K-12 Budgets In Brief

Near General Fund ($000s)

Major Items -- Maintenance Level*	House Passed 4/2	Senate Passed 4/6	Passed Leg. 6/29	Comments
I-732 Cost-of-Living-Adjustments	245,000	245,000	245,000	All fund COLAs at inflation-indexed 1.8%/1.3% per law.
Maintenance, Supplies, Operating Costs	742,000	742,000	742,000	All fund requirements for MSOC in basic ed law.
Subtotal	**987,000**	**987,000**	**987,000**	
Major Items -- Policy Level				
Health Benefit Rate Adjustments	203,125	0	24,434	House funded rates at parity with state employees. Final budget makes small increases in rates.
Additional COLA	153,681	0	152,329	House provided additional increase for parity with state employees (3.0% and 1.8%). Final budget provides same salary increases, but one-time only.
Reduce K-3 Class Size	411,765	350,171	350,193	Senate phased in funding by cohort, first to high-poverty schools. House phased in equal annual increments. Final budget takes House approach. All achieve ratio of 17:1.
Family Engagement Coordinators	32,085	0	0	House increased staff allocation based on report of JTFEF*.
Guidance Counselors	25,337	0	0	House increased staff allocations per JTFEF.
Local Effort Assistance	(185)	(20,319)	(20,452)	Senate reduced levy base by excluding MSOC, thus reducing LEA payments. Final budget follows Senate policy.
Bilingual Instruction	12,137	0	0	House increased funded instructional hours per JTFEF.
Expand Full-Day Kindergarten	179,995	187,716	179,813	Senate expanded to 75% enrollment in yr 1, 100% in yr 2. Final takes Senate approach. All proposals fully fund FDK one year ahead of 2018 deadline in SB 2776.
Reform High School Assessments	(29,000)	0	0	House assumed savings from HB 2214, ending Biology EOC and eliminating assessment alternatives.
Highly Capable	15,957	0	0	Senate increased percentage of students eligible and the funded hours of instruction per week.
School Turnaround & Required Action	4,225	3,225	3,225	Funds current policy. House-Senate difference was technical.
Major Policy Items Subtotal	**1,009,122**	**520,793**	**689,542**	
Total above Maintenance Level	**-1,071,573**	**-1,533,815**	**-1,356,332**	
Amendment to I-1351	**-2,042,726**	**-2,042,726**	**-2,042,726**	*Estimated cost of implementing current-law requirements
Total above ML after amend I-1351	**971,153**	**508,911**	**686,394**	** Joint Task Force on Education Funding (December 2012)

2015-17 Operating Budget
Public Schools
(Dollars in Thousands)

	As Passed Legislature (06/29/2015)		House Passed (04/02/2015)		Difference	
	NGF+OpPth*	Total Budgeted	NGF+OpPth	Total Budgeted	NGF+OpPth	Total Budgeted
2013-15 Estimated Expenditures	15,261,910	17,214,557	15,261,910	17,214,557	0	0
2015-17 Maintenance Level **	19,512,336	21,418,313	19,518,068	21,424,045	-5,732	-5,732
Policy Non-Compensation Changes:						
1. Local Effort Assistance	-20,452	-20,452	-185	-185	-20,267	-20,267
2. Staff Mix	-35,714	-35,714	-46,874	-46,874	11,160	11,160
3. CTS Rate Adjustment	-8	-8	0	0	-8	-8
4. Archives/Records Management	2	2	0	0	2	2
5. Audit Services	-1	-1	0	0	-1	-1
6. Legal Services	61	61	0	0	61	61
7. Office of Chief Information Officer	10	10	0	0	10	10
8. Administrative Hearings	48	48	0	0	48	48
9. CTS Central Services	28	28	0	0	28	28
10. DES Central Services	83	83	0	0	83	83
11. Core Financial Systems Replacement	12	12	0	0	12	12
12. Fleet Program Rate Reduction	-2	-2	0	0	-2	-2
13. Time, Leave and Attendance System	20	20	0	0	20	20
14. Self-Insurance Liability Premium	-11	-11	0	0	-11	-11
15. Non-Violence Training	150	150	0	0	150	150
16. Reduce Early Elementary Class Size	350,193	350,193	411,778	411,778	-61,585	-61,585
17. Expand Full-Day Kindergarten	179,813	179,813	179,996	179,996	-183	-183
18. School Turnaround Programs	3,225	3,225	4,225	4,225	-1,000	-1,000
19. Family Engagement Coordinators	0	0	32,130	32,130	-32,130	-32,130
20. Breakfast After the Bell	0	0	2,953	2,953	-2,953	-2,953
21. Project-Based Math and Science	1,000	1,000	1,000	1,000	0	0
22. Kindergarten Readiness WaKIDS	2,838	2,838	2,142	2,142	696	696
23. Institutional Education MSOC	174	174	174	174	0	0
24. Reform High School Assessments	0	0	-29,362	-29,362	29,362	29,362
25. Building Bridges Grant Program	0	762	0	762	0	0
26. Initiative 1351 Class Size	-2,042,726	-2,042,726	-2,042,726	-2,042,726	0	0
27. Special Education Ombuds	100	100	100	100	0	0

