

# Public Schools

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

	2007 Legislative Session (2007-09 Original Budget)	2008 Legislative Session (2007-09 Including 2008 Supplemental Budget)	Difference	Percent Change
NGFS*	\$13,524,072,000	\$13,621,900,000	\$97,828,000	0.7%
NGFS Per Pupil Funding**	\$6,925	\$6,975	\$50	0.7%

\* NGF-S: Near General Fund State (Dollars in thousands)

\*\* Does not include local or federal funding sources or other non-NGF-S accounts

### Maintenance Level Changes

A total of \$83.2 million in maintenance level changes are funded in the 2008 supplemental budget. Major items include:

#### Initiative 732 Cost-of-Living Adjustment (COLA) Increase

The Seattle Consumer Price Index (CPI) used to calculate the 2008-09 school year salary increase required by Initiative 732 is higher than originally expected. I-732 increases are based on CPI data from the last complete calendar year. The 2007 calendar year CPI was estimated at 2.8 percent in the base budget, and the final figure is 3.9 percent. The sum of \$39.1 million General Fund-State is provided to cover the increased costs associated with making this adjustment.

#### Washington Assessment of Student Learning (WASL) Contract Renewal

Funding of \$25.4 million is provided for projected cost increases associated with administering the current WASL testing system.

#### Safety Net Adjustment

The amount of \$23.2 million is provided for projected increased costs associated with safety net awards for high cost special education students.

### Policy Level Changes

Excluding program transfers, a net total of approximately \$26 million in policy level changes are funded in the 2008 supplemental budget. Major items include:

#### Student Learning Opportunities

The sum of \$16.0 million General Fund-State is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673 – Student Learning Opportunities), which provides additional support and assistance for students not on track to meet the state or local high school graduation requirements. The bill requires about an 18 percent increase in Learning Assistance Program (LAP) funding to support these activities. A separate LAP enhancement is also provided to high poverty school districts with high concentrations of English Language Learners. To qualify, districts must have a transitional bilingual population greater or equal to 20 percent of total district enrollment and a free/reduced price lunch-eligible population greater or equal to 40 percent of total district enrollment.

### **0.5 Percent COLA for K-12 Staff**

In addition to the I-732 COLA provided in the maintenance-level budget, an additional 0.5 percent salary increase is provided for the 2008-09 school year. The cost of this increase is \$17.8 million General Fund-State. Consistent with I-732 allocation methods, this funding will be allocated on the basis of state-funded staff units, by district.

### **Special Education Medicaid Enhancement**

Beginning with the 2007-08 school year, federal regulations have changed the method by which school districts are reimbursed for school-based Medicaid eligible services. The Department of Social Health Services will now reimburse school districts directly, and state funding is provided to match federal funds. The net effect will be an anticipated \$21.2 million increase in the amount school districts will receive through the state and federal Medicaid program.

### **Non-Employee Related Cost (NERC) Enhancement**

The sum of \$6.5 million General Fund-State is provided to increase the NERC allocation rate. This funding pays for items such as textbooks, computers, educational supplies, and other school costs not related to employee compensation. The average increase per student is about \$6.50 per state fiscal year.

### **School Librarian Allocation**

The sum of \$4.0 million General Fund-State is provided for an allocation of approximately \$4 per student per year to maintain and improve library materials, collections, and services in public schools.

### **Classified Staffing Ratio Enhancement**

In the 2007-09 base budget, the allocation for classified staff in the general apportionment formula was enhanced to one classified staff person for every 59 students. Beginning in the 2008-09 school year, the classified staff ratio is further enhanced to 1 per 58.75 students. The cost of this enhancement is \$3.1 million General Fund-State.

### **Career and Technical Education**

The amount of \$2.8 million General Fund-State is provided for the implementation of Chapter 170, Laws of 2008 (2SSB 6377 – Career and Technical Education). The legislation includes grants and allocations to school districts and skills centers for career and technical education programs and other related activities.

### **National Board Bonus Pension Benefits**

The sum of \$2.1 million General Fund-State is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 – National Board Salary Bonus), which allows individuals qualifying for the National Board for Professional Teaching Standards certification to earn pension benefits on the bonus amounts for receiving certification. The increased costs associated with this legislation are expected to be: a) the increase in the employer share of the pension contribution for national board certified teachers; and b) the increased cost to the pension system to pay the additional retirement benefits associated with the national board bonus amounts.

### **Levy Equalization**

The per pupil inflator is the mechanism by which the state estimates future increases in the levy base, which ultimately determines how much money each school district can raise locally through excess school levies. For the 2008-2009 school year, the per pupil inflator is set at 6 percent, increased from 5.1 percent in the 2007-09 base budget. The primary impact of this change is an increase in local school district levy authority; however, there is also a cost to the state in the form of increased levy equalization payments. The sum of \$1.9 million General Fund-State is provided for the increased costs resulting from this change.

### **Student Achievement Gap**

The amount of \$750,000 General Fund-State is provided to conduct detailed analyses of the achievement gap for African-American, Hispanic, Asian-American, Pacific Islander American, and Native American students. These studies will also recommend a comprehensive plan for closing the achievement gap pursuant to goals under the No Child Left Behind Act and to identify performance measures to monitor adequate yearly progress. The funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to complete the study for African-

American students; the Washington State Commission on Hispanic Affairs to complete the study for Hispanic students; the Commission on Asian-Pacific-American Affairs to complete separate studies for Asian-American students and Pacific Islander American students; and the Governor's Office of Indian Affairs to complete the study for Native American students.

### **Miscellaneous Increases**

The sum of \$5.1 million General Fund-State is provided for a variety of other increases, including: (1) additional funding to continue improvements to the OSPI apportionment system; (2) a school district grant program to implement Chapter 215, Laws of 2008 (2SSB 6483 – Local Farms and Healthy Kids); (3) grants at five skills centers to implement Integrated Basic Education and Skills Training programs; (4) lowering the poverty threshold for National Board teachers to qualify for the challenging school bonus; and (5) an evaluation of math and science teacher supply and demand issues, among other smaller items.

