

KINDERGARTEN THROUGH GRADE 12 EDUCATION

Agency 350

**Public Schools (cont.)
Special Education
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	2.0	1,945,339	525,367	2,470,706
Maintenance Other Changes:				
1. Safety Net Adjustments	0.0	4,865	0	4,865
2. Staff Mix	0.0	332	0	332
3. Prior School Year Adjustments	0.0	5,441	0	5,441
4. Enrollment/Workload Adjustments	0.0	(8,817)	0	(8,817)
5. Federal Funding Adjustment	0.0	0	9,000	9,000
6. Reduce Early Elementary Class Size	0.0	(1,927)	0	(1,927)
Maintenance -- Other Total	0.0	(106)	9,000	8,894
Maintenance Comp Changes:				
7. Move Pension Fund Shift to Agencies	0.0	(20)	20	0
8. Updated PEBB Rate	0.0	(1)	(11)	(12)
9. Paid Family Leave--Employer Premium	0.0	0	1	1
Maintenance -- Comp Total	0.0	(21)	10	(11)
Total Maintenance Changes	0.0	(127)	9,010	8,883
2017-19 Maintenance Level	2.0	1,945,212	534,377	2,479,589
Policy Other Changes:				
10. High School & Beyond Plan Support	0.0	1,491	0	1,491
11. Retiree Remittance Adjustment	0.0	567	0	567
12. Safety Net	0.0	1,250	0	1,250
13. Apportionment Schedule Revision	0.0	(49,337)	0	(49,337)
Policy -- Other Total	0.0	(46,029)	0	(46,029)
Policy Comp Changes:				
14. PERS & TRS Plan 1 Benefit Increase	0.0	1,035	1	1,036
Policy -- Comp Total	0.0	1,035	1	1,036
Total Policy Changes	0.0	(44,994)	1	(44,993)
2017-19 Policy Level	2.0	1,900,218	534,378	2,434,596

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POLICY CHANGES				
1. Safety Net Adjustments				
The special education safety net is available for districts demonstrating extraordinary special education program costs exceeding state and federal funding allocations. This item reflects adjustments to safety net allocations based on historical trends. (General Fund-State)				
2. Staff Mix				
Staff mix is adjusted for the 2017-18 school year to reflect changes in certificated instructional staff compensation due to changes in average teacher experience levels. (General Fund-State)				
3. Prior School Year Adjustments				
The state operates on a fiscal year period of July 1 to June 30, and school districts operate on a fiscal year period of September 1 to August 31. The 2018 supplemental budget reflects final adjustments for actual expenditures in the 2016-17 school year. (General Fund-State)				
4. Enrollment/Workload Adjustments				
The 2018 supplemental budget reflects adjustments for the most recent forecast of the public school enrollment caseload for the 2017-18 and 2018-19 school years. Special education enrollment is projected to be 2,027 higher than anticipated in the biennial budget for the 2017-18 school year and 2,127 higher for the 2018-19 school year. Special education enrollment is capped at 13.5 percent of general education enrollment. The special education enrollment increases align with the caseload forecast council projected enrollment for the program. (General Fund-State)				
5. Federal Funding Adjustment				
The 2018 supplemental budget includes increased federal authority of \$9,000,000 to allow OSPI to access anticipated increases in federal grant awards. (General Fund-Federal)				
6. Reduce Early Elementary Class Size				
Chapter 236, Laws of 2010 (fund distribution formulas for K-12 education) established new formulas that require class sizes of 17 students for grades kindergarten through three by the 2017-18 school year. Distribution of funds for lower class sizes is contingent upon demonstration of actual class size reductions. This adjustment reflects the expectation that it will take some time for districts to achieve full class size reduction and the state will realize some savings in the 2018-19 school year. (General Fund-State)				

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7. Move Pension Fund Shift to Agencies

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

8. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State; General Fund-Federal)

9. Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (General Fund-Federal)

10. High School & Beyond Plan Support

Beginning with the 2017-18 school year, students must create High School and Beyond Plans beginning in the 7th or 8th grade. Funding supports quality implementation of this work by allocating additional guidance counselors to middle schools and increasing resources and professional development. (General Fund-State)

11. Retiree Remittance Adjustment

Remittance rates for retiree benefits will increase from \$64.39 to \$69.57 per month for the 2018-19 school year. (General Fund-State)

12. Safety Net

OSPI is directed to work with the Office of Financial Management and the Legislature to expand the safety net program by lowering the safety net threshold beginning with the 2018-19 school year. Funding provides ten additional staff for the Special Education program, primarily to support the expansion of the safety net program. These staff will support the work of the safety net committee, provide training and support to districts applying for safety net awards, and support compliance with the federal Every Student Succeeds Act. Increased funding for safety net payments begins in fiscal year 2020 because safety net funds are disbursed in August, the last month of the school year. (General Fund-State)

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13. Apportionment Schedule Revision

The state operates on a fiscal year period of July 1 to June 30, and school districts operate on a fiscal year period of September 1 to August 31. OSPI makes monthly apportionment payments to school districts based on an allocation schedule that provides 20 percent of the school year funding in July and August. Funding is adjusted in fiscal year 2019 to reflect a permanent change in the allocation schedule. The July and August payments are increased to collectively account for 25 percent of the annual allocation. (General Fund-State)

14. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State; General Fund-Federal)