2015-17 Operating Budget
Public Schools
(Dollars in Thousands)

28. Norm Referenced Reporting	0	0	76	76	-76	-76
29. Educational Opportunity Gap	0	0	1,957	1,957	-1,957	-1,957
30. Social Emotional Learning	215	215	222	222	-7	-7
31. Dual Language	500	500	1,268	1,268	-768	-768
32. Computer Science Education	239	239	239	239	0	0
33. Dual Credit	0	0	2,956	2,956	-2,956	-2,956
34. Homeless Student Outcomes	0	0	1,000	1,000	-1,000	-1,000
35. Audit Workload	0	0	0	-202	0	202
36. Urban School Turnaround	600	600	600	600	0	0
37. Computer Science Grants	2,000	2,000	2,000	2,000	0	0
38. College Success	2,867	2,867	2,867	2,867	0	0
39. Civil Liberties Education	250	250	250	250	0	0
40. Legislative Youth Advisory Council	0	0	100	100	-100	-100
41. Mental Health Collaboration	0	0	100	100	-100	-100
42. AP/IB Exam Fees	-50	-50	-50	-50	0	0
43. Foster Youth Demonstration Site	0	0	1,015	1,015	-1,015	-1,015
44. Ed Oppty for Military Children	32	32	0	0	32	32
45. Microsoft IT Academy	2,000	2,000	0	0	2,000	2,000
46. Guidance Counselor	0	0	25,337	25,337	-25,337	-25,337
47. Bilingual Instruction	0	0	12,136	12,136	-12,136	-12,136
48. Guidance Counselor CTE Tech Correct	3,451	3,451	0	0	3,451	3,451
49. Career & Technical Education Grants	800	800	400	400	400	400
50. Transportation Funding Adjustment	-1,256	-1,256	-1,256	-1,256	0	0
51. Teacher Mentoring	5,000	5,000	0	0	5,000	5,000
52. Fed and Other Fund Adj.	0	0	0	-56,960	0	56,960
53. Certification Fee Increase	0	0	0	1,787	0	-1,787
54. Local Deductible Revenue to Schools	7,737	7,737	0	0	7,737	7,737
55. AIM Community Grants	250	250	0	0	250	250
56. Technical Correction	0	0	0	2	0	-2
57. Math & Science Prof. Development	1,392	1,392	0	0	1,392	1,392
58. Children's Music Foundation	50	50	0	0	50	50
59. College Bound PSAT	652	652	0	0	652	652
60. Tech. Correction Federal	0	-56,958	0	0	0	-56,958
Policy -- Non-Compensation Total	-1,534,428	-1,590,624	-1,433,432	-1,488,043	-100,996	-102,581

2015-17 Operating Budget
Public Schools
(Dollars in Thousands)

Policy Compensation Changes:						
61. Health Benefit Rate Adjustments	24,434	24,434	207,226	207,226	-182,792	-182,792
62. Additional COLA	0	0	153,681	153,681	-153,681	-153,681
63. State Public Employee Benefits Rate	-71	-118	0	0	-71	-118
64. Nonrep Job Class Specific	24	28	0	0	24	28
65. General Wage Incr-State Employees	1,380	2,241	0	0	1,380	2,241
66. One-Biennium Salary Increase	152,329	152,329	0	0	152,329	152,329
67. TRS Employee Eligibility	0	0	60	98	-60	-98
Policy -- Comp Total	178,096	178,914	360,967	361,005	-182,871	-182,091
Policy Transfer Changes:						
68. Foster Youth Ed. Outcomes	0	0	892	892	-892	-892
Policy -- Transfer Total	0	0	892	892	-892	-892
Total Policy Changes	-1,356,332	-1,411,710	-1,071,573	-1,126,146	-284,759	-285,564
Total Policy Changes w/o 1351 Change	**686,394**	**631,016**	**971,153**	**916,580**	**-284,759**	**-285,564**
Total 2015-17 Biennium	**18,156,004**	**20,006,603**	**18,446,495**	**20,297,899**	**-290,491**	**-291,296**

* NGF+OpPth = General Fund-State + Education Legacy Accunt + Opportunity Pathways Account.

** Maintenance Level includes I-1351 Class Size and I-732 COLAs.

2015-17 Operating Budget
Public Schools

Comments for version: As Passed Legislature (06/29/2015)

1. **Local Effort Assistance** - The calculated local effort assistance cost depends on several variables including variables that affect the school districts' levy base. Policies that increase the cost of the state's program of basic education are assumed to increase the levy base. Additionally, the per pupil inflator (PPI) is adjusted so that the school districts will be permitted to collect, in aggregate, the same amount of local maintenance and operation levies in calendar year 2016 as they are currently collecting in calendar year 2015. The PPI is set at a rate of 4.27 percent for calendar year 2016 and is reduced to 1.09 percent for calendar year 2017.

2. Staff Mix - The continued implementation of state-funded all-day kindergarten and K-3 class size reductions increases state-funded certificated instructional staff (CIS) by 1,901 FTEs in the 2015-16 school year and an additional 3,137 FTEs in the 2016-17 school year. The budget assumes that, for school year 2015-16, approximately one-third of the new state-funded teachers will have zero years of experience, and approximately one-half of the new certificated instructional staff will have a master's degree. For the 2016-17 school year, it is assumed that the new teachers added in the 2015-16 school year will have gained one year of experience and that approximately one-third of the newly added teachers for the 2016-17 school year will be new to teaching. Staff mix, the state's term for average years of experience and educational credits, is reduced to reflect these new hires in the K-12 system.