## **WASL-Related Items**

### **Savings From WASL Changes**

A \$15.9 million savings in General Fund-State is achieved by redesigning the WASL in reading, mathematics, and science in the elementary and middle school grades. The redesign will reduce the number of open-ended response items and potentially decrease the number of total test items. Additionally, budget proviso language in the base budget has been modified to clarify the purposes of funding provided for diagnostic testing. The funding is intended to support progress monitoring tools and other diagnostic tests that align with WASL content and provide more timely and targeted feedback about individual student progress.

### **End-of-Course Exams in Math**

A total of \$3.2 million General Fund-State is provided for the implementation of Chapter 163, Laws of 2008 (ESHB 3166 – Assessment of Student Learning). Four end-of-course assessments will be phased in to replace the WASL math test. The math end-of-course assessments will replace the math WASL as a graduation requirement beginning with the class of 2014, although the class of 2013 may pass either test to meet the graduation requirement.

### **Translated and Accommodated WASL**

The sum of \$1.7 million General Fund-State is provided to translate the WASL for math and science in six languages other than English. In addition, funding is provided for enhanced accommodations for students in special education, such as improved Braille forms of the tests and read aloud CDs for dyslexic students.

### **WASL Legislative Work Group**

The sum of \$150,000 General Fund-State is provided for the establishment of a legislative work group on the WASL to review and evaluate the state's assessment system. Additionally, funding is provided for contracting with independent technical experts to advise the WASL work group on best practices in other states and potential options for improving the assessment system. It is anticipated that the work group will complete its review by January 1, 2009.

### **WASL Transfer Amount to Office of Financial Management**

The amount of \$11.4 million General Fund-State is transferred out of the OSPI agency budget and into the Office of Financial Management (OFM) budget. This amount reflects the fiscal year 2009 cost increases for the WASL when combining all maintenance-level and policy-level adjustments. OFM will distribute the money to OSPI via an interagency agreement on a quarterly schedule, based on compliance with the series of requirements outlined in Section 127, subsection 14 of the budget.

## **Policy Level Reductions**

### **Promoting Academic Success Program Discontinuation**

A recent evaluation of the Promoting Academic Success program indicates that overall the program has had little or no effect on student performance. At the end of the 2007-08 school year, the Promoting Academic Success program is discontinued, resulting in a savings of \$19.3 million General Fund-State.

### **High School Completion Program Termination**

In the 2007-09 base budget, funding was provided for Chapter 355, Laws of 2007, which established a pilot program at two community and technical colleges (CTCs) to allow certain students that had not passed the WASL to continue their studies at the CTC beginning in fiscal year 2009. Funding is terminated for the pilot program, resulting in a \$1.0 million state general fund savings.

### **Indigenous Learning Pilot Elimination**

Additionally, in the original 2007-09 budget, funding was provided for OSPI to contract with a company to develop and implement a pilot program for providing indigenous learning curriculum. Since OSPI was unsuccessful in selecting an appropriate contractor for the pilot, funding is eliminated for the program, resulting in a \$1.0 million state general fund savings.

### **College Readiness Tests Elimination**

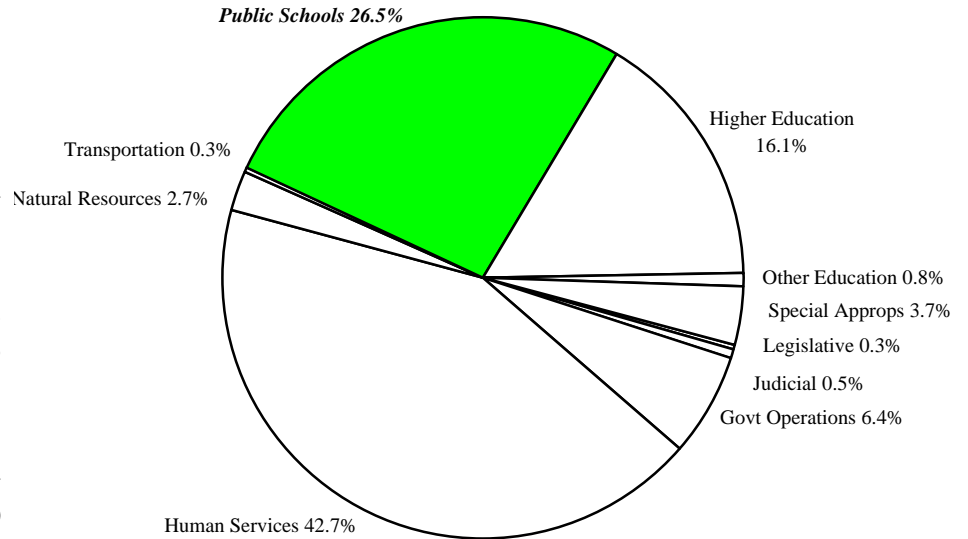
In the original 2007-09 budget, funding was provided for a college readiness test to be administered during the 11th grade beginning in fiscal year 2009. Funding is eliminated for the test, resulting in a savings of \$675,000 General Fund-State.

### **Achievement Gap Pilot Discontinuation**

In fiscal year 2007, a pilot program was established for a partnership program aimed at closing the achievement gap. Beginning in fiscal year 2009, the program is discontinued, resulting in a savings of \$500,000 General Fund-State.

