

REVENUE ACCOUNT SUMMARY

PURPOSE

This section provides information and advice about budgeting revenues for the 2008–09 school year. Text in ***bold italics*** calls attention to changes this year. The document is in revenue account number order. For revenue account descriptions and definitions, please refer to Chapter 5 of the *Accounting Manual for Public School Districts in the State of Washington*.

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1000–1999	Local Taxes
2000–2999	Local Non-tax
3000–3999	State–General Purpose
4000–4999	State–Special Purpose
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7000–7999	Revenues from Other School Districts
8000–8999	Revenues from Other Agencies and Associations
9000–9999	Other Financing Sources

1100 Local Property Tax

Worksheets for calculating local property tax revenues are provided on pages GF15, TVF3, CP5, and DS4 in Form F-195. School districts having excess levies in 2009 must also complete the F-195 page titled “Certification of Excess Levies for 2009 Collection.”

School district maintenance and operation levies are limited by the levy lid law, RCW 84.52.0531, and Chapter 392-139 WAC.

The F-203 program provides an option for estimating maximum 2009 and 2010 levy authority. F-203 menu option 2, Calc/Edit/Report, suboption 2, 2009 Levy Authority and LEA, produces a report showing details of the 2009 levy authority estimate. Suboption 3 is used for 2010. School districts are advised to review account assumptions in Parts K and L prior to running levy authority estimates.

For purposes of the 2009 levy authority calculation, the percent increase in basic education allocation per pupil is 6.0 percent from 2007–08 to 2008–09.

An estimate of 2009 levy authority is posted to the School Apportionment and Financial Services website under the link titled “2008–09 Budget Preparations.”

Under SHB 2812, Laws of 2006, each district’s levy base is increased by (1) the difference between the amount the district would have received under I-728 as originally passed by voters and the amount the district actually receives under I-728 as amended in 2003; and (2) the difference between the amount the district would have received under I-732 as originally passed by the voters and the amount the district actually receives under I-732 as amended in 2003. The additional levy base per student increase under (1) is calculated as follows:

	<u>2009 Levy</u>
Original I-728 for Current School	\$483
Amended I-728	<u>\$459</u>
Additional levy base per student	\$ 24

The additional levy base for the 2009 levy is \$24 times the 2007–08 FTE enrollment.

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The additional levy base for 2009 levies under (2) is 2 percent plus 1.6 percent less the 1 percent classified salary increase, less the 0.5 percent salary catch up increase, plus mandatory benefits.

The bill expires in 2012. There is no additional levy base beyond the 2011 levy.

3100 Basic Education Allocation Formula

General

Changes to state basic education allocation formula for the 2008–09 school year include the following:

- *State-funded staff units are provided a 3.9 percent cost-of-living (COLA) increase and a 0.5 catch up increase for a total increase of 4.4 percent.*
- *Salary equity is provided to increase the lowest funded salaries. The certificated instructional allocated base salary for most districts increases to 34,426, which is an additional .73 percent for a total increase of 5.13 percent. The minimum allocated certificated administrative salary is 57,986 and the minimum allocated classified salary is 31,865.*
- *The allocated classified staff ratio increases from 1 per 59 FTE students to 1 per 58.75.*
- *Full day kindergarten is funded for 20 percent of the state enrollment based on poverty and approved applications.*
- *Funding for library programs is provided at an estimated \$4.09 per FTE student.*
- *NERC rates are increased to \$10,178 regular and \$24,999 vocational.*
- *NERC rates are increased to \$19,395 for skills centers.*
- *Insurance benefits are increased to \$732.00 beginning September 1, 2008.*
- *The equipment replacement allocation of \$75 per vocational FTE student and \$125 per skills center FTE student is continued.*

Basic Education Mandate

Pursuant to RCW 28A.150.260, the basic education formula is for state apportionment and equalization purposes only and does not mandate specific operational functions of school districts. However, school districts must comply with program requirements identified in:

- RCW 28A.150.220 Basic Education Act (BEA) of 1977 Definitions—Program Requirements—Program Accessibility—Rules.
 - RCW 28A.150.100 Basic Education Certificated Instructional Staff—Definition—Ratio to Students.
- (a) For the purposes of this section, basic education certificated instructional staff shall mean all full-time equivalent certificated instructional staff (CIS) in the following programs as defined for statewide school district accounting purposes:
- 01 Basic Education
 - 31 Vocational—Basic—State
 - 45 Skills Center Basic—State
 - 97 Districtwide Support
- (b) School districts shall maintain a ratio of at least 46 basic education certificated instructional staff to 1,000 annual average full-time equivalent students.

