



# ***This Week in Olympia***

## **Washington Association of School Administrators**

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## ***Special Edition House Releases Budget***

**March 31, 2009**

**This is the 79th day of  
the  
Jan. 12 through April 26  
2009 Regular Session  
(26 to go).**

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Following the release of the Senate budgets yesterday, the House unveiled its budgets today (Tuesday, March 31). Both proposals for the 2009-2011 operating budget tackle the daunting task of dealing with a \$9B deficit—the largest in state history.

As in every other area of state government, school districts must now carry out the same daunting task at the local level, based on the two scenarios now before us. Unfortunately, while the budget writers deal with facts and figures, school superintendents and school boards must face the human factor. The layoffs that will be necessary for districts to balance their budgets translate into real people losing real jobs and real kids losing real programs, real teachers and real support services.

The House Budget documents can be found at:

<http://leap.leg.wa.gov/leap/budget/detail/2009/ho0911p.asp>.

Information for K-12 is found on pages 93-151 of the House Proposed Operating Budget (PSHB 1244), on pages 7-9 of the Summary and pages 160-181 of the Agency Details. A comparison of the House and Senate budgets used by OSPI on today's K-20 **can be found here**. District by district charts for the House budget are not yet available, but we will put a link on WASA's website as soon as we receive them. Working with the governor, differences between the two budgets must now be resolved. As legislators work toward a final budget (by April 26), they must hear from you. While there is no more money, (the federal stimulus has been included in the budget calculations), it is extremely

### HOUSE OPERATING BUDGET

important that they clearly understand what the impact of the budget cuts will be to districts across the state. We are asking every school district to contact their local legislators and let them know what you anticipate will be the losses (people, programs, increased class size, etc.) your school community will experience based on either or both scenarios. (Impacts of the Senate proposal were provided in Monday's (3/30) TWIO on [www.wasa-oly.org](http://www.wasa-oly.org). Let them know that the stimulus dollars will be gone in two years—and when they go away so will the people and programs the funds covered. The stimulus is only a band-aid. We do not want to hear even one legislator say, “Well, I know it’s a bad budget, but I haven’t heard from my schools.” (Legislator’s email addresses can be found on WASA’s website in the 2009 Session Guide.)

**MAJOR DIFFERENCES: HOUSE vs SENATE**

DIFFERENCES

Formula or Statewide Allocations:  
Statement of Change

1		Senate	House
2	I-728	93% reduction; funding partially replaced with Federal Stabilization and Integration of Federal Categorical	63% reduction; funding partially replaced with Federal Stabilization
3	Levy Equalization	80% reduction; Same as I-728	No reduction
4	K-4 Ratio	1:49 at K-3 funded; must staff to 46/1,000 K-12	1:53.2 at K-4 funded; must staff to 46/1,000 K-12
5	Continue \$25 M in Pupil Transportation	No	No
6	Continue 1:58.75 CLS	No; Drop back to 1:60 (\$38.6 M reduction)	Yes

Preliminary OSPI Analysis of Senate and House Budgets

3/30/2009

**SUMMARY OF HOUSE K-12/EARLY LEARNING BUDGET CHANGES**

Information is provided below, prepared by legislative staff, on the changes the House made to the 2007-2009 Operating Budget.

SUMMARY OF HOUSE  
K-12 BUDGET

**K-12 BUDGET CHANGES**

**Fiscal Stabilization Grant and Education Funding (-\$709.0 million General Fund-State, \$1,159.0 million General Fund-Federal)**

**Additional federal funding is made available through the American Recovery and Reinvestment Act.** An amount of \$135 million will support programs for struggling students through existing funding formulas for federal Title 1 programs. An additional \$221 million will be allocated to support services for special education students through formulas contained in the Individuals with Disabilities Education Act (IDEA). An additional \$8.7 million will support enhancements to the use of technology in education as specified in Part D of the Elementary and Secondary Education Act. For these three programs, the House budget proposal provides 20 percent appropriation authority in fiscal year 2009 and the remaining 80 percent in the 2009-11 biennium.