3. CTS Rate Adjustment - Funding is reduced in agency budgets to reflect adjustments to various rates that the Consolidated Technology Services charges agencies.

4. Archives/Records Management - Funding is adjusted in agencies' budgets to reflect adjustments to rates related to archives and records management through the Secretary of State's Office.

5. Audit Services - Agency budgets are adjusted to update each agency's allocated share of charges.

6. Legal Services - Agency budgets are adjusted to update each agency's allocated share of charges.

7. Office of Chief Information Officer - Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

8. Administrative Hearings - Agency budgets are adjusted to update each agency's allocated share of charges.

9. CTS Central Services - Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs.

10. DES Central Services - Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

11. Core Financial Systems Replacement - Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

12. Fleet Program Rate Reduction - Agency budgets are adjusted to reflect reduced costs for the Department of Enterprise Services' fleet program.

13. Time, Leave and Attendance System - The agency's budget is adjusted to reflect each agency's allocated share of debt service in the 2015-17 biennium for the certificate of participation issued for the Time, Leave and Attendance system.

14. Self-Insurance Liability Premium - Agency budgets are adjusted to reflect updated premium rates and a reduction in billings for the 2015-17 biennium.

15. Non-Violence Training - Increased funding support is provided for school districts and schools to work with the Institute for Community Leadership to implement non-violence curriculum, training and workshops.

16. Reduce Early Elementary Class Size - Chapter 236, Laws of 2010 (SHB 2776) established new funding formulas for basic education programs, requiring class sizes of 17 students for grades kindergarten through three (K-3) by the 2017-18 school year. Funding is provided to phase in reduced class sizes with the largest class size reductions occuring in early grades in the first year and then following the cohort of students who have already received the benefit of state-funded class size reduction in the second year. Additionally, priority is given to high-poverty elementary schools, as measured by those with the highest percentage of students eligible for the federal Free and Reduced-Price Lunch program. Funding is provided to fully implement a class size of 17 for K-1 students in high-poverty schools in the 2016-17 school year. Allocations to school districts are provided in proportion to each school district's demonstrated actual average class size, averaged across all four grades.

17. Expand Full-Day Kindergarten - Chapter 236, Laws of 2010 (SHB 2776) requires statewide basic education funding of all-day kindergarten by the 2017-18 school year. State-funded all-day kindergarten is increased from 43.75 percent of kindergarten enrollment to 71.88 percent in school year 2015-16 and is fully implemented at 100 percent of kindergarten enrollment in school year 2016-17, one year ahead of the statutorily required deadline.

21. School Turnaround Programs - Funding is sufficient to provide grants to school districts identified as persistently lowest achieving and having been listed by the Office of the Superintendent of Public Instruction (OSPI) as a Required Action District. Funds are also provided for staffing at OSPI for the implementation and continued administration of the program.

28. Project-Based Math and Science - Funding is provided for the Office of the Superintendent of Public Instruction to contract with a non-profit organization to integrate English language arts, math and science standards with outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource and agricultural sectors.

29. Kindergarten Readiness WaKIDS - Funding is provided to continue the statewide administration of the Washington Kindergarten Inventory and Developing Skills (WaKIDS) and for one-time implementation and training grants for schools implementing the inventory for the first time. This step assumes the expansion of state-funded full-day kindergarten to 71.88 percent in the 2015-16 school year and fully-implemented in the 2016-17 school year.

30. Institutional Education MSOC - The funding rate for materials, supplies, and operating costs (MSOC) for institutional education programs is increased for curriculum and textbooks, technology, professional development, and 50 percent of other supplies and library materials. The remaining formula components are not increased, as facility operational costs for institutional programs are funded through the Department of Social and Health Services (DSHS) rather than the school districts. This step aligns institutional MSOC with the rates provided to general education students, with the exception of formula costs provided through DSHS.

32. Building Bridges Grant Program - Initiative 502, passed by voters in 2012, authorizes the regulation, sale, and taxation of marijuana for adults over the age of 21. Funding is provided for the Dropout Prevention and Reengagement program to provide grants to Building Bridges programs as authorized by the initiative.

39. Initiative 1351 Class Size - Initiative 1351 (I-1351) changed the state's funding requirements for class size and staffing formulas, with a phase-in schedule estimated at $2 billion for the 2015-17 biennium and full implementation effective September 1, 2018. Other legislation is assumed which modifies the initiative and results in a savings.

40. Special Education Ombuds - The 2014 supplemental operating budget included a provision to transfer the special education ombuds duties and funding from the Office of the Superintendent of Public Instruction to the Office of the Education Ombuds within the Office of the Governor. The provision was subsequently vetoed. Funding is provided to restore the position in the Office of the Superintendent of Public Instruction.

41. Social Emotional Learning - One-time funding is provided for the Superintendent of Public Instruction to convene a work group to make recommendations on comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning for kindergarten through high school. The work group is directed to submit its recommendations to the Legislature's education comittees and to the Office of the Governor by October 1, 2016.