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Limits on Salary and Fringe Benefits

Districts are reminded of the provisions of RCW 28A.400.200 Salaries and Compensation for Employees—Minimum Amounts—Limitations—Supplemental Contracts (published in this chapter in Section 6). A district's actual average salary for all certificated instructional staff shall not exceed the state allocated salary used for general apportionment.

Basic Staff Ratios

The basic education allocation formula allocates state moneys and consists of certificated instructional staff (CIS) units, certificated administrative staff (CAS) units, classified staff units, legislatively specified salary and employee benefit levels, and nonemployee-related costs (NERC). Staff units are generated by full-time equivalent (FTE) enrolled pupils, excluding Running Start FTE enrollment, reported to this agency. Running Start FTE enrollment is funded separately as described in the section below titled "Running Start." Ratios used in generating staff units are as follows:

Grades K–3	49.0	Minimum CIS units per 1,000 FTE enrollment
Grade 4	46.0	Minimum CIS units per 1,000 FTE enrollment
Grades K–4	53.2	Maximum CIS units per 1,000 FTE enrollment
Grades 5–12	46.0	CIS units per 1,000 FTE enrollment
Grades K–12	4.0	CAS units per 1,000 FTE enrollment
Grades K–12	17.021	Classified staff units per 1,000 FTE enrollment

Hereafter for purposes of describing the basic education allocation formula, K–4 ratio means the number of kindergarten through fourth grade basic education CIS per 1,000 FTE students in kindergarten through fourth grade.

A district will receive the maximum K–4 ratio funding of 53.2 only if the district documents an actual ratio of at least 53.2 full-time basic education certificated instructional staff per 1,000 full-time equivalent (FTE) students at those grade levels. Added to the basic education certificated instructional staff are the special education certificated instructional staff multiplied by the special education students' full-time equivalency (FTE) in the special education program. For any school district documenting a lower ratio, the funding ratio shall be based on the district's actual ratio achieved in 2008–09, or the minimum funding ratio, if greater. The minimum funding ratio used in generating K–4 CIS staff units is calculated as follows:

Minimum Funding 2008–09 K–4 BEA CIS Ratio

$$\begin{aligned} & \text{(Annual Average Grades K–3 FTE times 49} \\ & \quad \text{plus} \\ & \quad \text{Annual Average Grade 4 FTE times 46)} \\ & \quad \text{divided by} \\ & \quad \text{Annual Average Grades K–4 FTE} \end{aligned}$$

Districts with a K–4 ratio of at least 51 can use up to 1.3 of the 53.2 funding ratio to employ classified instructional assistants over and above the level employed in the 1989–90 school year. Classified instructional assistants means classified staff assigned to duty code No. 910 in Program 01 Basic Education, Activity 27 Teaching. Classified instructional staff shall be converted to a certificated instructional staff equivalent.

K–4 ratio funding during the months of September through December 2008 will be based on Form F-203C. Beginning with the January 2009 apportionment payment, K–4 ratio funding will be determined by the district's actual K–4 ratio using a reporting and monitoring process similar to

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that used for FY 2007–2008. More information about the K–4 ratio is in Section 10 of this chapter.

Certificated Staff Units—General

A district's FTE enrollment generates CIS and CAS units in accordance with the basic staff ratios section above, per 1,000 FTE enrollment. FTE enrollment is determined by calculating total FTE enrollment and subtracting the FTE enrollment of vocational-secondary, skills center programs, and FTE enrollments for small school districts, remote and necessary plants, and small high schools. Calculation of certificated units for vocational, skills centers, small school districts, remote and necessary plants, and small high schools are described below.

Certificated Staff Units—Calculations for Small Districts, Remote and Necessary Plants in Districts and Small High Schools

The formula provides certificated staff units for districts which meet enrollment characteristics described below:

- (a) For small districts and remote and necessary plants with fewer than 25 FTE enrollment, the formula provides certificated staff units as follows:

Program Level	FTE Enrollment ≥ To	Instructional Staff Units	Administrative Staff Units
K–6	0 5	1.76	.24
K–8	0 5	1.68	.32
K–6	5 25	$1.76 + [(FTE - 5)/20]$.24
K–8	5 25	$1.68 + [(FTE - 5)/10]$.32

- (b) For small districts and remote and necessary plants with 25 or more FTE enrollment, but not more than 100 FTE in Grades K–8, the formula provides certificated staff units as follows:

Program Level	FTE Enrollment Up to	Minimum Instructional Staff Units	Minimum Administrative Staff Units
K–6	60.0	2.76	.24
7–8	20.0	0.92	.08

If the units calculated for K–6 are less than the units calculated using the ratios in the basic staff ratios section above, the district's allocation will be based on the ratios in the basic staff ratios section.

