliminate Supp CTE Organizations** - The OSPI provides financial support to assist student Career and Technical Education (CTE) organizations. Funding for support of these organizations is eliminated. (General Fund-State)
 27. **Eliminate Special Services Pilot** - Seven districts participate in the Special Services Pilot Program. The program aims to reduce the number of students inappropriately referred to and placed in special education and increase early identification of students struggling academically. The program expires June 2011. Funding is eliminated in the 2011-13 biennium. (General Fund-State)
 28. **Eliminate Dyslexia Pilot Program** - The Dyslexia Pilot Program provides regional training through the Educational Service Districts for classroom teachers and reading specialists to improve reading skills of students diagnosed with dyslexia. Funding for the pilot is eliminated. (General Fund-State)
 29. **Suspend Pre-Apprenticeship Grants** - Running Start for the Trades are pre-apprenticeship grants offering incentive awards of up to \$10,000 to districts to develop pre-apprenticeship programs in the trades and crafts and to recruit students into the programs. Funding for these grants is eliminated. (General Fund-State)
 30. **Teaching as a Profession Pilot** - OSPI contracts with the Latino/a Educational Achievement Project to identify and mentor bilingual students to become interested in the teaching profession. Due to the decrease in demand for new teachers, funding for this program is eliminated. (General Fund-State)
 31. **Reduce Mentoring of WA Achievers** - Funding for the mentoring of Washington Achievers Scholars is reduced by 10 percent. This funding leverages private funding for the recruitment, training, and matching of volunteer mentors with students selected as Washington Achievers Scholars. The mentoring is provided to low-income high school students in their junior and senior years of high school and into their freshman year of college. (General Fund-State)
 32. **Governor Veto** - The Governor vetoed Section 401(1)(i) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which ... *veto comment needs to be finished*
 33. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
 34. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
 35. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit

Public Schools OSPI & Statewide Programs

is raised to \$1,500 per month. (General Fund-State, various other funds)

36. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
General Apportionment**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	10,038,256	208,098	10,246,354
2011 Supplemental *	-24,734	0	-24,734
Total 2009-11 Biennium	10,013,522	208,098	10,221,620
2011-13 Maintenance Level	10,837,306	0	10,837,306
Policy Changes - Non-Comp			
1. ALE Funding Adjustment	-41,055	0	-41,055
2. Prior School Year Adjustments	-20,650	0	-20,650
3. Eliminate K-4 Class Size Reduction	-165,081	0	-165,081
4. June 2011 Apportionment	128,000	0	128,000
5. June Contingency Repayment	-13,000	0	-13,000
6. Reduce Extended Day Skill Center	-98	0	-98
7. Eliminate MSOC from K-4 CSR	-24,194	0	-24,194
8. Repayment of Contingency Pool	-2,500	0	-2,500
9. Implement New Funding Formula	25,024	0	25,024
10. Transfer Full Day Kindergarten	92,079	0	92,079
11. Running Start	-5,854	0	-5,854
12. K-3 Class Size in High Pov Schools	29,442	0	29,442
13. Summer Skills Ctr Programs	-4,770	0	-4,770
Policy -- Non-Comp Total	-2,657	0	-2,657
Policy Changes - Comp			
14. Suspend Plan 1 Uniform COLA	-221,582	0	-221,582
15. K-12 Salary Reduction	-147,400	0	-147,400
16. Teacher Retirement Incentive	-5,893	0	-5,893
Policy -- Comp Total	-374,875	0	-374,875
Total 2011-13 Biennium	10,459,774	0	10,459,774
Fiscal Year 2012 Total	5,242,704	0	5,242,704
Fiscal Year 2013 Total	5,217,070	0	5,217,070

Comments:

- ALE Funding Adjustment** - Funding for Alternative Learning Experience (ALE) programs is adjusted to reflect savings assumed from the implementation of Chapter 34, Laws of 2011, 1st sp.s. (ESHB 2065), which changes funding rules and requirements related to ALE programs. (General Fund-State)
- Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year. School districts budget on a school year basis while the state budgets on a fiscal year basis. As a result, two months of the prior school year are paid for in FY 2012. The savings in the General Apportionment program are from the elimination of the K-4 class size enhancement for the latter part of the 2010-11 school year. (General Fund-State)
- Eliminate K-4 Class Size Reduction** - Funding for Kindergarten through Grade 4 class size reduction is eliminated for the 2011-12 and 2012-13 school years. The formula for allocating funding to districts is adjusted to reflect the following increases in average class sizes: grades Kindergarten through Grade 3 will become 25.23, up from 23.11; Grade 4 will become 27, up from 26.15. This reflects minimum statutory funding levels in grades K-4 for general education students. (General Fund-State)
- June 2011 Apportionment** - The 2011-13 operating budget shifts \$128 million of the June 2011 apportionment payments to school districts from the last business day of June 2011 to the first business day of July 2011. This increases costs for FY 2012 and reduces costs for FY 2011. (General Fund-State)
- June Contingency Repayment** - The 2011-13 operating budget shifts \$128 million of the June 2011 apportionment payments to school districts from the last business day of June 2011 to the first business day of July 2011. The 2011 supplemental budget provides a June financial contingency fund for districts that meet specific financial hardship criteria resulting from the June 2011 apportionment shift. The 2011-13