42. Dual Language - One-time funding is provided for the implementation of a pilot program that: creates a dual language pipeline scholarship program; provides technical assistance and support of the expansion and implementation of dual language programs in school districts; and creates a dual language grant program. Funding in the amount of $250,000 per year is provided for grants.

43. Computer Science Education - Funding is provided for the implementation of computer science education. The Superintendent of Public Instruction and the Professional Educators Standards Board (PESB) are directed to adopt computer science learning standards, and the PESB is directed to develop a K-12 computer science endorsement, pursuant to Chapter 3, Laws of 2015 1st sp. (SHB 1813).

44. Urban School Turnaround - One-time funding is provided for the Urban School Turnaround Initiative, providing grants to each of the two schools that received grants under the original program.

45. Computer Science Grants - Funding is provided for a computer science and education grant program to support three purposes: train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and for computer science frontiers grants to introduce students to and engage them in computer science. The Office of the Superintendent of Public Instruction is directed to use the computer science learning standards adopted pursuant to Chapter 3, Laws of 2015 1st sp. (SHB 1813) in implementing the grant.

46. College Success - Washington Achievers Scholars supports community involvement officers in the recruitment, training, and matching of community volunteer mentors with students selected as achievers scholars, providing mentorship to low-income high school juniors and seniors through their freshman year of college. The College Bound Scholarship program provides annual college tuition and a book allowance for low-income Washington students. Funding is provided to expand the Washington Achievers Scholars program within King and Pierce counties. Additionally, funding is provided to replace federal and private dollars that are no longer available to the College Bound Scholarship program.

47. Civil Liberties Education - Funding is provided for the Kip Tokuda Memorial Washington Civil Liberties Public Education Program. The purpose of the program is to fund public educational activities and development of educational materials focused on the events surrounding the exclusion, forced removal, and internment of civilians and permanent resident aliens of Japanese ancestry.

48. AP/IB Exam Fees - Funding for the state's subsidy of advanced placement exam fees, international baccalaureate class fees, and international baccalaureate exam fees is reduced to align with the actual expected expenditures for the program.

49. Ed Oppty for Military Children - Funding is provided for the interstate compact on educational opportunities for military children.

50. Microsoft IT Academy - Additional funding is provided to expand the Microsoft IT Academy in middle schools.

51. Guidance Counselor CTE Tech Correct - Funding is provided to adjust prototypical formula staffing allocations in Career & Technical Education and Skills Centers programs for state-funded education staff associates, correcting a formula error.

52. Career & Technical Education Grants - Funding is provided to increase grants for career and technical education grants, half of which is dedicated to the FIRST Robotics program.

53. Transportation Funding Adjustment - During FY 2014 funding was provided for a supplemental transportation funding adjustment to assist efficient school districts that had exceptional circumstances, such as geographic anomalies

not accounted for in the expected cost model, in the transition to the new, fully funded, expected cost pupil transportation funding model. This supplemental funding adjustment is eliminated.

54. Teacher Mentoring - Funding is provided to expand the number of teachers that may participate in the Beginning Educator Support Team (BEST) program at OSPI. BEST provides grants to school districts to provide an enhanced level of support and professional development for new teachers.

57. Local Deductible Revenue to Schools - Under current law, timber revenues to school districts from most federal lands are a local deductible revenue and are used to offset the state's general apportionment allocations. Congress reauthorized the Secure Rural Schools payment for two years. Pursuant to the budget policy, on a one-time basis for the 2015-17 biennium, school districts will be allowed to retain the local deductible revenues.

58. AIM Community Grants - Funding is provided for a pilot program for academic, innovation, and mentoring in five communities statewide. The grants will fund expanded learning opportunity grants to community-based organizations. The purpose of the program is to enable eligible neighborhood youth development entities to provide out-of-school programs for youth ages six to eighteen years of age that include educational services, mentoring and linkages to positive, pro-social leisure, and recreational activities. The programs must be designed for mentoring and academic enrichment which include at least two of the following three activity areas: (a) science, technology, engineering, and math (STEM); (b) homework support and high-yield learning opportunities; and (c) career exploration.

59. Math & Science Prof. Development - One-time funding is provided for professional development and coaching for state-funded math and science high school teachers by the science and mathematics coordinators at the educational service districts for the 2015-16 school year. The professional development must include instructional strategies and curriculum-specific training to improve outcomes for the statewide high school mathematics assessment or the high school biology assessment.

60. Children's Music Foundation - Funding is provided for the office of the superintendent of public instruction to partner with a non-profit organization providing music curriculum for Kindergarten and First grade students and to establish a grant program that provides start-up costs and materials for integrated music curriculum that links together other core curriculum. Preference is to be given to Title 1 schools, Head Start programs, Early Childhood Education and Assistance Program sites, high poverty schools, schools with high mobility, and schools with low student achievement.