Finally, approximately \$450 million of the federal fiscal stabilization funding supports the Student Achievement Program in fiscal year 2009 and an additional \$260 million in fiscal year 2010.

## SUMMARY

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### **Enhancements**

#### **Redefining Basic Education Funding (\$3.0 million General Fund-State)**

Funding is provided for implementation of SHB 2261, which proposes elements of a new school funding structure based on recommendations of the Basic Education Task Force. The funding will support the work of technical experts in developing the formulas, as well as modifications to OSPI information technology systems to support the data requirements of the new system.

#### **Dropout Reengagement System (\$4.1 million General Fund-State)**

Funding is provided to implement Substitute House Bill 1418, which creates a state-wide dropout reengagement system to bring high school drop-outs back to school in a variety of educational venues to earn their diploma. The reengagement system is coordinated through the educational service districts, and may include community and technical colleges as well as community-based organizations. The funding levels reflect an assumption that 500 high school drop-outs will be reengaged in the school system by the end of the 2011-12 school year.

#### **School District Fund Balance Restoration Grants (\$2.1 million General Fund-State)**

Funding is provided for one-time grants to school districts with low fund balances based on 2007-2008 school year financial data. Districts with fewer than 500 students are eligible for grants to restore total fund balance up to 5 percent. Districts with 500 or more students are eligible for grants to restore total fund balance up to 2 percent.

#### **Additional Flexibility for K-4 Certificated Instructional Staff Allocations (\$2.2 million General Fund-State)**

Under current law, districts must staff up to 53.2 certificated instructional staff per 1,000 students in grades K-4 to keep the full certificated instructional staff allocation. This proposal eliminates that requirement, and the funding level reflects the estimated biennial amount previously retained by the state that will now go to school districts.

### **Savings/Reductions**

#### **Reduce Student Achievement Program (-\$767.5 million General Fund-State; \$260.0 million General Fund-Federal)**

Funding for the Student Achievement Program is reduced. Funding levels reflect per student allocations of \$184 per student in the 2009-10 school year, and \$152 per student in the 2010-11 school year. Approximately \$260 million of federal fiscal stabilization funding made available through the American Recovery and Reinvestment Act supports these per student allocations in the 2009-11 biennium.

#### **Suspend Initiative 732 COLA (-\$357.0 million General Fund-State; -\$2.1 million Education Legacy Trust Account-State)**

The annual cost-of-living increases provided to school employees through Initiative 732 are suspended for the 2009-11 biennium. These cost-of-living increases were estimated at 4.2 percent for the 2009-10 School Year and 0.1 percent for the 2010-11 School Year based on the Seattle Consumer Price Index.

#### **Remove Two Learning Improvement Days (-\$71.8 million General Fund-State)**

Funding for two learning improvement days allocated through the general apportionment formulas is discontinued. The funding level reflects a 1.1 percent reduction in salary levels on the state salary guide for certificated instructional staff. With this reduction, the average state-funded salary for teachers during the 2009-11 is estimated to be \$52,500.

#### **Professional Development Changes (-\$39.7 million Education Legacy Trust Account-State)**

Funding for professional development in the areas of math and science is discontinued. The funding supported additional learning improvement days for middle and high school math and science teachers to receive professional development on new math and science curriculum standards and best practices.

## SUMMARY

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### **Changes to the State Assessment System (-\$10.1 million General Fund-State)**

Funding is reduced by \$2.9 million to reflect projected savings from eliminating the integrated I and integrated II end-of-course high school math tests, as proposed in Second Substitute House Bill 1646. Additionally, a reduction of \$7.2 million reflects projected savings from redesigning the state required assessments, including shortening the tests and including fewer extended response test questions.