Public Schools General Apportionment

- biennial budget assumes repayment of this funding during FY 2012. (General Fund-State)
6. **Reduce Extended Day Skill Center** - The Extended Day Skills Center Program provides support services to skills center students at risk of dropping out of school. Funding for this service is reduced by 10 percent for the 2011-13 biennium. (General Fund-State)
 7. **Eliminate MSOC from K-4 CSR** - The new K-12 funding formula adopted pursuant to Chapter 236, Laws of 2010, Partial Veto (SHB 2776), changed the allocation methodology for non-salary related items. In the prior formula, funding was allocated on a per certificated staff unit basis. Beginning September 1, 2011, non-salary funding is allocated on a per student basis. As a result of the conversion to the new funding formula, a portion of the funding for maintenance, supplies, and operating costs (MSOC) is considered an enhancement to basic education because it was previously allocated on the basis of non-basic education staff units associated with the enhanced funding for class-size reduction (CSR). Therefore, funding is adjusted to eliminate that portion of MSOC funding for the 2011-12 and 2012-13 school years that is an enhancement above levels required by statute. (General Fund-State)
 8. **Repayment of Contingency Pool** - The 2011 supplemental budget provides funding for a financial contingency fund for districts that meet specific financial hardship criteria. The 2011-13 biennial budget assumes repayment of this funding during FY 2012. (General Fund-State)
 9. **Implement New Funding Formula** - Chapter 236, Laws of 2010, Partial Veto (SHB 2776), established new formulas for allocating funding for a number of programs, including General Apportionment, Learning Assistance Program, Highly Capable Program, and Transitional Bilingual Program. Funding is provided to hold districts harmless to per student basic education funding amounts that existed prior to the formula conversion. Districts are held harmless in total across the impacted programs for the 2011-12 and 2012-13 school years, after adjusting for caseload and staff mix factors. Because of the high correlation of districts with large high poverty school populations receiving funding via the "K-3 Class Size in High Pov Schools" item, and districts needing hold harmless funding due to the formula conversion, the "K-3 Class Size in High Pov Schools" item reduces hold harmless funding at approximately a 2:1 ratio. (General Fund-State)
 10. **Transfer Full Day Kindergarten** - Funding for Full-Day Kindergarten is transferred from the Education Reform budget to the General Apportionment budget. The program is also no longer supported by funds from the Education Legacy Trust Account. (General Fund-State, Education Legacy Trust Account)
 11. **Running Start** - Running Start is a dual-credit program which allows high school juniors and seniors to attend class at participating community colleges and other institutions of higher education and earn high school and post-secondary credits simultaneously. The enrollment and funding rules for the Running Start Program are adjusted to establish a combined enrollment funding cap of 1.2 FTE. Currently, students can participate in Running Start Programs up to a combined enrollment cap of 2.0 FTE, allowing full-time enrollment in Running Start Programs as well as full-time high school enrollment. The savings amount assumes an overall enrollment reduction of 680 student FTEs per year. (General Fund-State)
 12. **K-3 Class Size in High Pov Schools** - Funding is adjusted to partially restore funding for lower class sizes in grades K-3 in high-poverty schools. The "Eliminate K-4 Class Size Reduction" item above eliminates all funding for K-4 class size enhancements. This item restores some funding for schools that have free and reduced-price lunch eligible student populations exceeding 50 percent, based on a three-year rolling average of enrollment. The funding amount assumes class sizes of 24.1 in eligible schools, grades K-3. Because of the high correlation of districts with large high poverty school populations, and districts needing hold harmless funding due to the formula conversion (see item "Implement New Funding Formula"), this item reduces hold harmless funding at approximately a 2:1 ratio.
 13. **Summer Skills Ctr Programs** - Funding is adjusted to reflect a cap of 1.6 FTE on skill center enrollment, including summer skill center programs. Previously, the budget has funded summer programs in excess of this 1.6 FTE cap through a dedicated proviso in the General Apportionment budget. The dedicated funding proviso is discontinued. Of the amount reduced for this item, about \$500,000 per year reflects the actual reduction in services due to the 1.6 FTE cap, while the remaining amount is shifted to caseload costs incurred through the maintenance level budget process. (General Fund-State)
 14. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
 15. **K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. (General Fund-State)
 16. **Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program. The program is designed to incentivize senior teachers to retire as a result of the availability of a \$250 per month health benefit subsidy provided under SSB 5846 (Health Benefit Subsidies) to members of the Teachers' Retirement System Plan 1 (TRS) who retire before the end of October 2011. (General Fund-State)
Note: This bill did not pass.