61. College Bound PSAT - One-time funding is provided for the administration of the Preliminary Scholastic Aptitude Test (PSAT) to ninth and tenth grade participants in the college bound program. OSPI will partner with a national non-profit organization that offers aptitude test. The organization will provide: annual feedback on student progress; feedback regarding student outcomes; access to state-of-the-art learning tools including free, personalized practice; access to college and career planning tools; outreach to high-achieving, low-income students, to increase enrollment applications to public four-year institutions of higher education; and will provide at no cost to income eligible students the opportunity to take the PSAT twice.

62. Tech. Correction Federal - Federal funding levels are adjusted to reflect updated information provided by the Office of the Superintendent of Public Instruction on March 27, 2015.

63. Health Benefit Rate Adjustments - The state funded health benefit rate for state-funded certificated instructional staff and certificated administrative staff is increased from a monthly rate of $768 to a rate of $780, beginning in the 2015-16 school year. The rate for state-funded classified staff is increased from $884.74 per month to $898.56. The rate increase for state-funded classified staff includes the impact of the classified benefit factor.

65. State Public Employee Benefits Rate - Health insurance funding is provided for state employees employed by general government agencies and institutions of higher education. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. Based on claims data from the quarter ending in March, 2015, and assuming that secular inflation meets or exceeds average growth rates projected for private health insurance (4.2 percent per year), the insurance funding rate is adjusted from the carry-forward level of $880 to $840 per employee per month for FY 2016 and $894 per employee per month for FY 2017. Surcharges for tobacco use and for spouses and domestic partners waiving other employer-offered coverage will continue during the 2015-17 biennium under the same terms as in FY 2015. (General Fund-State, various other accounts)

66. Nonrepresented Job Class Specific - Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State, various other accounts)

67. General Wage Increase-State Employees - Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn $2,500 per month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a $20 per month increase for employees who earn less than $2,500 per month, effective July 1, 2016. This item includes general government workers. (General Fund-State, various other accounts)

68. One-Biennium Salary Increase - Funding is provided for a one-biennium additional salary increase of 1.2 percent for the 2015-16 school year and 0.6 percent in the 2016-17 school year. Taken together with the I-732 COLA, the total salary increase for these two school years is 3.0 percent and 1.8 percent. The additional salary increase is one-time and expires August 31, 2017.

2015-17 Operating Budget
Public Schools
(Dollars in Thousands)

	As Passed Legislature (06/29/2015)		Senate Passed (04/06/2015)		Difference	
	NGF+OpPth*	Total Budgeted	NGF+OpPth	Total Budgeted	NGF+OpPth	Total Budgeted
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Policy Non-Compensation Changes:						
1. Local Effort Assistance	-20,452	-20,452	-20,319	-20,319	-133	-133
2. Staff Mix	-35,714	-35,714	-38,049	-38,049	2,335	2,335
3. CTS Rate Adjustment	-8	-8	0	0	-8	-8
4. Archives/Records Management	2	2	0	0	2	2
5. Audit Services	-1	-1	0	0	-1	-1
6. Legal Services	61	61	0	0	61	61
7. Office of Chief Information Officer	10	10	0	0	10	10
8. Administrative Hearings	48	48	0	0	48	48
9. CTS Central Services	28	28	0	0	28	28
10. DES Central Services	83	83	0	0	83	83
11. Core Financial Systems Replacement	12	12	0	0	12	12
12. Fleet Program Rate Reduction	-2	-2	0	0	-2	-2
13. Time, Leave and Attendance System	20	20	0	0	20	20
14. Self-Insurance Liability Premium	-11	-11	0	0	-11	-11
15. Non-Violence Training	150	150	150	150	0	0
16. Reduce Early Elementary Class Size	350,193	350,193	350,171	350,171	22	22
17. Expand Full-Day Kindergarten	179,813	179,813	187,716	187,716	-7,903	-7,903
18. School Turnaround Programs	3,225	3,225	3,225	3,225	0	0
19. Project-Based Math and Science	1,000	1,000	1,000	1,000	0	0
20. Kindergarten Readiness WaKIDS	2,838	2,838	2,871	2,871	-33	-33
21. Institutional Education MSOC	174	174	174	174	0	0
22. Building Bridges Grant Program	0	762	0	0	0	762
23. Initiative 1351 Class Size	-2,042,726	-2,042,726	-2,042,726	-2,042,726	0	0
24. Special Education Ombuds	100	100	100	100	0	0
25. Social Emotional Learning	215	215	215	215	0	0
26. Dual Language	500	500	500	500	0	0
27. Computer Science Education	239	239	239	239	0	0
28. Urban School Turnaround	600	600	0	0	600	600

2015-17 Operating Budget
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(Dollars in Thousands)