### **Library Services Allocation (-\$8.0 million General Fund-State)**

Funding for the school library services allocation in the educator reform budget is discontinued. The allocation supported per student allocations of about \$4 per student to school districts for library-related materials and expenses.

## **EARLY LEARNING**

### **ARRA**

#### **Fiscal Stabilization Grant: ARRA (-\$3 million General Fund-State; \$23.0 million General Fund-Federal)**

In the American Recovery and Reinvestment Act (ARRA) of 2009, the federal government provided additional funds under the Child Care Development Block Grant (CCDBG). These funds are to be used in line with current CCDBG policy, with specific amounts set aside for quality improvement programs and infant/toddler programs. For the 2009-11 biennium funding is provided the Child Care Career and Wage Ladder within these funds.

### **Enhancements**

#### **Homeless Care Subsidy Increase (\$2.3 million General Fund-Federal)**

Funding is provided to increase the Homeless Child Care (HCC) subsidy rates to be equivalent to those in the 2007-09 family home child care collective bargaining agreement. In addition, the HCC program is expanded to all counties. Increases will also be made to the homeless enhancement bonus that is paid to licensed child care providers as an incentive to accept homeless children into their care.

### **Savings/Reductions**

#### **Vendor Rate Reduction (-\$2.7 million General Fund-State)**

A vendor rate reduction is taken in the 2009-11 biennium for enrolled slots in the Early Childhood Education and Assistance Program (ECEAP), the state-funded preschool program. The current average rate per slot is \$6,659. Vendor rates for enrollment slots are reduced by 2.5 percent. This amounts to \$166 reduction per slot per year. There is no change to the number of ECEAP slots from the 2007-09 biennium.

#### **Child Care Resource and Referral (-\$1.7 million General Fund-State)**

General Fund-State funding for the Child Care Resource and Referral Network is removed in the 2009-11 budget. The Child Care Resource and Referral Network provides parents with information on child care providers in their area.

## **DETAILS OF THE HOUSE K-12 BUDGET CHANGES**

Legislative staff also prepare a document outlining the details of the changes by program. This information found in the "Proposed 2009-11 Biennial (House) Operating Budget and 2009 2nd Supplemental-Agency Detail" is provided below.

## DETAILS

### **STATEWIDE PROGRAMS**

1. District Financial Health - Funding is provided for grants to school districts with low fund balances based on 2007-2008 school year financial data. Districts with fewer than 500 students are eligible for grants to restore total fund balance up to 5 percent. Districts with 500 or more students are eligible for grants to restore total fund balance up to 2 percent. The Office of the Superintendent of Public Instruction is to stay within the funding provided and restore fund balances of eligible districts to the 2 percent and 5 percent thresholds in a proportional manner to the extent funds will allow.  
+\$2,173,000

## DETAILS

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2. Administrative Efficiency Savings - Funding is reduced to reflect additional administrative efficiencies in state agencies. Agencies will, to the greatest extent practicable, accomplish these savings by reducing management costs including Washington Management Service (WMS) positions, reductions or freezes in salaries, reducing other administrative costs, and improved efficiencies. Agencies will also work to minimize any impacts to clients and front line staff. Any savings must be consistent with collective bargaining agreements. -\$1,468,000

3. Apportionment and Financial Systems - Funding is provided to complete the replacement of the school apportionment and financial software systems utilized by the Office of the Superintendent of Public Instruction for allocating school funding to school districts. This is the final year of a multi-year implementation process. +\$1,243,000

4. Basic Education Redefinition - Funding is provided for implementation of Substitute House Bill 2261 (state's education system). Funding is provided for workgroups to follow up on the recommendations of the Basic Education Task Force, as well as necessary modifications of the Office of the Superintendent of Public Instruction data systems to implement the new funding formulas proposed in the bill. +3,000,000

5. Cispus - Funding for the Cispus Environmental Learning Center is discontinued. The Center provides facilities for outdoor environmental and science education for elementary school students. -\$62,000