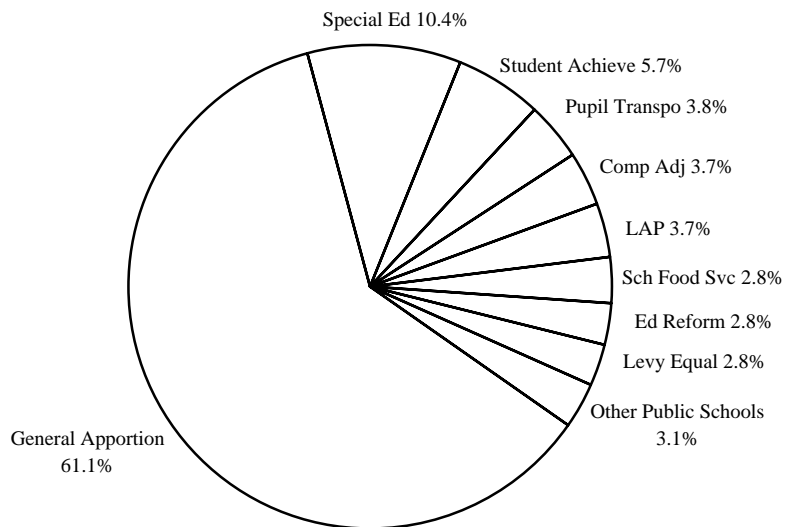
**2007-09 Washington State Omnibus Operating Budget  
Including 2008 Supplemental  
Total Budgeted Funds**  
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
Human Services	24,411,438
Natural Resources	1,549,219
Transportation	171,443
<b>Public Schools</b>	<b>15,167,950</b>
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
<b>Statewide Total</b>	<b>57,196,591</b>



**Washington State**

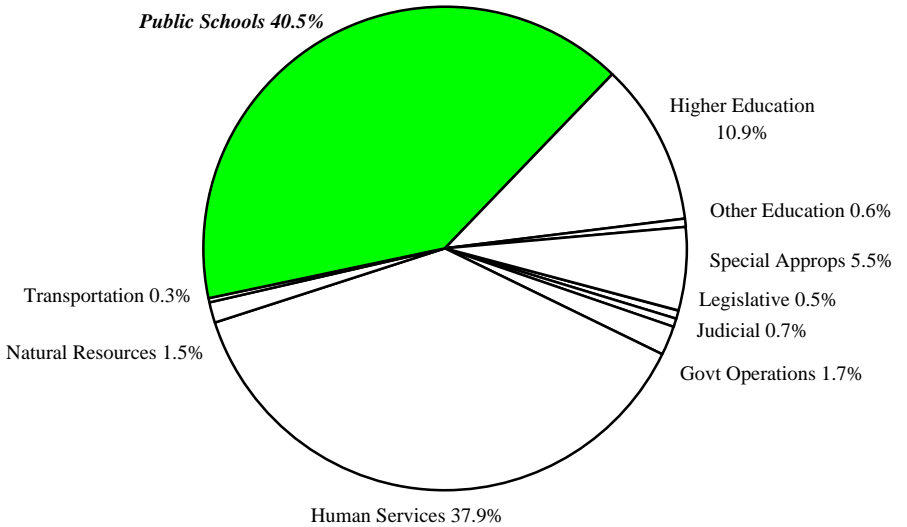
General Apportionment	9,265,714
Special Education	1,575,647
Student Achievement	868,339
Pupil Transportation	574,919
Compensation Adjustments	566,783
Learning Assist Pgm (LAP)	559,648
School Food Services	431,728
Education Reform	430,006
Levy Equalization	423,655
Other Public Schools	471,511
<b>Public Schools</b>	<b>15,167,950</b>



**Public Schools**

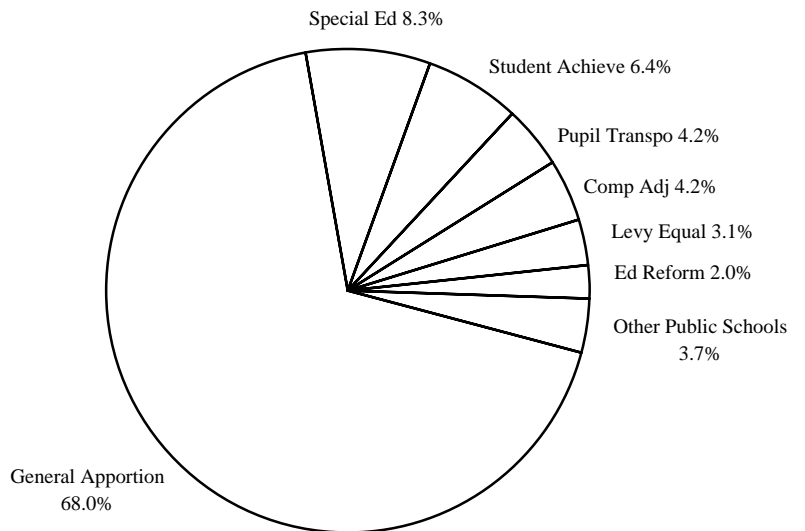
**2007-09 Washington State Omnibus Operating Budget**  
**Including 2008 Supplemental**  
**Near General Fund - State**  
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
Human Services	12,745,221
Natural Resources	509,186
Transportation	85,614
<b>Public Schools</b>	<b>13,621,900</b>
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
<b>Statewide Total</b>	<b>33,655,219</b>



**Washington State**

General Apportionment	9,265,714
Special Education	1,139,955
Student Achievement	868,339
Pupil Transportation	574,919
Compensation Adjustments	566,508
Levy Equalization	423,655
Education Reform	276,477
Other Public Schools	506,333
<b>Public Schools</b>	<b>13,621,900</b>



**Public Schools**

# Public Schools

## WORKLOAD HISTORY By School Year

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Estimated	
									2007-08	2008-09
<b>General Apportionment</b>										
FTE Enrollment <sup>(1)</sup>	948,485	951,033	956,567	958,846	962,294	966,246	972,079	973,612	975,190	977,857
% Change from prior year		0.3%	0.6%	0.2%	0.4%	0.4%	0.6%	0.2%	0.2%	0.3%
<b>Special Education</b>										
Funded Enrollment <sup>(2)</sup>	115,257	116,709	118,519	119,272	119,887	121,342	121,095	121,511	126,404	127,277
% Change from prior year		1.3%	1.6%	0.6%	0.5%	1.2%	-0.2%	0.3%	4.0%	0.7%
<b>Bilingual Education</b>										
Headcount Enrollment	55,656	59,514	62,522	66,258	70,908	75,255	76,716	76,505	80,497	83,652
% Change from prior year		6.9%	5.1%	6.0%	7.0%	6.1%	1.9%	-0.3%	5.2%	3.9%
<b>Learning Assistance Program</b>										
Entitlement Units <sup>(3)</sup>	184,804	177,763	174,275	170,157	161,864	157,935	N/A	N/A	N/A	N/A
Funded Student Units	N/A	N/A	N/A	N/A	N/A	N/A	408,477	419,033	414,238	416,753
% Change from prior year		-3.8%	-2.0%	-2.4%	-4.9%	-2.4%		2.6%	-1.1%	0.6%

<sup>(1)</sup> For the 2002-03, 2003-04, and 2004-05 school years, a portion of the special education enrollment was funded with federal dollars.