29. Computer Science Grants	2,000	2,000	2,000	2,000	0	0
30. College Success	2,867	2,867	0	0	2,867	2,867
31. Civil Liberties Education	250	250	250	250	0	0
32. AP/IB Exam Fees	-50	-50	0	0	-50	-50
33. Ed Oppty for Military Children	32	32	0	0	32	32
34. Microsoft IT Academy	2,000	2,000	0	0	2,000	2,000
35. Guidance Counselor CTE Tech Correct	3,451	3,451	0	0	3,451	3,451
36. Career & Technical Education Grants	800	800	1,200	1,200	-400	-400
37. Transportation Funding Adjustment	-1,256	-1,256	0	0	-1,256	-1,256
38. Teacher Mentoring	5,000	5,000	0	0	5,000	5,000
39. Local Deductible Revenue to Schools	7,737	7,737	0	0	7,737	7,737
40. Paraeducator Development	0	0	1,659	1,659	-1,659	-1,659
41. Regional School Safety	0	0	1,866	1,866	-1,866	-1,866
42. AIM Community Grants	250	250	500	500	-250	-250
43. Highly Capable	0	0	15,957	15,957	-15,957	-15,957
44. Math & Science Prof. Development	1,392	1,392	0	0	1,392	1,392
45. Children's Music Foundation	50	50	50	50	0	0
46. College Bound PSAT	652	652	750	750	-98	-98
47. Tech. Correction Federal	0	-56,958	0	-56,958	0	0
Policy -- Non-Compensation Total	-1,534,428	-1,590,624	-1,530,501	-1,587,459	-3,927	-3,165
Policy Compensation Changes:						
48. Health Benefit Rate Adjustments	24,434	24,434	0	0	24,434	24,434
49. State Public Employee Benefits Rate	-71	-118	0	0	-71	-118
50. Nonrep Job Class Specific	24	28	0	0	24	28
51. General Wage Incr-State Employees	1,380	2,241	0	0	1,380	2,241
52. One-Biennium Salary Increase	152,329	152,329	0	0	152,329	152,329
Policy -- Comp Total	178,096	178,914	0	0	178,096	178,914
Policy Transfer Changes:						
53. Transfer PESB Scholarships to WSAC	0	0	-3,314	-3,314	3,314	3,314
Policy -- Transfer Total	0	0	-3,314	-3,314	3,314	3,314
Total Policy Changes	-1,356,332	-1,411,710	-1,533,815	-1,590,773	177,483	179,063
Total Policy Changes w/o I-1351 Change	**686,394**	**631,016**	**508,911**	**451,953**	**177,483**	**179,063**
Total 2015-17 Biennium	**18,156,004**	**20,006,603**	**17,984,253**	**19,833,272**	**171,751**	**173,331**

* NGF+OpPth = General Fund-State + Education Legacy Account + Opportunity Pathways Account. ** Maintenance Level includes I-1351 and I-732 COLAs.

2015-17 Operating Budget
Public Schools

Comments for version: As Passed Legislature (06/29/2015)

1. **Local Effort Assistance** - The calculated local effort assistance cost depends on several variables including variables that affect the school districts' levy base. Policies that increase the cost of the state's program of basic education are assumed to increase the levy base. Additionally, the per pupil inflator (PPI) is adjusted so that the school districts will be permitted to collect, in aggregate, the same amount of local maintenance and operation levies in calendar year 2016 as they are currently collecting in calendar year 2015. The PPI is set at a rate of 4.27 percent for calendar year 2016 and is reduced to 1.09 percent for calendar year 2017.

2. Staff Mix - The continued implementation of state-funded all-day kindergarten and K-3 class size reductions increases state-funded certificated instructional staff (CIS) by 1,901 FTEs in the 2015-16 school year and an additional 3,137 FTEs in the 2016-17 school year. The budget assumes that, for school year 2015-16, approximately one-third of the new state-funded teachers will have zero years of experience, and approximately one-half of the new certificated instructional staff will have a master's degree. For the 2016-17 school year, it is assumed that the new teachers added in the 2015-16 school year will have gained one year of experience and that approximately one-third of the newly added teachers for the 2016-17 school year will be new to teaching. Staff mix, the state's term for average years of experience and educational credits, is reduced to reflect these new hires in the K-12 system.

3. CTS Rate Adjustment - Funding is reduced in agency budgets to reflect adjustments to various rates that the Consolidated Technology Services charges agencies.

4. Archives/Records Management - Funding is adjusted in agencies' budgets to reflect adjustments to rates related to archives and records management through the Secretary of State's Office.

5. Audit Services - Agency budgets are adjusted to update each agency's allocated share of charges.

6. Legal Services - Agency budgets are adjusted to update each agency's allocated share of charges.

7. Office of Chief Information Officer - Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

8. Administrative Hearings - Agency budgets are adjusted to update each agency's allocated share of charges.

9. CTS Central Services - Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs.

10. DES Central Services - Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

11. Core Financial Systems Replacement - Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

12. Fleet Program Rate Reduction - Agency budgets are adjusted to reflect reduced costs for the Department of Enterprise Services' fleet program.

13. Time, Leave and Attendance System - The agency's budget is adjusted to reflect each agency's allocated share of debt service in the 2015-17 biennium for the certificate of participation issued for the Time, Leave and Attendance system.

14. Self-Insurance Liability Premium - Agency budgets are adjusted to reflect updated premium rates and a reduction in billings for the 2015-17 biennium.

15. Non-Violence Training - Increased funding support is provided for school districts and schools to work with the Institute for Community Leadership to implement non-violence curriculum, training and workshops.