6. Safety Center - Funding for the School Safety Office at the Office of the Superintendent of Public Instruction is discontinued. The office issues safety guidance for schools, and provides technical assistance to districts in developing school safety plans. -\$192,000

7. Staff Recognition Award - Funding for recognition awards for classified staff working in Washington schools is discontinued. -\$84,000

8. Administrative Reduction - Savings are realized from administrative reductions at the Office of the Superintendent of Public Instruction. -\$3,474,000

9. Washington Achievers Scholar - Funding for the Washington Achiever Scholars program is reduced by 20 percent. The program provides mentorship to low-income high school students through the high school to college transition in cooperation with the College Success Foundation. -\$400,000

10. Navigation 101 - Funding for Navigation 101 programs is reduced. Navigation 101 is a curriculum-based guidance process that helps students determine career goals and develops action steps towards achieving those goals. Funding for planning and implementation grants to districts is discontinued, and \$500,000 for statewide coordination and technical assistance at the Office of the Superintendent of Public Instruction remains funded. -\$5,938,000

11. Alternate Routes - Funding for alternate route programs for prospective teachers is reduced by approximately 40 percent. The program is administered by the Professional Educator Standards Board and is designed to recruit teachers in shortage areas. -\$3,578,000

12. Communities in Schools - Funding for a drop-out prevention program coordinated by Communities in Schools of Pierce County is eliminated. -\$50,000

13. Building Bridges Grants - Funding for the Building Bridges program is reduced by 50 percent. The program awards grants to local school-community partnerships to address drop-out prevention, intervention, and retrieval issues. -\$2,500,000

14. School Safety Plans - Funding for school safety planning is eliminated. The fund-

DETAILS

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ing supported planning grants to districts to develop comprehensive school safety plans and conduct safety drills. -\$1,600,000

15. Anti-bias Training - Funding for anti-bias training and cultural competency training programs is eliminated. The program has funded pilot programs in Federal Way, Renton, Nooksak Valley, and Burlington Edison. -\$650,000

16. Dyslexia Pilot Project - Funding for a dyslexia pilot program is discontinued. The pilot programs provide professional development on best practices regarding reading achievement for dyslexic students. -\$588,000

17. Non-violence Leadership Training - Funding for the Institute for Community Leadership to do nonviolence training in Washington schools is discontinued. The program provides anti-violence workshops and trainings in school districts. -\$542,000

18. Civil Liberties Education - Funding for a civil liberties education program is discontinued. The program creates educational materials, videos, and curriculum guides building awareness of World War II and Japanese internment issues. -\$292,000

19. Legislative Youth Advisory Council - Funding for the Legislative Youth Advisory Council is discontinued. The program facilitates youth involvement in the legislative process. -\$288,000

20. Youth Suicide Prevention - Funding for youth suicide prevention programs is discontinued. The program creates curriculum and tools to raise awareness concerning the causes of youth suicide. -\$200,000

21. Classified Staff Training - Funding for training programs at the Office of the Superintendent of Public Instruction summer institutes focused on classified staff serving in instructional aid positions is discontinued. -\$200,000

22. Vocational Student Organizations - Funding for the state-level coordination of the Career and Technical Student Organizations (CTSO's) operating in Washington is discontinued in the budget of the Office of the Superintendent of Public Instruction. Language is added to the education reform budget making these programs an allowable use of the funding provided for chapter 170, Laws of 2008, relating to secondary career and technical education grants. Examples of these student organizations include: DECA (International Assoc. of Marketing Students), and FBLA (Future Business Leaders of America), among others. -\$194,000

23. WWII Oral History Project - Funding for the World War II oral history project coordinated by Office of the Superintendent of Public Instruction and the WWII memorial education foundation is reduced by 50 percent. The remaining funding amount is \$75,000 for the 2009-11 biennium. The primary outcome of the project is a series of documentaries about the impact of World War II on the daily lives of Americans. -\$75,000