<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 :

1999-00 through 2006-07 amounts are from the Office of the Superintendent of Public Instruction and the Caseload Forecast Council.

2007-08 and 2008-09 estimates are from the Caseload Forecast Council February 2008 forecast and legislative budgets from the 2008 session.

**Public Schools  
OSPI & Statewide Programs**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>75,204</b>	<b>82,275</b>	<b>157,479</b>
<b>Total Maintenance Changes</b>	<b>0</b>	<b>-200</b>	<b>-200</b>
<b>Policy Changes - Non-Comp</b>			
1. Improve Educator Training Phase II	214	0	214
2. Education Litigation	867	0	867
3. Achievement Gap Committee	150	0	150
4. Classified Staff Training	100	0	100
5. Criminal Street Gangs Initiative	180	0	180
6. Dual Credits Workgroup	10	0	10
7. Apportionment and Financial Systems	1,800	0	1,800
8. PESB Study on Teaching ELL Students	67	0	67
9. High School Completion	-1,000	0	-1,000
10. LEAP Bilingual Educator Pgm	150	0	150
11. Nonviolence Training	125	0	125
12. PSAT Funding	300	0	300
13. Math Standards Review	300	0	300
14. World Language Pilot Program	264	0	264
15. Indigenous Learning Pilot Program	-1,000	0	-1,000
16. Math Teacher Supply/Demand Study	142	0	142
17. Use of Physical Force	40	0	40
18. Anaphylactic Policy	45	0	45
19. Model Autism Guidelines	44	0	44
20. World Languages Supervisor	136	0	136
21. Governor Veto	-879	0	-879
<b>Policy -- Non-Comp Total</b>	<b>2,055</b>	<b>0</b>	<b>2,055</b>
<b>Policy Changes - Comp</b>			
22. PEBB Rate Reduction	-343	-284	-627
<b>Policy -- Comp Total</b>	<b>-343</b>	<b>-284</b>	<b>-627</b>
<b>2007-09 Revised Appropriations</b>	<b>76,916</b>	<b>81,791</b>	<b>158,707</b>
Fiscal Year 2008 Total	-154	0	-154
Fiscal Year 2009 Total	1,866	-284	1,582

**Comments:**

- 1. Improve Educator Training Phase II** - One-time funding is provided for the Professional Educator Standards Board (PESB) to partner with one or more teacher preparation programs to test implementation of an intensive classroom-based, performance-oriented educator training program. The program will serve approximately 50 teacher candidates.
- 2. Education Litigation** - One-time funding is provided to support additional services from the Office of the Attorney General for activities related to education litigation, the costs of which will be billed to the Office of the Superintendent of Public Instruction (OSPI).
- 3. Achievement Gap Committee** - Funding is provided to implement Chapter 298, Laws of 2008 (2SHB 2722). The Center for the Improvement of Student Learning will convene an advisory committee to conduct an analysis of the achievement gap for African-American students and recommend policies designed to close the gap.
- 4. Classified Staff Training** - Funding is provided to implement Chapter 65, Laws of 2008 (2SHB 2870). OSPI will create a training strand through the Summer Accountability Institutes and January Conference for classified instructional assistants.
- 5. Criminal Street Gangs Initiative** - Funding was provided to implement Chapter 276, Laws of 2008 (E2SHB 2712). OSPI was provided funding to create a brochure to help teachers and parents learn about criminal street gangs and their activities. This item was vetoed (please see Governor Veto item below).
- 6. Dual Credits Workgroup** - Funding is provided to OSPI to convene a work group to develop a strategic plan for statewide