16. Reduce Early Elementary Class Size - Chapter 236, Laws of 2010 (SHB 2776) established new funding formulas for basic education programs, requiring class sizes of 17 students for grades kindergarten through three (K-3) by the 2017-18 school year. Funding is provided to phase in reduced class sizes with the largest class size reductions occuring in early grades in the first year and then following the cohort of students who have already received the benefit of state-funded class size reduction in the second year. Additionally, priority is given to high-poverty elementary schools, as measured by those with the highest percentage of students eligible for the federal Free and Reduced-Price Lunch program. Funding is provided to fully implement a class size of 17 for K-1 students in high-poverty schools in the 2016-17 school year. Allocations to school districts are provided in proportion to each school district's demonstrated actual average class size, averaged across all four grades.

17. Expand Full-Day Kindergarten - Chapter 236, Laws of 2010 (SHB 2776) requires statewide basic education funding of all-day kindergarten by the 2017-18 school year. State-funded all-day kindergarten is increased from 43.75 percent of kindergarten enrollment to 71.88 percent in school year 2015-16 and is fully implemented at 100 percent of kindergarten enrollment in school year 2016-17, one year ahead of the statutorily required deadline.

21. School Turnaround Programs - Funding is sufficient to provide grants to school districts identified as persistently lowest achieving and having been listed by the Office of the Superintendent of Public Instruction (OSPI) as a Required Action District. Funds are also provided for staffing at OSPI for the implementation and continued administration of the program.

28. Project-Based Math and Science - Funding is provided for the Office of the Superintendent of Public Instruction to contract with a non-profit organization to integrate English language arts, math and science standards with outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource and agricultural sectors.

29. Kindergarten Readiness WaKIDS - Funding is provided to continue the statewide administration of the Washington Kindergarten Inventory and Developing Skills (WaKIDS) and for one-time implementation and training grants for schools implementing the inventory for the first time. This step assumes the expansion of state-funded full-day kindergarten to 71.88 percent in the 2015-16 school year and fully-implemented in the 2016-17 school year.

30. Institutional Education MSOC - The funding rate for materials, supplies, and operating costs (MSOC) for institutional education programs is increased for curriculum and textbooks, technology, professional development, and 50 percent of other supplies and library materials. The remaining formula components are not increased, as facility operational costs for institutional programs are funded through the Department of Social and Health Services (DSHS) rather than the school districts. This step aligns institutional MSOC with the rates provided to general education students, with the exception of formula costs provided through DSHS.

32. Building Bridges Grant Program - Initiative 502, passed by voters in 2012, authorizes the regulation, sale, and taxation of marijuana for adults over the age of 21. Funding is provided for the Dropout Prevention and Reengagement program to provide grants to Building Bridges programs as authorized by the initiative.

39. Initiative 1351 Class Size - Initiative 1351 (I-1351) changed the state's funding requirements for class size and staffing formulas, with a phase-in schedule estimated at $2 billion for the 2015-17 biennium and full implementation effective September 1, 2018. Other legislation is assumed which modifies the initiative and results in a savings.

40. Special Education Ombuds - The 2014 supplemental operating budget included a provision to transfer the special education ombuds duties and funding from the Office of the Superintendent of Public Instruction to the Office of the Education Ombuds within the Office of the Governor. The provision was subsequently vetoed. Funding is provided to restore the position in the Office of the Superintendent of Public Instruction.

41. Social Emotional Learning - One-time funding is provided for the Superintendent of Public Instruction to convene a work group to make recommendations on comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning for kindergarten through high school. The work group is directed to submit its recommendations to the Legislature's education comittees and to the Office of the Governor by October 1, 2016.

42. Dual Language - One-time funding is provided for the implementation of a pilot program that: creates a dual language pipeline scholarship program; provides technical assistance and support of the expansion and implementation of dual language programs in school districts; and creates a dual language grant program. Funding in the amount of $250,000 per year is provided for grants.

43. Computer Science Education - Funding is provided for the implementation of computer science education. The Superintendent of Public Instruction and the Professional Educators Standards Board (PESB) are directed to adopt computer science learning standards, and the PESB is directed to develop a K-12 computer science endorsement, pursuant to Chapter 3, Laws of 2015 1st sp. (SHB 1813).

44. Urban School Turnaround - One-time funding is provided for the Urban School Turnaround Initiative, providing grants to each of the two schools that received grants under the original program.

45. Computer Science Grants - Funding is provided for a computer science and education grant program to support three purposes: train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and for computer science frontiers grants to introduce students to and engage them in computer science. The Office of the Superintendent of Public Instruction is directed to use the computer science learning standards adopted pursuant to Chapter 3, Laws of 2015 1st sp. (SHB 1813) in implementing the grant.

46. College Success - Washington Achievers Scholars supports community involvement officers in the recruitment, training, and matching of community volunteer mentors with students selected as achievers scholars, providing mentorship to low-income high school juniors and seniors through their freshman year of college. The College Bound Scholarship program provides annual college tuition and a book allowance for low-income Washington students. Funding is provided to expand the Washington Achievers Scholars program within King and Pierce counties. Additionally, funding is provided to replace federal and private dollars that are no longer available to the College Bound Scholarship program.

47. Civil Liberties Education - Funding is provided for the Kip Tokuda Memorial Washington Civil Liberties Public Education Program. The purpose of the program is to fund public educational activities and development of educational materials focused on the events surrounding the exclusion, forced removal, and internment of civilians and permanent resident aliens of Japanese ancestry.