24. Compana Quetzal - Funding for Compana Quetzal is reduced by \$25,000. The remaining funding amount is \$125,000 for the 2009-11 biennium. Compana Quetzal is a Seattle-based community-based organization providing a variety of support programs focused on the Latino/a community, including early childhood programs, secondary to post-secondary transition guidance, and parent leadership. -\$25,000

25. Mentoring Advanced Placement - Funding for mentoring advanced placement programs in southwest Washington is discontinued. The program identifies individuals in industry to mentor minority students in and through advance placement programs in their high schools, with an emphasis on AP math and science classes. -\$140,000

## DETAILS

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26. Financial Literacy - Funding is provided to implement Substitute House Bill 1347 (financial education). The funding will support the work of the Financial Education Public-Private Partnership supporting financial education instruction in public schools. +\$100,000

27. Internet Safety - Funding supporting the development of pamphlets on Internet safety to be distributed through schools is discontinued. -\$80,000

28. Civics Education - Funding supporting civics education is discontinued. The funding supported grants to assist districts in curriculum alignment, and lesson planning. -\$72,000

29. Incarcerated Family Programs - Funding supports the Children of Incarcerated Parents program. The program facilitates contact time between incarcerated parents and their children. -\$62,000

30. College Bound Scholarship Coord. - Funding for the Office of the Superintendent of Public Instruction to generate flyers and other promotional materials for the College Bound Scholarship program is discontinued. -\$54,000

31. Discontinued Studies - Funding for a study of labor market supply for math and science teachers by the Professional Educator Standards Board is discontinued. Additionally, \$6,000 in funding for administrative activities by Office of the Superintendent of Public Instruction associated with the implementation of Chapter 265, Laws of 2007 (ESSB 5297 - regarding providing medically and scientifically accurate sexual health education in schools) is discontinued. -\$148,000

32. Contingency Fund - Funding is provided to implement House Bill 1757 (small school district fund). The funding supports loans to small school districts experiencing financial difficulty. +\$500,000

33. Military Compact - Funding is provided to implement House Bill 1075 (military children). The funding primarily supports the per-student fee that member states pay to the military compact. +\$89,000

34. PESB/OSPI Reorganization - Funding is provided to implement Substitute House Bill 2003 (professional educator standards board). The projected savings are based on cost reductions associated with reducing the membership of the Professional Educator Standards Board from 20 members to 12 members. -\$44,000

35. Paraeducator Certification - Funding is provided to implement Engrossed Substitute House Bill 1889 (paraeducator tutors). The funding supports a half FTE for development of professional development curriculum for paraeducators. +\$140,000

### **EDUCATION REFORM**

1. Achievement Gap Committee - Funding is provided for the implementation of Substitute House Bill 2147 (student achievement gap). Funding supports staffing and travel costs associated with the Achievement Gap Advisory Committee created by the bill. +\$138,000

2. SHB 1646 - Assessment - Funding is provided to implement Second Substitute House Bill 1646 (WASL /math and science). The funding reduction reflects estimated savings from eliminating integrated I and integrated II tests as end-of-course test options in math. -\$2,780,000

3. After School Math Programs - Funding for grants to support math instruction in after school programs is discontinued. Currently, five community-based organizations receive grants for after school programs in the King County area (Education Legacy Trust Account - State). -\$400,000