Public Schools
General Apportionment

* Please see the 2011 Supplemental Operating Budget Section
for additional information.

**Public Schools
Compensation Adjustments**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	-6,220	-1	-6,221
2011-13 Maintenance Level	285,763	2	285,765
Policy Changes - Non-Comp			
1. Eliminate K-4 Class Size Reduction	-4,519	0	-4,519
2. Running Start	-140	0	-140
Policy -- Non-Comp Total	-4,659	0	-4,659
Policy Changes - Comp			
3. Suspend I-732 COLA	-265,717	0	-265,717
4. Suspend Plan 1 Uniform COLA	-8,672	0	-8,672
5. National Board Bonus Adjustments	-1,257	0	-1,257
6. K-12 Salary Reduction	-5,458	0	-5,458
Policy -- Comp Total	-281,104	0	-281,104
Total 2011-13 Biennium	0	2	2
Fiscal Year 2013 Total	0	2	2

Comments:

1. **Eliminate K-4 Class Size Reduction** - Funding for Kindergarten through Grade 4 class size reduction is eliminated for the 2011-12 and 2012-13 school years. The formula for allocating funding to districts is adjusted to reflect the following increases in average class sizes: grades Kindergarten through Grade 3 will become 25.23, up from 23.11; Grade 4 will become 27, up from 26.15. As a result of this change, allocations to districts are reduced. (General Fund-State)
2. **Running Start** - The enrollment and funding rules for the Running Start program are adjusted to impose a combined enrollment cap of 1.2 FTE. (General Fund-State)
3. **Suspend I-732 COLA** - The Initiative 732 cost-of-living adjustments (COLAs) are suspended for the 2011-13 biennium. Initiative 732 requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 0.3 percent for the 2011-12 school year and 2.5 percent for the 2012-13 school year. Additionally, the statute requires a catch-up cost-of-living increase resulting from the Initiative 732 suspension during the 2009-11 biennium. This requirement is also suspended for the 2011-13 biennium. (General Fund-State)
4. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
5. **National Board Bonus Adjustments** - Funding is reduced to reflect the suspension of cost-of-living adjustments for national board bonuses in the 2011-13 biennium. (General Fund-State)
6. **K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. (General Fund-State)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
 Pupil Transportation**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	613,863	0	613,863
2011 Supplemental *	-339	0	-339
Total 2009-11 Biennium	613,524	0	613,524
2011-13 Maintenance Level	648,519	0	648,519
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	-157	0	-157
2. Implemt Expected Cost Model Formula	5,000	0	5,000
Policy -- Non-Comp Total	4,843	0	4,843
Policy Changes - Comp			
3. Suspend Plan 1 Uniform COLA	-3,549	0	-3,549
Policy -- Comp Total	-3,549	0	-3,549
Total 2011-13 Biennium	649,813	0	649,813
Fiscal Year 2012 Total	323,759	0	323,759
Fiscal Year 2013 Total	326,054	0	326,054

Comments:

1. **Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect prior school year adjustments that affect the months of July and August of 2011, the last two months of the 2010-11 school year. School districts budget on a school year basis, while the state budgets on a fiscal year basis. As a result, two months of the prior school year are paid for in FY 2012.
2. **Implemt Expected Cost Model Formula** - Chapter 236, Laws of 2010, Partial Veto (SHB 2776), implements a new state formula to allocate funding to districts for pupil transportation to and from school. Pupil transportation allocations are converted to the new formula, and base funding levels are enhanced.
3. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
 School Food Services**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	6,318	537,000	543,318
2011 Supplemental *	3,952	56,600	60,552
Total 2009-11 Biennium	10,270	593,600	603,870
2011-13 Maintenance Level	6,318	583,000	589,318
Policy Changes - Non-Comp			
1. Transfer Food Service Programs	13,904	0	13,904
2. Reduce Food Service Funding	-6,000	0	-6,000
Policy -- Non-Comp Total	7,904	0	7,904
Total 2011-13 Biennium	14,222	583,000	597,222
Fiscal Year 2012 Total	7,111	237,294	244,405
Fiscal Year 2013 Total	7,111	345,706	352,817

Comments:

1. **Transfer Food Service Programs** - Funding for food service programs in the Education Reform budget is transferred to the School Food Services budget for the purpose of meeting federal match requirements under the National School Lunch Program. This item is a continuation of the policy enacted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086). (General Fund-State)
2. **Reduce Food Service Funding** - State matching funds for the National School Lunch Program are eliminated. School food service programs in the Education Reform budget are transferred to the School Food Services budget for the purpose of meeting federal match requirements. This item is a continuation of the policy enacted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086). (General Fund-State)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
Special Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	1,283,748	664,601	1,948,349
2011 Supplemental *	-24,757	0	-24,757
Total 2009-11 Biennium	1,258,991	664,601	1,923,592
2011-13 Maintenance Level	1,392,603	691,796	2,084,399
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	-29	0	-29
2. K-3 Class Size in High Pov Schools	4,150	0	4,150
3. School-Based Medicaid Elimination	549	0	549
4. Management Efficiency	-12	0	-12
Policy -- Non-Comp Total	4,658	0	4,658
Policy Changes - Comp			
5. Suspend Plan 1 Uniform COLA	-27,782	0	-27,782
6. K-12 Salary Reduction	-18,537	0	-18,537
7. Teacher Retirement Incentive	-756	0	-756
Policy -- Comp Total	-47,075	0	-47,075
Total 2011-13 Biennium	1,350,186	691,796	2,041,982
Fiscal Year 2012 Total	660,328	323,761	984,089
Fiscal Year 2013 Total	689,858	368,035	1,057,893

Comments:

- Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year. The funding adjustment in the Special Education budget reflects the elimination of the K-4 class size enhancement for the latter part of the 2010-11 school year. (General Fund-State)
- K-3 Class Size in High Pov Schools** - Funding is adjusted to partially restore funding for lower class sizes in grades K-3 in high-poverty schools. Funding impacts the Special Education budget through increases to the basic education rates in impacted districts. (General Fund-State)
- School-Based Medicaid Elimination** - The 2011-13 operating budget creates an intergovernmental transfer program for School-Based Medicaid services that uses school district funds to match federal funding. Because school districts must now pay the state share for these services, it is anticipated that school district claims for safety net support for eligible special education services formerly funded by Medicaid will increase for the 2011-13 biennium.
- Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. The Special Education budget is impacted through adjustments to the basic education allocation rate upon which special education funding is based. (General Fund-State)
- Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program designed to incentivize retirements through offering \$250 per month health benefit subsidies. Special Education funding is impacted through the decrease in the staff mix factor, which is a proxy for educator experience and impacts the projected

**Public Schools
Special Education**

statewide basic education allocation rate next biennium.
(General Fund-State) Legislation (SSB 5846) authorizing the
teacher retirement incentive program was not enacted,
therefore, this decrease in the staff mix factor will not occur.

* Please see the 2011 Supplemental Operating Budget Section
for additional information.

**Public Schools
 Educational Service Districts**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	16,713	0	16,713
2011 Supplemental *	-832	0	-832
Total 2009-11 Biennium	15,881	0	15,881
<hr/>			
2011-13 Maintenance Level	17,401	0	17,401
Policy Changes - Non-Comp			
1. ESD Administrative Reductions	-994	0	-994
Policy -- Non-Comp Total	-994	0	-994
Policy Changes - Comp			
2. Suspend Plan 1 Uniform COLA	-326	0	-326
3. K-12 Salary Reduction	-259	0	-259
4. Teacher Retirement Incentive	-7	0	-7
Policy -- Comp Total	-592	0	-592
<hr/>			
Total 2011-13 Biennium	15,815	0	15,815
Fiscal Year 2012 Total	7,898	0	7,898
Fiscal Year 2013 Total	7,917	0	7,917

Comments:

- ESD Administrative Reductions** - State support for Educational Service Districts (ESDs) is reduced by 10 percent for the 2011-13 biennium.
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- K-12 Salary Reduction** - Allocations for the educational service districts are adjusted to be consistent with reductions in salary allocations for teachers and other K-12 staff. (General Fund-State)
- Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program designed to incentivize retirements through offering \$250 per month health benefit subsidies. Funding for ESDs is adjusted to be consistent with K-12 employee salary assumptions. (General Fund-State) Legislation (SSB 5846) authorizing the teacher retirement incentive program was not enacted, therefore, this savings will not be realized.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
 Levy Equalization**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	380,052	157,043	537,095
2011-13 Maintenance Level	611,782	0	611,782
Total 2011-13 Biennium	611,782	0	611,782
Fiscal Year 2012 Total	303,337	0	303,337
Fiscal Year 2013 Total	308,445	0	308,445

Comments:

There were no policy level changes.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
 Institutional Education**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	37,065	0	37,065
2011-13 Maintenance Level	33,787	0	33,787
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	17	0	17
Policy -- Non-Comp Total	17	0	17
Policy Changes - Comp			
2. Suspend Plan 1 Uniform COLA	-753	0	-753
3. K-12 Salary Reduction	-441	0	-441
Policy -- Comp Total	-1,194	0	-1,194
Total 2011-13 Biennium	32,610	0	32,610
Fiscal Year 2012 Total	16,420	0	16,420
Fiscal Year 2013 Total	16,190	0	16,190

Comments:

1. **Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year.
2. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
3. **K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. The Institutional Education budget is adjusted to remain consistent with K-12 employee salary assumptions used in allocating general apportionment to school districts. (General Fund-State)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
Education of Highly Capable Students**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	18,377	0	18,377
2011 Supplemental *	-26	0	-26
Total 2009-11 Biennium	18,351	0	18,351
2011-13 Maintenance Level	18,700	0	18,700
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	-4	0	-4
2. Eliminate WA Imagination Network	-180	0	-180
3. Centrum	-170	0	-170
4. Running Start	-10	0	-10
Policy -- Non-Comp Total	-364	0	-364
Policy Changes - Comp			
5. Suspend Plan 1 Uniform COLA	-498	0	-498
6. K-12 Salary Reduction	-287	0	-287
7. Teacher Retirement Incentive	-16	0	-16
Policy -- Comp Total	-801	0	-801
Total 2011-13 Biennium	17,535	0	17,535
Fiscal Year 2012 Total	8,741	0	8,741
Fiscal Year 2013 Total	8,794	0	8,794

Comments:

- Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year. (General Fund-State)
- Eliminate WA Imagination Network** - Funding for the Washington Imagination Network is eliminated. OSPI contracts with the Washington Imagination Network to provide Destination Imagination and Future Problem Solving programs to students across the state and professional development to their teachers and coaches. (General Fund-State)
- Centrum** - Funding for the Centrum program is reduced by 50 percent. OSPI contracts with Centrum to develop, implement, and administer the Experiences in Creativity program, which provides opportunities in the arts and sciences for highly capable students and the educators who serve them. (General Fund-State)
- Running Start** - Running Start is a dual-credit program which allows high school juniors and seniors to attend class at participating community colleges and other institutions of higher education and earn high school and post-secondary credits simultaneously. The enrollment and funding rules for the Running Start Program are adjusted to establish a combined enrollment cap of 1.2 FTE. Because funding for the Highly Capable Program is driven off of total enrollment, there is a small impact to Highly Capable Program funding. (General Fund-State)
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. The Highly Capable budget is impacted through adjustments to the salary assumption upon which highly capable allocation is based. (General Fund-State)
- Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program designed to incentivize retirements through offering \$250 per month health benefit subsidies. Highly Capable funding is impacted through the decrease in the staff mix factor, which is a proxy for educator experience and impacts the salary assumption used for hourly rates of instruction in the program. (General Fund-State) Legislation (SSB 5846) authorizing the teacher retirement incentive program was not enacted, therefore, these savings will not be realized

Public Schools
Education of Highly Capable Students

* Please see the 2011 Supplemental Operating Budget Section
for additional information.

**Public Schools
 Elementary & Secondary School Improvement**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	0	43,886	43,886
2011-13 Maintenance Level	0	7,352	7,352
Total 2011-13 Biennium	0	7,352	7,352
Fiscal Year 2012 Total	0	3,676	3,676
Fiscal Year 2013 Total	0	3,676	3,676

Comments:

There were no policy level changes.

**Public Schools
Education Reform**

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	286,666	155,589	442,255
2011 Supplemental *	-8,352	0	-8,352
Total 2009-11 Biennium	278,314	155,589	433,903
2011-13 Maintenance Level	381,599	104,329	485,928
Policy Changes - Non-Comp			
1. Reduce LASER/Pacific Science Center	-78	0	-78
2. Eliminate Focused Assistance	-3,046	0	-3,046
3. Eliminate CISL	-450	0	-450
4. Teacher and Principal Evaluations	3,000	0	3,000
5. Reduce Ed Tech Support Centers	-1,958	0	-1,958
6. Full Day Kindergarten Adjustment	-8,359	0	-8,359
7. Transfer Food Service Programs	-13,904	0	-13,904
8. Local Farms Healthy Kids Program	-600	0	-600
9. Math/Science Prof Development	-3,860	0	-3,860
10. Transfer Full Day Kindergarten	-92,079	0	-92,079
11. Kindergarten Phase-In	5,023	0	5,023
12. IT Academy	4,000	0	4,000
13. PASS Act Program	3,000	0	3,000
14. Reading Corps	-211	0	-211
15. Payment for Scorable COE	-988	0	-988
16. Readiness to Learn	-719	0	-719
17. BEST Program	-2,000	0	-2,000
18. Private/Local Authority	0	4,000	4,000
19. CTE Start-Up Grants & Robotics	130	0	130
20. Leadership Academy	-180	0	-180
21. Superintendent/Principal Internship	-106	0	-106
22. Mid/High Sch Applied STEM Grants	-28	0	-28
23. STEM Lighthouses	-30	0	-30
24. Management Efficiency	-142	0	-142
25. Graduation Requirement Changes	-22,337	0	-22,337
26. Suspend Developmt Diagnostic Assmt	-4,400	0	-4,400
27. Assessment Staff Reduction	-1,430	0	-1,430
28. COE Payment Reduction	-7,383	0	-7,383
29. Renew Current Contracts	-6,429	0	-6,429
30. Restructure Collection of Evidence	-7,579	0	-7,579
Policy -- Non-Comp Total	-163,143	4,000	-159,143
Policy Changes - Comp			
31. Average Final Compensation Adjust	2	0	2
32. 3% Salary Cut for State Employees	-266	-160	-426
33. Suspend Plan 1 Uniform COLA	-148	-54	-202
34. National Board Bonus Adjustments	-59,877	0	-59,877
Policy -- Comp Total	-60,289	-214	-60,503
Total 2011-13 Biennium	158,167	108,115	266,282
Fiscal Year 2012 Total	58,876	54,047	112,923
Fiscal Year 2013 Total	99,291	54,068	153,359