48. AP/IB Exam Fees - Funding for the state's subsidy of advanced placement exam fees, international baccalaureate class fees, and international baccalaureate exam fees is reduced to align with the actual expected expenditures for the program.

49. Ed Oppty for Military Children - Funding is provided for the interstate compact on educational opportunities for military children.

50. Microsoft IT Academy - Additional funding is provided to expand the Microsoft IT Academy in middle schools.

51. Guidance Counselor CTE Tech Correct - Funding is provided to adjust prototypical formula staffing allocations in Career & Technical Education and Skills Centers programs for state-funded education staff associates, correcting a formula error.

52. Career & Technical Education Grants - Funding is provided to increase grants for career and technical education grants, half of which is dedicated to the FIRST Robotics program.

53. Transportation Funding Adjustment - During FY 2014 funding was provided for a supplemental transportation funding adjustment to assist efficient school districts that had exceptional circumstances, such as geographic anomalies

not accounted for in the expected cost model, in the transition to the new, fully funded, expected cost pupil transportation funding model. This supplemental funding adjustment is eliminated.

54. Teacher Mentoring - Funding is provided to expand the number of teachers that may participate in the Beginning Educator Support Team (BEST) program at OSPI. BEST provides grants to school districts to provide an enhanced level of support and professional development for new teachers.

57. Local Deductible Revenue to Schools - Under current law, timber revenues to school districts from most federal lands are a local deductible revenue and are used to offset the state's general apportionment allocations. Congress reauthorized the Secure Rural Schools payment for two years. Pursuant to the budget policy, on a one-time basis for the 2015-17 biennium, school districts will be allowed to retain the local deductible revenues.

58. AIM Community Grants - Funding is provided for a pilot program for academic, innovation, and mentoring in five communities statewide. The grants will fund expanded learning opportunity grants to community-based organizations. The purpose of the program is to enable eligible neighborhood youth development entities to provide out-of-school programs for youth ages six to eighteen years of age that include educational services, mentoring and linkages to positive, pro-social leisure, and recreational activities. The programs must be designed for mentoring and academic enrichment which include at least two of the following three activity areas: (a) science, technology, engineering, and math (STEM); (b) homework support and high-yield learning opportunities; and (c) career exploration.

59. Math & Science Prof. Development - One-time funding is provided for professional development and coaching for state-funded math and science high school teachers by the science and mathematics coordinators at the educational service districts for the 2015-16 school year. The professional development must include instructional strategies and curriculum-specific training to improve outcomes for the statewide high school mathematics assessment or the high school biology assessment.

60. Children's Music Foundation - Funding is provided for the office of the superintendent of public instruction to partner with a non-profit organization providing music curriculum for Kindergarten and First grade students and to establish a grant program that provides start-up costs and materials for integrated music curriculum that links together other core curriculum. Preference is to be given to Title 1 schools, Head Start programs, Early Childhood Education and Assistance Program sites, high poverty schools, schools with high mobility, and schools with low student achievement.

61. College Bound PSAT - One-time funding is provided for the administration of the Preliminary Scholastic Aptitude Test (PSAT) to ninth and tenth grade participants in the college bound program. OSPI will partner with a national non-profit organization that offers aptitude test. The organization will provide: annual feedback on student progress; feedback regarding student outcomes; access to state-of-the-art learning tools including free, personalized practice; access to college and career planning tools; outreach to high-achieving, low-income students, to increase enrollment applications to public four-year institutions of higher education; and will provide at no cost to income eligible students the opportunity to take the PSAT twice.

62. Tech. Correction Federal - Federal funding levels are adjusted to reflect updated information provided by the Office of the Superintendent of Public Instruction on March 27, 2015.

63. Health Benefit Rate Adjustments - The state funded health benefit rate for state-funded certificated instructional staff and certificated administrative staff is increased from a monthly rate of $768 to a rate of $780, beginning in the 2015-16 school year. The rate for state-funded classified staff is increased from $884.74 per month to $898.56. The rate increase for state-funded classified staff includes the impact of the classified benefit factor.

65. State Public Employee Benefits Rate - Health insurance funding is provided for state employees employed by general government agencies and institutions of higher education. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. Based on claims data from the quarter ending in March, 2015, and assuming that secular inflation meets or exceeds average growth rates projected for private health insurance (4.2 percent per year), the insurance funding rate is adjusted from the carry-forward level of $880 to $840 per employee per month for FY 2016 and $894 per employee per month for FY 2017. Surcharges for tobacco use and for spouses and domestic partners waiving other employer-offered coverage will continue during the 2015-17 biennium under the same terms as in FY 2015. (General Fund-State, various other accounts)

66. Nonrepresented Job Class Specific - Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State, various other accounts)

67. General Wage Increase-State Employees - Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn $2,500 per month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a $20 per month increase for employees who earn less than $2,500 per month, effective July 1, 2016. This item includes general government workers. (General Fund-State, various other accounts)

68. One-Biennium Salary Increase - Funding is provided for a one-biennium additional salary increase of 1.2 percent for the 2015-16 school year and 0.6 percent in the 2016-17 school year. Taken together with the I-732 COLA, the total salary increase for these two school years is 3.0 percent and 1.8 percent. The additional salary increase is one-time and expires August 31, 2017.