## DETAILS

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4. Web-Based Instructional Network - Funding supporting the posting and maintenance of various educational materials, references, and data sources on the OSPI website is discontinued. -\$252,000
5. Diagnostic Testing - Funding for allocations to districts to support diagnostic assessment tools is discontinued (General Fund - State, Education Legacy Trust Account-State). -\$4,900,000
6. Reading Diagnostic Assessments - Funding for the development of reading models and identification of aligned diagnostic assessment tools is discontinued. -\$250,000
7. Focused Assistance to Schools - State funding for the focused assistance program is discontinued; however, the program will continue to operate with available federal funds made available through the American Recovery and Reinvestment Act. The focused assistance program provides technical assistance to schools and school districts struggling to meet adequate yearly progress benchmarks established by the federal government. -\$8,092,000
8. Principal Assessment/Mentorships - Funding for the Principal Support Program is discontinued. The program provides assistance, assessment, and mentoring to principals in their first three years of service. -\$976,000
9. Second Grade Reading Assessment - Funding for second grade reading assessments is discontinued. The funding supports training for teachers in administering a second grade oral reading assessment designed to gauge early literacy levels. -\$140,000
10. Leadership Academy - Funding for the Washington Leadership Academy is reduced by 10 percent. The remaining funding is \$1.8 million for the 2009-11 biennium. The Academy supports professional development and training for school administrators. -\$200,000
11. Math/Science Standards Review - Funding for math and science standards review is discontinued. The funding supported the Office of the Superintendent of Public Instruction's process for evaluating mathematics, science, and reading instructional materials for degree of alignment with state standards. -\$1,030,000
12. LASER - Funding for the LASER program (Leadership & Assistance for Science Education Reform) supported by the Pacific Science Center is reduced. The LASER program is a statewide project to implement hands-on science curriculum through 10 regional school district alliances. -\$2,000,000
13. Bremerton Lighthouse Program - Funding for the Bremerton Lighthouse Program is eliminated. Funding supported technical assistance activities of the Bremerton School District in supporting other school districts implementing new full-day kindergarten programs. -\$130,000
14. Robotics - Funding for the FIRST Robotics program is discontinued. The program funds robotics programs and competitions in high schools throughout the state. -\$300,000
15. Accountability Institutes - Funding for summer accountability institutes is discontinued. The funding supported conference-style professional development retreats and seminars covering a broad range of issues such as curriculum planning, assessment issues, and research. -\$1,000,000
16. Paraprofessional Training - Funding for paraprofessionals training programs is eliminated. The funding supported regional coordination of instructional aid training opportunities in each region, include in-service training, conferences, and on-line training. -\$1,096,000

## DETAILS

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17. ELL Pilot Project - Funding for an English language learner pilot project is discontinued. The funding supported the participation of select districts in piloting curriculum and professional development models in collaboration with a college, university, or other technical assistance provider. -\$1,368,000
18. Administrator Internships - Funding for administrator internships is discontinued. The funding supported the Washington State Educational Leadership Intern Program, which provided partial release time for district employees to participate programs designed to mentor future school administrators. -\$1,410,000
19. Pacific Science Center - Funding for educational programs at the Pacific Science Center is discontinued. Funding for the LASER program at the Pacific Science Center remains at a reduced amount, and is described in a separate item. -\$2,448,000
20. 21st Century After School Programs - Funding for the 21st Century After School Program is discontinued. The funding supported programs supplementing standard instruction with extended day and extended year instructional activities. -\$3,000,000
21. Math Helping Corps - Funding for the Math Helping Corps is discontinued. The funding supported the work of teams of coaches providing technical assistance to schools struggling in math. -\$3,528,000
22. Library Services - Funding for the school library services allocation is discontinued. The allocation supported per student allocations to school districts for library-related materials and expenses. -\$8,000,000
23. Professional Development Changes - Funding for professional development in the areas of math and science is discontinued. Funding supported additional learning improvement days for middle and high school math and science teachers to receive professional development on new math and science curriculum standards and best practices. The remaining amount in the budget for this item reflects the remaining costs for the last two months of the 2008-09 school year (July and August), which fall in FY 2010 (Education Legacy Trust Account-State). -\$39,763,000
24. Segmented Math - Funding for a segmented math assessment tool is discontinued. The assessment tool separated math content areas into individual tests so that not all areas were tested in one sitting. -\$2,828,000
25. Redesign Teacher Mentorship - Funding for mentoring assistance to beginning teachers through the Teaching Assistance Program (TAP) is reduced. Funding for the core mentoring services of the TAP program (approximately \$4.4 million) is eliminated. An amount of \$300,000 is provided to the Professional Educator Standards Board (PESB) to design a revised teacher induction program. Recommendations on the revised system are to be provided to the Governor and education committees of the Legislature by October 1, 2010. -\$4,396,000
26. Federal Stimulus Funding - Additional federal appropriation authority is provided for school improvement, educational technology, and related programs, reflecting the increase in funding contained in the American Recovery and Reinvestment Act. This funding level reflects 80 percent of the projected additional funding for education technology programs contained in Title II, part D, with 20 percent appropriation authority provided in FY 2009. All the appropriation authority for the school improvement portion is contained in the 2009-11 biennium (General Fund-Federal). +\$51,470,000
27. WASL Changes - Funding for the assessment system is reduced to reflect projected savings from reducing the length of the tests, including reducing the number of open-ended response items. -\$7,087,000
28. Suspend Initiative 732 COLA - Initiative 732 salary increases are suspended