Comments:

1. **Reduce LASER/Pacific Science Center** - The Leadership and Assistance for Science Education Reform (LASER) program is a statewide project to implement a hands-on science curriculum

through ten regional school district alliances. Funding for this program is reduced by 10 percent. (General Fund-State)

Public Schools Education Reform

2. **Eliminate Focused Assistance** - The Focused Assistance program provides technical assistance to schools and school districts struggling to meet adequate yearly progress benchmarks established by the federal government and that do not qualify for Title I federal funds for this purpose. Funding for this service is eliminated. (General Fund-State)
3. **Eliminate CISL** - The Center for the Improvement of Student Learning (CISL) provides outreach to districts and communities to improve student outcomes by serving as a clearinghouse for best practices and identifying strategies to improve the success of certain ethnic and racial student groups. Funding for CISL is eliminated. (General Fund-State)
4. **Teacher and Principal Evaluations** - Funding is provided to increase the number of school districts participating on a pilot basis to help develop and implement improved teacher and principal evaluation systems under reforms initiated in Chapter 235, Laws of 2010 (E2SSB 6696). (General Fund-State)
5. **Reduce Ed Tech Support Centers** - Education Technology Support Centers are funds directed to the Educational Service Districts who in turn provide school districts with assistance in technology planning, network development, cost-benefit analysis, and professional development. Funding for this service is reduced by 50 percent. (General Fund-State)
6. **Full Day Kindergarten Adjustment** - Funding for the Full Day Kindergarten Program is reduced to reflect changes made to the K-12 budget such as eliminating funds for K-4 class size reduction; reducing K-12 salaries; and suspending the I-732 cost-of-living adjustment. (Education Legacy Trust Account-State)
7. **Transfer Food Service Programs** - Funding for food service programs in the Education Reform budget are transferred to the School Food Services budget for the purpose of meeting federal match requirements under the National School Lunch Program. This item is a continuation of the policy enacted in Chapter 5, Laws of 2011, Partial Veto (ESHB Bill 1086 - 2011 Supplemental Operating Budget). (General Fund-State)
8. **Local Farms Healthy Kids Program** - Funding is eliminated for the Local Farms & Healthy Kids Program, which provides funding for schools to purchase fruits and vegetables to offer students as a school day snack. (General Fund-State)
9. **Math/Science Prof Development** - Funding for grants to 17 school districts for math and science professional development coaches is discontinued in the Education Reform budget. (General Fund-State)
10. **Transfer Full Day Kindergarten** - Funding for Full Day Kindergarten is transferred from the Education Reform budget to the General Apportionment budget, consistent with its incorporation into RCW 28A.150.220, which defines the minimum instructional requirements of basic education and the components of the basic education allocation rate, effective September 1, 2011. (General Fund-State)
11. **Kindergarten Phase-In** - Funding is provided to continue phasing-in Full Day Kindergarten programs in high poverty schools. Approximately 21 percent of eligible students will be served in the 2011-12 school year, and 22 percent in the 2012-13 school year. (Education Legacy Trust Account-State)
12. **IT Academy** - Funding is provided for an Information Technology (IT) Academy Program, which provides free educational software, as well as IT certification and software training opportunities for students and staff in public schools. The funding amount represents the state match requirement for the program, which is the product of a public-private partnership. (General Fund-State)
13. **PASS Act Program** - Funding is provided to implement the provisions of Chapter 288, Laws of 2011, Partial Veto (E2SHB 1599 - Actual Student Success Dropout Prevention Program), which invests in proven dropout prevention and intervention programs and rewards districts and schools that demonstrate improvement in dropout prevention indicators. (General Fund-State) *PASS needs to be defined in this comment.*
14. **Reading Corps** - The Reading Corps program provides grants to schools with low reading scores to increase student tutoring through the use of AmeriCorps and VISTA members. Funding is cut by 10 percent for the 2011-13 biennium. (General Fund-State)
15. **Payment for Scorable COE** - Currently, payments for collections of evidence (COE) are made based on submittal. Funding is adjusted to reflect payments for submittals that meet all criteria to be scored. (General Fund-State)
16. **Readiness to Learn** - The Readiness to Learn program provides grants to school and community consortia to support students and families with the goal of ensuring that all children are able to attend school prepared to learn. Funding for the grants is reduced by 10 percent. (General Fund-State)
17. **BEST Program** - The Beginning Educator Support Team (BEST) program provides early career educators with mentorship and support. Funding for this service is reduced by 10 percent. (General Fund-State)
18. **Private/Local Authority** - Private/local authority is provided for an assortment of gifts, grants, and other funding provided by private parties or local government agencies. (General Fund-local)
19. **CTE Start-Up Grants & Robotics** - Career and Technical Education (CTE) Start-Up grants provide funding to middle schools, high schools, or skills centers to upgrade high-demand career and technical education programs. FIRST Robotics is a national program, funded through a combination of public and private sources, that is oriented to science, technology, engineering, and mathematics. Within the funding provided for CTE start-up grants, is \$600,000 for the FIRST Robotics program, contingent on availability of private matching funds. Funding for the program is increased by 7 percent. (General Fund-State)