## Public Schools OSPI & Statewide Programs

- coordination of dual credit programs. This item was vetoed (please see Governor Veto item below).
7. **Apportionment and Financial Systems** - Portions of the current K-12 state funding system are dependent upon a COBOL program operating on a VAX-platform. The VAX and COBOL systems are no longer supported by software and equipment manufacturers and are considered to be operating beyond their useful life cycle. One-time funding is provided to substantially complete the upgrade of the apportionment and financial systems at OSPI. The final phase of the project is expected to cost \$400,000 and will be completed by FY 2010.
  8. **PESB Study on Teaching ELL Students** - Funding is provided to implement Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). PESB will convene a work group to develop recommendations for increasing teacher knowledge, skills, and competencies in meeting the instructional needs of English language learner (ELL) students.
  9. **High School Completion** - Funding for Chapter 355, Laws of 2007, Partial Veto (HB 1051), which created the high school completion program, is eliminated.
  10. **LEAP Bilingual Educator Pgm** - Funding is provided for a bilingual educator pilot program designed to mentor talented bilingual high school students to become public school teachers and work with ELL populations. The Latino/a Educational Achievement Project (LEAP) will work with school districts to mentor no fewer than 50 bilingual students in their junior year of high school. Students will be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.
  11. **Nonviolence Training** - Additional funding is provided for the nonviolence and leadership training programs delivered by the Institute For Community Leadership. The program provides nonviolence leadership workshops in elementary, middle, and high schools throughout Washington. This item was vetoed (please see Governor Veto item below).
  12. **PSAT Funding** - Funding is provided to defray costs associated with offering the Preliminary Scholastic Aptitude Test (PSAT) to 10th grade public high school students. The funding provided is a fixed amount and does not operate as an entitlement for free PSAT testing for all students. As a first priority, OSPI will provide funding for the number of students eligible for free or reduced price lunch taking the PSAT. Within remaining funds, OSPI may provide full or partial funding for other students taking the PSAT, as funds will allow. OSPI may reduce administrative burdens for districts and families by processing reimbursements directly through the Educational Testing Service company but must do so in a manner that does not create additional administrative or financial barriers to students taking the test. OSPI must also be able to produce payment records that reconcile to the actual number of PSAT test takers. This item was vetoed (please see Governor Veto item below).
  13. **Math Standards Review** - Funding is provided for additional costs associated with the State Board of Education's review of proposed mathematics standards and curriculum. It is intended that the revised mathematics standards will set higher expectations for Washington's students by: (1) fortifying content and increasing rigor; (2) providing greater clarity, specificity, and measurability about what is expected of students in each grade; (3) supplying more explicit guidance to educators about what to teach and when; and (4) enhancing the relevance of mathematics to students' lives.
  14. **World Language Pilot Program** - Funding is provided to allow two school districts to establish a pilot program based on sequentially-articulated Spanish and Chinese language instruction in elementary schools. This item was vetoed (please see Governor Veto item below).
  15. **Indigenous Learning Pilot Program** - In the original 2007-09 budget, funding was provided for OSPI to contract with a company to develop and implement a pilot program for providing indigenous learning curriculum and standards-specific online learning programs based on the recommended standards in Chapter 205, Laws of 2005. Since OSPI was unsuccessful in selecting an appropriate contractor for the pilot, funding is eliminated for the program.
  16. **Math Teacher Supply/Demand Study** - Funding is provided for PESB to conduct a comprehensive analysis of math and science teacher supply and demand issues. By December 1, 2008, PESB will submit a final report that includes: (1) specific information on the current number of math and science teachers assigned to teach mathematics and science both with and without appropriate certification in those subjects; (2) projected demand information for K-12 mathematics and science teachers; (3) specific recommendations on how the demand will be met through recruitment programs, alternative route certification programs, potential financial incentives, retention strategies, and other efforts; and (4) identification of strategies to improve the rigor and productivity of state-funded mathematics and science teacher preparation programs. As part of the final report, PESB and the Washington State Institute for Public Policy will provide information on differential pay for teachers in high-demand subject areas such as mathematics and science.
  17. **Use of Physical Force** - Funding is provided for the Washington State School Directors' Association to facilitate a school disciplinary action task force to review and make recommendations on a model policy regarding the use of physical force in schools.
  18. **Anaphylactic Policy** - Funding is provided for the implementation of Chapter 173, Laws of 2008 (SSB 6556), which requires OSPI, in consultation with the Department of Health, to develop anaphylactic policy guidelines for schools to prevent anaphylaxis and deal with medical emergencies resulting from it.

## Public Schools OSPI & Statewide Programs

19. **Model Autism Guidelines** - Funding is provided for the implementation of Chapter 220, Laws of 2008, Partial Veto (SSB 6743), which provides funding for the development of model policies and guidelines for autism instruction and training.
20. **World Languages Supervisor** - Funding is provided for OSPI to create a world language supervisor position.
21. **Governor Veto** - The Governor vetoed subsections (2)(a)(vi), (2)(a)(x), (2)(c)(xv), (2)(c)(xvi), (2)(c)(xviii) of Section 501 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (2)(a)(vi) provided additional funding for a nonviolence and leadership training program provided by the Institute for Community Leadership. Subsection (2)(a)(x) provided funding to create a brochure to educate people on gang activities in schools and communities. Subsection (2)(c)(xv) provided funding for a pilot program in two school districts to provide sequentially articulated Spanish and Chinese language instruction in elementary schools. Subsection (2)(c)(xvi) provided funding for reimbursements to school districts for costs associated with offering the preliminary scholastic aptitude test (PSAT) to 10th grade students. Subsection (2)(c)(xviii) provided funding for a work group to develop a strategic plan for statewide coordination of dual credit programs.
22. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Public Schools  
 General Apportionment**

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2007-09 Original Appropriations</b>	<b>9,273,543</b>	<b>0</b>	<b>9,273,543</b>
<b>Total Maintenance Changes</b>	<b>-17,716</b>	<b>0</b>	<b>-17,716</b>
<b>Policy Changes - Non-Comp</b>			
1. Classified Staff Ratio	2,530	0	2,530
2. NERC Enhancement	5,692	0	5,692
3. National Board Pension Benefits	1,665	0	1,665
<b>Policy -- Non-Comp Total</b>	<b>9,887</b>	<b>0</b>	<b>9,887</b>
<b>2007-09 Revised Appropriations</b>	<b>9,265,714</b>	<b>0</b>	<b>9,265,714</b>
Fiscal Year 2009 Total	9,887	0	9,887

**Comments:**

- 1. Classified Staff Ratio** - Based on enhanced funding provided in the original 2007-09 budget, the current general apportionment formula allocates one classified staff for every 59 students. Beginning in the 2008-09 school year, additional funding is provided to lower the classified staff ratio to one classified staff for every 58.75 students.
- 2. NERC Enhancement** - Funding is provided to increase the non-employee related cost (NERC) allocation rate. This funding pays for items such as textbooks, computers, educational supplies, and other school costs not related to employee compensation. The NERC rate will increase an additional \$126 per certificated staff person above inflationary adjustment increases. Special NERC rates for vocational education and skill centers go up about \$310 and \$240 per certificated staff person, respectively. The average additional increase per student is about \$6.50.
- 3. National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

**Public Schools  
 Compensation Adjustments**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>510,536</b>	<b>243</b>	<b>510,779</b>
<b>Total Maintenance Changes</b>	<b>38,314</b>	<b>23</b>	<b>38,337</b>
<b>Policy Changes - Non-Comp</b>			
1. COLA Enhancement	17,766	9	17,775
2. Classified Staff Ratio	247	0	247
3. Eliminate PAS Funding	-1,570	0	-1,570
4. National Board Pension Benefits	175	0	175
5. Student Learning Opportunities	1,040	0	1,040
<b>Policy -- Non-Comp Total</b>	<b>17,658</b>	<b>9</b>	<b>17,667</b>
<b>2007-09 Revised Appropriations</b>	<b>566,508</b>	<b>275</b>	<b>566,783</b>
Fiscal Year 2009 Total	17,658	9	17,667

