

KINDERGARTEN THROUGH GRADE 12 EDUCATION

Agency 350

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

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|--------------------|---------------|----------------|
| 2017-19 Original Appropriations | 39.7 | 290,205 | 96,390 | 386,595 |
| Maintenance Other Changes: | | | | |
| 1. National Board Bonus Costs | 0.0 | 7 | 0 | 7 |
| 2. Federal Funding Adjustment | 0.0 | 0 | 1,500 | 1,500 |
| Maintenance -- Other Total | 0.0 | 7 | 1,500 | 1,507 |
| Maintenance Comp Changes: | | | | |
| 3. Move Pension Fund Shift to Agencies | 0.0 | (765) | 765 | 0 |
| 4. Updated PEBB Rate | 0.0 | (38) | (16) | (54) |
| 5. Paid Family Leave--Employer Premium | 0.0 | 3 | 1 | 4 |
| Maintenance -- Comp Total | 0.0 | (800) | 750 | (50) |
| Total Maintenance Changes | 0.0 | (793) | 2,250 | 1,457 |
| 2017-19 Maintenance Level | 39.7 | 289,412 | 98,640 | 388,052 |
| Policy Comp Changes: | | | | |
| 6. PERS & TRS Plan 1 Benefit Increase | 0.0 | 5 | 2 | 7 |
| Policy -- Comp Total | 0.0 | 5 | 2 | 7 |
| Policy Transfer Changes: | | | | |
| 7. ELA Coordinators | 0.0 | (1,110) | 0 | (1,110) |
| Policy -- Transfer Total | 0.0 | (1,110) | 0 | (1,110) |
| Total Policy Changes | 0.0 | (1,105) | 2 | (1,103) |
| 2017-19 Policy Level | 39.7 | 288,307 | 98,642 | 386,949 |

POLICY CHANGES

1. National Board Bonus Costs

Washington offers a bonus to all eligible K-12 public National Board-certified teachers. Bonuses are paid at the end of each school year in the following fiscal year. Assumptions reflect an increase in National Board-certified teachers beyond the projection in the biennial budget. (General Fund-State)

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2. Federal Funding Adjustment

The 2018 supplemental budget includes increased federal authority of \$1,500,000 to allow OSPI to access anticipated increases in federal grant awards. (General Fund-Federal)

3. 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)

4. 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; General Fund-Local; other accounts)

5. 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-State; General Fund-Federal)

6. 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)

7. ELA Coordinators

Legislation enacted in 2013 to strengthen student outcomes provided a block of funding for one elementary English Language Arts (ELA) coordinator at each of the nine educational service districts. Funding is converted from a block grant in the Education Reform program to full-time equivalent staffing units in the Educational Services Districts program. This maintains the integrity of the funding stream by providing cost-of-living and other employee benefits adjustments. (General Fund-State)