Public Schools Education Reform

20. **Leadership Academy** - The Leadership Academy supports professional development and training for school administrators. Funding for this service is reduced by 10 percent. (General Fund-State)
21. **Superintendent/Principal Internship** - Funding for internships for principals, superintendents, and program administrators completing certification programs is reduced by 10 percent. (General Fund-State)
22. **Mid/High Sch Applied STEM Grants** - OSPI currently staffs coordination and promotion of integrated science, technology, engineering, and math (STEM) programs. Twenty teachers currently receive grants of \$2,500 for summer training to implement programs in schools. Funding for the program is reduced by 10 percent. (General Fund-State)
23. **STEM Lighthouses** - The STEM Lighthouses are three districts that practice best practices in the STEM subjects and provide technical assistance to other districts. Funding for this program is reduced by 10 percent. (General Fund-State)
24. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delaying and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)
25. **Graduation Requirement Changes** - Funding is adjusted to reflect changes in assessment requirements for graduation during the 2011-13 biennium. This item reflects savings realized through the implementation of Chapter 25, Laws of 2011 (HB 1412 - High School Math Assessments), and Chapter 22, Laws of 2011, 1st sp.s. (ESHB 1410 - High School Science Assessments). *Because this budget also proposes reduced collection of evidence rates, the net savings for ESHB 1410 and HB 1412, apart from the rate reductions, is shown here. The savings is a result of reduced end-of-course testing costs, as well as reduced collections of evidence portfolios, in both science and math. (General Fund-State) See bold italicized wording above -- this seems like it needs to be reworded.*
26. **Suspend Developmt Diagnostic Assmt** - Funding for the development of diagnostic assessments is anticipation of the State's future work with the SMARTER Balanced Assessment Consortium. The consortium involves 30 states that will collaboratively develop an assessment system to include summative and formative exams, as well as informal assessments teachers will be able to use to diagnose student performance. (Education Legacy Trust Account-State)
27. **Assessment Staff Reduction** - Funding for assessment program staffing is reduced by 10 percent for the 2011-13 biennium. (General Fund-State)
28. **COE Payment Reduction** - The COE assessment is an alternative assessment for the high school graduation program. Districts currently receive a payment of \$300 per COE submitted for grading. Funding is adjusted based on an assumed payment rate of \$200 per COE. (General Fund-State)
29. **Renew Current Contracts** - The budget provides savings through the execution of renewal clause options on state contracts for student assessments. Savings result from reduced costs for rebidding contracts and potential contract cost increases. (General Fund-State)
30. **Restructure Collection of Evidence** - OSPI contracts for COE grading. OSPI is directed to restructure the COE assessment and renegotiate the grading contract to achieve savings. This reduction assumes an average per-unit grading cost of \$200 per COE. (General Fund-State)
31. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
32. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
33. **Suspend Plan 1 Uniform COLA** - Savings are achieved from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
34. **National Board Bonus Adjustments** - Funding is adjusted to reflect two changes to the National Board for Professional Teaching Standards (NBPTS) bonus program: 1) adopting a bonus payment date of July 1st of each school year, beginning in the 2011-12 school year; and 2) prorating the first year national board bonus by 60 percent (a 40 percent reduction) to reflect the percentage of the school year newly NBPTS-certified

Public Schools Education Reform

teachers are certified. This proration produces a first year base bonus amount of \$3,054, and a high poverty school bonus of \$3,000. Except for the first year proration, the base bonus of \$5,090 and the challenging school bonus of \$5,000 are fully funded in the 2011-13 biennium. (General Fund-State)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	154,091	65,263	219,354
2011-13 Maintenance Level	180,526	71,001	251,527
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	-37	0	-37
2. Bilingual Formula Restructure	-284	0	-284
Policy -- Non-Comp Total	-321	0	-321
Policy Changes - Comp			
3. Suspend Plan 1 Uniform COLA	-4,772	0	-4,772
4. K-12 Salary Reduction	-2,741	0	-2,741
5. Teacher Retirement Incentive	-153	0	-153
Policy -- Comp Total	-7,666	0	-7,666
Total 2011-13 Biennium	172,539	71,001	243,540
Fiscal Year 2012 Total	83,959	25,496	109,455
Fiscal Year 2013 Total	88,580	45,505	134,085