**Comments:**

- COLA Enhancement** - In addition to the Initiative 732 (I-732) cost-of-living adjustments (COLA) provided in the maintenance-level budget, an additional 0.5 percent salary increase is provided. Similar to the I-732 allocations, the funding will be generated based on state-funded staff units, by district. (General Fund-State, General Fund-Federal)
- Classified Staff Ratio** - Enhancing the classified staffing ratio will increase state funding to districts for staffing, which in turn increases the cost of I-732 salary increases and health benefit changes.
- Eliminate PAS Funding** - The discontinuation of the Promoting Academic Success (PAS) program will decrease state funding amounts needed for I-732 salary increases and health benefit changes.
- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
- Student Learning Opportunities** - Enhancing the Learning Assistance Program, as part of the funding of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673), will increase state funding to districts for staffing and will, in turn, increase the cost of I-732 salary increases and health benefit changes.

**Public Schools  
Pupil Transportation**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>552,428</b>	<b>0</b>	<b>552,428</b>
<b>Total Maintenance Changes</b>	<b>22,491</b>	<b>0</b>	<b>22,491</b>
<hr/>			
<b>2007-09 Revised Appropriations</b>	<b>574,919</b>	<b>0</b>	<b>574,919</b>

**Comments:**

There were no policy level changes.

**Public Schools  
 Special Education**

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2007-09 Original Appropriations</b>	<b>1,112,927</b>	<b>435,735</b>	<b>1,548,662</b>
<b>Total Maintenance Changes</b>	<b>25,894</b>	<b>-43</b>	<b>25,851</b>
<b>Policy Changes - Non-Comp</b>			
1. Classified Staff Ratio	312	0	312
2. NERC Enhancement	624	0	624
3. National Board Pension Benefits	198	0	198
<b>Policy -- Non-Comp Total</b>	<b>1,134</b>	<b>0</b>	<b>1,134</b>
<b>2007-09 Revised Appropriations</b>	<b>1,139,955</b>	<b>435,692</b>	<b>1,575,647</b>
Fiscal Year 2009 Total	1,134	0	1,134

**Comments:**

1. **Classified Staff Ratio** - Funding is provided for the special education impacts associated with enhancing the general apportionment classified staff ratio to one per 58.75 students in the 2008-09 school year. Currently, the general apportionment formula allocates one classified staff for every 59 students.
2. **NERC Enhancement** - The non-employee related cost (NERC) enhancements funded in general apportionment increase the special education excess cost allocation rate and, therefore, total special education program allocations.
3. **National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SS 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

**Public Schools  
 Educational Service Districts**

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2007-09 Original Appropriations</b>	<b>16,047</b>	<b>0</b>	<b>16,047</b>
<b>Total Maintenance Changes</b>	<b>-2</b>	<b>0</b>	<b>-2</b>
<b>Policy Changes - Non-Comp</b>			
1. Foster Care Initiative	250	0	250
2. National Board Pension Benefits	3	0	3
3. Student Learning Opportunities	1,469	0	1,469
4. Governor Veto	-1,718	0	-1,718
<b>Policy -- Non-Comp Total</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>2007-09 Revised Appropriations</b>	<b>16,049</b>	<b>0</b>	<b>16,049</b>
Fiscal Year 2009 Total	4	0	4

**Comments:**

- Foster Care Initiative** - Funding is provided for implementation of Chapter 297, Laws of 2008, Partial Veto (SHB 2679). The Puget Sound Educational Service District (PSESD) will designate a foster care program supervisor and will administer a grant program to improve stability and educational outcomes for students in foster care. This item was vetoed (please see Governor Veto item below).
- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
- Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the Learning Assistance Program (LAP) budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of English language learners in high poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for the Office of the Superintendent of Public Instruction to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using career and technical education as the delivery model. This item was vetoed (please see Governor Veto item below).
- Governor Veto** - The Governor vetoed subsections (4), (5), and (6) of Section 507 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (4) provided funding for reading improvement specialist positions in each of the nine ESDs. Subsection (5) provided funding for community outreach programs at the ESDs. Subsection (6) provided funding for the PSESD to designate a foster care program supervisor and establish a grant program to improve educational outcomes for students in foster care.

**Public Schools  
Levy Equalization**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>414,704</b>	<b>0</b>	<b>414,704</b>
<b>Total Maintenance Changes</b>	<b>7,056</b>	<b>0</b>	<b>7,056</b>
<b>Policy Changes - Non-Comp</b>			
1. Increased PPI	1,895	0	1,895
<b>Policy -- Non-Comp Total</b>	<b>1,895</b>	<b>0</b>	<b>1,895</b>
<hr/>			
<b>2007-09 Revised Appropriations</b>	<b>423,655</b>	<b>0</b>	<b>423,655</b>
Fiscal Year 2009 Total	1,895	0	1,895

**Comments:**

1. **Increased PPI** - Funding is provided for the increased state levy equalization costs resulting from increasing the per pupil inflator (PPI) to 6 percent or 0.9 percent beyond the level previously assumed. The PPI is a factor used in the calculation of the amounts that can be collected through local maintenance and operations school district levies, and it impacts state levy equalization payments.