for the 2009-11 biennium, therefore, programs that receive inflationary increases linked to the Initiative 732 salary adjustments will not receive those adjustments in the 2009-11 biennium (General Fund-State, Education Legacy Trust Account-State). -\$2,821,000

## DETAILS

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### GENERAL APPORTIONMENT

1. Dropout Reengagement - Funding is provided to implement Substitute House Bill 1418 (dropout reengagement system). The funding levels reflect an assumption that 500 high school drop-outs will be reengaged in the school system by the end of the 2011-12 school year. +\$4,078,000

2. Adjust K-4 Allocation - Funding is provided to remove certain conditions on certificated instructional staff allocations for kindergarten through grade 4. Under current requirements, districts must staff up to 53.2 certificated instructional staff per 1,000 students in grades K-4 to keep the full certificated instructional staff allocation. This requirement is eliminated, and the funding level reflects the estimated biennial amount retained by the state currently due to this requirement. +\$2,092,000

### PUPIL TRANSPORTATION

1. Four Day Week Pilot - Funding is provided to implement Substitute House Bill 1292 (180-day school year waiver). The amount reflects the projected savings to the state resulting from a five school district pilot of a four- day school week calendar. Savings are anticipated primarily in transportation and food service formula allocations. -\$154,000

2. Choice Transportation - Funding for the Choice transportation program is removed. This program provided transportation services to low-income students who transfer to "choice" programs solely for educational reasons, and has been under utilized in recent years. -\$10,000

### SPECIAL EDUCATION

1. Special Education Ombudsman - Funding for the special education ombudsperson within the Office of the Superintendent of Public Instruction is discontinued. The ombudsperson fields complaints from parents and stakeholders in districts with concerns relating to services provided special needs students. -\$100,000

2. Federal Stimulus Funding - Additional federal appropriation authority is provided for special education, reflecting the increase in funding for implementation of the Individuals with Disabilities Education Act (IDEA) enhancements contained in the American Recovery and Reinvestment Act. This funding level reflects 80 percent of the projected additional funding, with 20 percent appropriation authority provided in FY 2009. +\$177,086,000

### ESDs

Administrative Reduction - Savings are realized from administrative reductions in the educational service districts. -\$1,474,000

### INSTITUTIONAL EDUCATION

RHC Impact Aid - Funding is provided for the implementation of Second Substitute House Bill 2113 (residential habilitation centers). Funding supports applications for impact aid assistance for school districts serving students from residential habilitation centers. +\$282,000

## DETAILS

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### **HIGHLY CAPABLE**

Centrum - Funding for the Centrum - Experiences in Creativity Program is discontinued. The program supports workshops and programs in the arts for elementary and middle school students. -\$340,000