Comments:

- Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year. (General Fund-State)
- Bilingual Formula Restructure** - A revised funding model for the Transitional Bilingual program will be established effective September 1, 2012. Allocations will be scaled to provide more support to students with beginning levels of English language proficiency who require more intensive intervention and less support to more proficient students. Additionally, the funding model will provide up to two years of bonus funding upon successful exit from the bilingual program to facilitate successful transition to a standard program of education. A statewide method of measuring level of proficiency will be established prior to September 2012 to create consistent placement across districts. Bonus payments for up to two school years following successful exit from the transitional bilingual program will be allocated to the exiting school district. If the student graduates or transfers to another district prior to the district receiving both years' bonuses, the district shall receive the bonus for only the length of time the student remains enrolled in the exiting district. It is expected that total state funding for the program will remain constant, with the differentials designed to provide additional support to least proficient students, encourage successful exit, and support the transition to other educational programs. Savings in school year 2012-13 are calculated by assuming every student will be tested for proficiency each year and historical exit rates will apply. (General Fund-State)
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. The Transitional Bilingual Instruction budget is impacted through adjustments to the salary assumptions underlying the hourly instruction cost rate used for Transitional Bilingual Instruction funding allocations. (General Fund-State)
- Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program designed to incentivize retirements through offering \$250 per month health benefit subsidies. Transitional Bilingual student funding is impacted through the decrease in the staff mix factor, which is a proxy for educator experience and impacts the salary assumption used for hourly rates of instruction in the program. (General Fund-State) Legislation (SSB 5846) authorizing the teacher retirement incentive program was not enacted, therefore, these savings will not be realized.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	262,157	553,925	816,082
2011-13 Maintenance Level	263,265	581,207	844,472
Policy Changes - Non-Comp			
1. Prior School Year Adjustments	-85	0	-85
Policy -- Non-Comp Total	-85	0	-85
Policy Changes - Comp			
2. Suspend Plan 1 Uniform COLA	-6,821	0	-6,821
3. K-12 Salary Reduction	-3,921	0	-3,921
4. Teacher Retirement Incentive	-217	0	-217
Policy -- Comp Total	-10,959	0	-10,959
Total 2011-13 Biennium	252,221	581,207	833,428
Fiscal Year 2012 Total	126,094	267,711	393,805
Fiscal Year 2013 Total	126,127	313,496	439,623

Comments:

- Prior School Year Adjustments** - This item adjusts FY 2012 funding levels to reflect the continuation of policies adopted in Chapter 5, Laws of 2011, Partial Veto (ESHB 1086 - 2011 Supplemental Budget), for July and August of 2011, the last two months of the 2010-11 school year.
- Suspend Plan 1 Uniform COLA** - Savings are achieved from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- K-12 Salary Reduction** - Salary allocations for K-12 employees are reduced by 1.9 percent for certificated instructional and classified staff and 3 percent for administrative staff for the 2011-12 and 2012-13 school years. The Learning Assistance Program budget is impacted through adjustments to the salary assumptions underlying the hourly instruction cost rate used for funding allocations. (General Fund-State)
- Teacher Retirement Incentive** - Savings are assumed from the implementation of a teacher retirement incentive program designed to incentivize retirements through offering \$250 per month health benefit subsidies. Learning Assistance Program funding is impacted through the decrease in the staff mix factor, which is a proxy for educator experience and impacts the salary assumption used for hourly rates of instruction in the program. (General Fund-State) Legislation (SSB 5846) authorizing the teacher retirement incentive program was not enacted, therefore, these savings will not be realized.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

**Public Schools
 Student Achievement Program**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2009-11 Expenditure Authority	25,749	200,295	226,044
2011-13 Maintenance Level	860,716	0	860,716
Policy Changes - Non-Comp			
1. Suspend I-728	-860,716	0	-860,716
Policy -- Non-Comp Total	-860,716	0	-860,716
Total 2011-13 Biennium	0	0	0

Comments:

- Suspend I-728** - Initiative 728 allocations to school districts are suspended for the 2011-13 biennium. Initiative 728, approved by voters in 2000 and later amended by the Legislature, allocates a per-student dollar amount to districts to be used for class size reduction, extended learning opportunities, early learning programs, or professional development. If not suspended, per-student allocations would have been approximately \$477 per student for the 2011-12 school year and \$484 per student for the 2012-13 school year.

* Please see the 2011 Supplemental Operating Budget Section for additional information.