**Public Schools  
 Institutional Education**

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2007-09 Original Appropriations</b>	<b>36,814</b>	<b>0</b>	<b>36,814</b>
<b>Total Maintenance Changes</b>	<b>2,048</b>	<b>0</b>	<b>2,048</b>
<b>Policy Changes - Non-Comp</b>			
1. National Board Pension Benefits	7	0	7
<b>Policy -- Non-Comp Total</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>2007-09 Revised Appropriations</b>	<b>38,869</b>	<b>0</b>	<b>38,869</b>
Fiscal Year 2009 Total	7	0	7

**Comments:**

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

**Public Schools  
 Education of Highly Capable Students**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>17,175</b>	<b>0</b>	<b>17,175</b>
<b>Total Maintenance Changes</b>	<b>-7</b>	<b>0</b>	<b>-7</b>
<b>Policy Changes - Non-Comp</b>			
1. National Board Pension Benefits	3	0	3
<b>Policy -- Non-Comp Total</b>	<b>3</b>	<b>0</b>	<b>3</b>
<hr/>			
<b>2007-09 Revised Appropriations</b>	<b>17,171</b>	<b>0</b>	<b>17,171</b>
Fiscal Year 2009 Total	3	0	3

**Comments:**

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

**Public Schools  
Education Reform**

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2007-09 Original Appropriations</b>	<b>265,170</b>	<b>153,578</b>	<b>418,748</b>
<b>Total Maintenance Changes</b>	<b>26,346</b>	<b>0</b>	<b>26,346</b>
<b>Policy Changes - Non-Comp</b>			
1. College Readiness Test for 11th Grd	-675	0	-675
2. Integrate ELL and Skills Training	250	0	250
3. Translated & Accommodated WASL	1,682	0	1,682
4. Achievement Gap Project	-500	0	-500
5. Chinese Exchange Program	70	0	70
6. National Board Enhancement	577	0	577
7. Robotics Programs	150	0	150
8. Transfer WASL Funding to OFM	-11,372	0	-11,372
9. End of Course Tests	3,249	0	3,249
10. Career and Technical Education	2,750	0	2,750
11. School Librarian Allocation	4,000	0	4,000
12. Student Learning Opportunities	600	0	600
13. Local Farms & Healthy Kids	600	0	600
14. WASL Workgroup	150	0	150
15. WASL Changes	-15,885	0	-15,885
16. Governor Veto	-570	0	-570
<b>Policy -- Non-Comp Total</b>	<b>-14,924</b>	<b>0</b>	<b>-14,924</b>
<b>Policy Changes - Comp</b>			
17. PEBB Rate Reduction	-115	-49	-164
<b>Policy -- Comp Total</b>	<b>-115</b>	<b>-49</b>	<b>-164</b>
<b>2007-09 Revised Appropriations</b>	<b>276,477</b>	<b>153,529</b>	<b>430,006</b>
Fiscal Year 2009 Total	-15,039	-49	-15,088

**Comments:**

- College Readiness Test for 11th Grd** - Funding provided in the original 2007-09 budget for college readiness assessment fees for 11th grade students is eliminated.
- Integrate ELL and Skills Training** - Funding is provided for programs integrating English language learners (ELL) instruction with workforce training at the community and technical colleges. One-time grants are provided to support five skills centers implementing Integrated Basic Education and Skills Training programs.
- Translated & Accommodated WASL** - Funding is provided to translate the Washington Assessment of Student Learning (WASL) for math and science in six languages other than English. In addition, funding is provided for enhanced accommodations for students in special education, such as improved Braille forms of the tests and read aloud CDs for dyslexic students.
- Achievement Gap Project** - Funding provided in the 2007-09 base budget for an achievement gap pilot program is eliminated for the second year of the biennium.
- Chinese Exchange Program** - Funding is provided to support the Chinese Exchange Program at the Peninsula School District. The funding shall support scholarships, educational programs, and travel costs for students facing financial obstacles to participation in the program. This item was vetoed (please see Governor Veto item below).
- National Board Enhancement** - National Board-certified teachers who teach in high poverty schools (defined as having free/reduced price lunch eligibility rates exceeding 70 percent) receive bonuses of \$5,000 under current law. Effective for the 2008-09 school year, funding is provided to change the definition of high poverty school for middle schools and high schools, making more teachers eligible for the bonus. The middle school high poverty threshold is reduced to 60 percent, and the high school threshold is reduced to 50 percent. This change is anticipated to make an additional 105 teachers eligible for the bonus in 2008-09 school year. Additionally, language is added to the budget stipulating that National Board-certified teachers who subsequently become principals will continue to receive the high poverty school bonus.
- Robotics Programs** - Funding is provided to support For Inspiration and Recognition of Science and Technology robotics programs in public high schools throughout the state. Grants not exceeding \$10,000 per school will be available to

## Public Schools Education Reform

schools to enhance participation in current robotics programs, as well as start up new programs.

8. **Transfer WASL Funding to OFM** - In the maintenance level budget, \$25.4 million is added for increased costs associated with the development and implementation of the WASL. A portion of the increased funding is transferred from the Office of Superintendent of Public Instruction (OSPI) to the Office of Financial Management (OFM). It is assumed that OFM will develop an interagency agreement with OSPI for the expenditure of these funds based on compliance with certain requirements. Please see the related item in the agency detail for OFM.
9. **End of Course Tests** - Funding is provided for the implementation of Chapter 163, Laws of 2008 (ESHB 3166). Four end-of-course assessments will be phased in to replace the high school WASL math test: Algebra, Geometry, Integrated Math I, and Integrated Math II. The math end-of-course assessments will replace the math WASL as a graduation requirement beginning with the class of 2014, although the class of 2013 may pass either test to meet the graduation requirement.
10. **Career and Technical Education** - Funding in the amount of \$2.75 million in FY 2009 is provided for the implementation of Chapter 170, Laws of 2008 (2SSB 6377). Of the amounts provided, \$1.7 million is provided for implementation of section 105 (high-demand programs), \$350,000 is provided for implementation of section 107 (programs of study), \$400,000 is provided for implementation of section 201 (course equivalencies and integrated curriculum grants), \$25,000 is provided for implementation of section 205 (collections of evidence for career and technical education), \$150,000 is provided for the implementation of sections 301 and 303 (Career and Technical Education [CTE] campaign and Navigation 101 programs), \$50,000 is provided for the implementation of section 302 (certification exam fees), and \$75,000 is provided for the implementation of section 308 (technical high school study).  
  