### **STUDENT ACHIEVEMENT PROGRAM**

1. Reduce Student Achievement Program - Funding for the Student Achievement Program is reduced. Funding levels reflect per student allocations of \$184 per student in the 2009-10 school year, and \$152 per student in the 2010-11 school year. Funding levels also reflect \$8 million in deferred Student Achievement Program payments from the 2009 supplemental budget. -\$507,585,000

2. Fiscal Stabilization Grant - Funding is provided from the federal fiscal stabilization fund to support the Student Achievement Program. The funding is made available through the American Recovery and Reinvestment Act of 2009.

### **LEARNING ASSISTANCE PROGRAM**

Federal Stimulus Funding - Additional federal appropriation authority is provided for federal Title I programs, reflecting the increase in funding contained in the American Recovery and Reinvestment Act. This funding level reflects 80 percent of the projected additional funding, with 20 percent appropriation authority provided in fiscal year 2009. +\$108,000,000

### **COMPENSATION ADJUSTMENTS**

1. Remove Learning Improvement Days - Funding for two learning improvement days allocated through the general apportionment formulas is discontinued. The funding level reflects a 1.1 percent reduction in salary levels on the state salary guide for certificated instructional staff. -\$71,807,000

2. Adjust K-4 Allocation - Funding is provided for compensation adjustments for the increased number of certificated instructional staff units associated with removing certain conditions on K-4 certificated instructional staff allocations. +\$68,000

3. Suspend Initiative 732 COLA - Costs associated with the implementation of Initiative 732 are shown at maintenance-level; however, these annual cost-of-living adjustments are suspended for the 2009-11 Biennium and therefore eliminated at policy level. The reduction amount differs at policy level because the COLA rates interact with other policies implemented in the final budget (General Fund-State, General Fund-Federal). -\$354,646,000

## EMPLOYEE COMPENSATION/SUBSIDY/HEALTH BENEFITS/PENSIONS

### COMPENSATION

Contribution Rates: Senate changes save \$410.8 million GF-State and \$58.1 million other funds. House changes save \$429.5 million GF-State and \$78.8 million other funds.

<u>Employer/Employee</u>	<u>TRS</u>	<u>PERS</u>	<u>SERS</u>
Employer rate - PFC	10.79%	7.84%	8.12%
Employer rate - Senate	6.17%	5.25%	5.39%
Employer rate - House	6.68%	5.56%	5.70%
Employee rate - PFC	4.93%	4.61%	4.00%
Employee rate - Senate	3.36%	3.89%	3.14%
Employee rate - House	3.36%	3.89%	3.14%

\*These rates do not include the 0.16 DRS administrative cost.

\*\*The employer rates are for Plans 1,2 and 3. The employee rates are for Plan 2.

\*\*\* PFC is the Pension Funding Council recommended rate.

Both the Senate and House changes are: reduction of the assumed rate of salary growth from 4.25% to 4%; delay of the adoption of new mortality tables until the 2011-13 fiscal biennium; suspension of contribution rate minimums for the 2009-11 fiscal biennium; and the phased adoption of a new funding method for the Plan 1 unfunded liabilities. This will be in the form of a bill speaking to retirement system funding.

Employee Health Benefits: The House K-12 Health Benefit funding is \$79 million.

Increases in health rates move from the 2008-09 allocation of \$732 to \$745 in the Senate budget and \$758 in the House in 2009-10 and \$768 in the Senate budget and \$793 in the House in 2010-2011.

Both the Senate and House keep the retiree subsidy that was \$182.89 in calendar year 2009 to the same level of \$182.89 in both 2010 and 2011.

The Senate moved the remittance or "carve-out" from \$60.40 to \$59.59 starting September 1, 2009 and then to \$64.90 starting September 1, 2010. The House moved the amount to \$59.66 starting September 11, 2009 and then to \$65.08 starting September 1, 2010.

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