Summer school CTE programs are funded at an amount of \$500,000 as part of a separate bill (Chapter 321, Laws of 2008, Partial Veto - E2SSB 6673 - Learning Opportunities).
11. **School Librarian Allocation** - Funding is provided for an allocation of approximately four dollars per student to maintain and improve library materials, collections, and services.
12. **Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the Learning Assistance Program (LAP) budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of ELL in high-poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for OSPI to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using CTE as the delivery model. This item was partially vetoed (please see Governor Veto item below).
13. **Local Farms & Healthy Kids** - Funding is provided for the implementation of Chapter 215, Laws of 2008 (2SSB 6483). Of the amount provided, a maximum of \$30,000 is to be used for administrative costs, and at least \$570,000 is provided for grants to school districts for the purpose of making fresh fruits and vegetables available to students as a snack during the school day.
14. **WASL Workgroup** - Funding is provided for the establishment of a legislative work group on the WASL to review and evaluate the state's assessment system. Additionally, funding is provided for contracting with independent technical experts to advise the WASL work group on best practices in other states and potential options for improving the assessment system. It is anticipated that the work group will complete its review by January 1, 2009.
15. **WASL Changes** - Savings are achieved by: (1) redesigning the WASL in reading, mathematics, and science by shortening test administration; (2) reducing the number of open-ended response items; (3) potentially decreasing the number of items utilized in the assessment, particularly in grades tested as a result of the federal No Child Left Behind Act; and (4) other efficiencies in the WASL contractor procurement process. It is also assumed that funding provided in the original 2007-09 base budget will allow school districts to implement diagnostic assessments and progress monitoring tools that will provide more immediate and targeted information on student progress during the school year.
16. **Governor Veto** - The Governor vetoed subsections (46) and (48) of Section 511 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687). Subsection (46) provided funding for summer programs for middle and high school students to explore career opportunities in math, science, and technology through CTE programs, pursuant to 2SSB 6673 (Student Learning Opportunities). Subsection (48) created a Chinese language exchange program in the Peninsula School District.
17. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Public Schools  
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>134,537</b>	<b>45,243</b>	<b>179,780</b>
<b>Total Maintenance Changes</b>	<b>584</b>	<b>0</b>	<b>584</b>
<b>Policy Changes - Non-Comp</b>			
1. National Board Pension Benefits	34	0	34
<b>Policy -- Non-Comp Total</b>	<b>34</b>	<b>0</b>	<b>34</b>
<hr/>			
<b>2007-09 Revised Appropriations</b>	<b>135,155</b>	<b>45,243</b>	<b>180,398</b>
Fiscal Year 2009 Total	34	0	34

**Comments:**

- National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>189,901</b>	<b>360,660</b>	<b>550,561</b>
<b>Total Maintenance Changes</b>	<b>-5,915</b>	<b>0</b>	<b>-5,915</b>
<b>Policy Changes - Non-Comp</b>			
1. NERC Enhancement	145	0	145
2. National Board Pension Benefits	47	0	47
3. Student Learning Opportunities	14,810	0	14,810
<b>Policy -- Non-Comp Total</b>	<b>15,002</b>	<b>0</b>	<b>15,002</b>
<hr/>			
<b>2007-09 Revised Appropriations</b>	<b>198,988</b>	<b>360,660</b>	<b>559,648</b>
Fiscal Year 2009 Total	15,002	0	15,002

**Comments:**

- 1. NERC Enhancement** - The Learning Assistance Program (LAP) generates funding based on the calculated costs of certificated instructional staff provided for the program. Because certificated instructional staff generate non-employee related costs (NERC), the NERC enhancements in general apportionment increase costs for LAP.
- 2. National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.
- 3. Student Learning Opportunities** - Funding is provided for the implementation of Chapter 321, Laws of 2008, Partial Veto (E2SSB 6673). Additional support programs are funded through the LAP budget to assist students not on track to meet state or local high school graduation requirements, including passing the WASL. A LAP program enhancement is also provided to school districts that serve concentrations of English language learners in high-poverty schools. In the Educational Service District (ESD) budget, funding is provided for: (1) the establishment of an ESD-based reading improvement specialist program; and (2) ESD outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population. Additionally, funding is provided for the Office of the Superintendent of Public Instruction to evaluate online curriculum support in languages other than English. Finally, funding is provided for summer school for middle and high schools to explore career opportunities in math, science, and technology using career and technical education as the delivery model.

**Public Schools  
 Promoting Academic Success**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2007-09 Original Appropriations</b>	<b>48,997</b>	<b>0</b>	<b>48,997</b>
<b>Total Maintenance Changes</b>	<b>-14,427</b>	<b>0</b>	<b>-14,427</b>
<b>Policy Changes - Non-Comp</b>			
1. Eliminate PAS Funding	-17,715	0	-17,715
2. National Board Pension Benefits	12	0	12
<b>Policy -- Non-Comp Total</b>	<b>-17,703</b>	<b>0</b>	<b>-17,703</b>
<b>2007-09 Revised Appropriations</b>	<b>16,867</b>	<b>0</b>	<b>16,867</b>
Fiscal Year 2009 Total	-17,703	0	-17,703

**Comments:**

- 1. Eliminate PAS Funding** - At the end of the 2007-08 school year, the Promoting Academic Success (PAS) program is discontinued.
- 2. National Board Pension Benefits** - Funding is provided for the implementation of Chapter 175, Laws of 2008 (SB 6657 - Salary Bonuses), which allows individuals qualifying for the National Board for Professional Teaching Standards (NBPTS) to earn pension benefits on the bonus amounts. Teachers receiving bonuses for earning NBPTS certification make retirement system contributions from the bonus payments and may earn a higher retirement allowance as a result of the salary increase.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	869,771	0	869,771
Total Maintenance Changes	-1,432	0	-1,432
<hr/>			
2007-09 Revised Appropriations	868,339	0	868,339
<hr/>			

*Comments:*

There were no policy level changes.