For K–6 programs with FTE enrollment of more than 60 and Grades 7–8 programs with FTE enrollment of more than 20, staff units are calculated based on the regular ratio described in the basic staff ratios section above.

- (c) For districts operating not more than two high schools having total Grades 9–12 FTE enrollment of not more than 300 in each high school, the formula ensures a minimum number of certificated staff units. This does not apply to alternative schools. In determining if a high school has less than 300 FTE enrollment, vocational FTE are included. In calculating the basic education allocation, staff units are reduced at the rate of 46 CIS units and 4 CAS units per 1,000 vocational FTE. Funding for vocational students is generated as described in the vocational section below. For districts meeting the above criteria, certificated staff units are provided as follows:

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<u>High School Enrollment</u>	<u>Instructional Staff Units</u>	<u>Administrative Staff Units</u>
R & N Plants ①	4.5 - [Voc FTE X .046]	0.25 - [Voc FTE X .004]
60 FTE or less	9.0 - [Voc FTE X .046]	0.5 - [Voc FTE X .004]
Between 60 and 300 FTE	9.0 + [(FTE - 60)/43.5 X .8732] - [Voc FTE X .046]	0.5 + [(FTE - 60)/43.5 X .1268] - [Voc FTE X .004]

① For remote and necessary schools offering Grades 9–12 and with total K–12 FTE enrollment of 25 or less.

Certificated Staff Units—Additional .5 CIS Unit for Certain Nonhigh School Districts

For certain nonhigh districts, those meeting enrollment conditions described below, the formula provides an additional 0.5 CIS unit. The enrollment conditions and additional units are provided as follows:

<u>Program Level</u>	<u>Additional FTE Enrollment Between</u>	<u>Instructional Staff Units</u>
K–8 or 1–8	70 and 180 FTE	0.5
K–6 or 1–6	50 and 180 FTE	0.5

Vocational-Secondary and Skills Center Certificated Staff Unit Calculations

Vocational-secondary and skills center enrollment is reported monthly on Form P-223. Refer to OSPI's annual enrollment reporting bulletin for detailed instructions.

Vocational-secondary enrollment generates 0.92 of a CIS unit and 0.08 of a CAS unit per 19.5 FTE students in state-approved vocational courses.

Indirect charges to vocational programs are limited to 15 percent of the combined basic educational and vocational enhancement allocations for full-time equivalent vocational students. The \$75 per FTE student vocational equipment allocation will be included in the indirect limit calculation at 100%. Please refer to [Section 5 Indirect Cost Limits, Carryover, and Recovery](#) for more information on the vocational indirect limit calculation.

Skills center enrollment generates 0.92 of a CIS unit and .08 of a CAS unit per 16.67 FTE enrollment in approved vocational classes. To qualify, skills centers must meet the standards for skills center funding recommended by OSPI in January 1999, with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2008–09 school year.

Enrollment Increase—Calculation

Districts meeting the following conditions shall receive an additional allocation of 110 percent of the per-pupil allocation multiplied by the increase in FTE:

- (a) Total district FTE enrollment of at least 250.
- (b) An FTE enrollment count for at least one day during any month in the period of September through May that exceeds the first of the month FTE enrollment count by 5 percent or more.

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This increase in FTE shall be determined by subtracting the first of the month FTE count from the highest monthly FTE count, then dividing by 9 to obtain an annualized count.

Classified Staff Units—Calculation

Total classified staff units are the sum of the following:

- (a) One classified staff unit for every **58.75, an increase from the current 59** FTE enrollment, including vocational-secondary and skills center FTE enrollment, but excluding small school enrollment described above.
- (b) One classified staff unit for every **2.94, an increase from the current 2.95** certificated staff units for small schools provided in the sections on certificated staff units—calculations for small districts, remote and necessary plants in districts, and small high schools and certain nonhighs.
- (c) One-half of a classified staff unit for any nonhigh school district with an FTE enrollment between 50 and 180.

Certificated Instructional Staff Unit Salary Maintenance

The CIS unit salary maintenance is determined by multiplying the district's formula-generated CIS units by the district's certificated instructional derived base salary for 2006–07 shown on LEAP Document 2 (Section 6, pages 5–13), and then multiplying the result by the district's FY 2008–09 CIS mix factor computed using LEAP Document 1 (this is the same as the previous LEAP Document 1Sb).

State funding for learning improvement days remains at two days per year. To receive full funding, districts must have base contracts of at least 182 days including two learning improvement days for all certificated instructional staff in state funded programs. If fewer days are provided, the state salary allocation will be reduced accordingly. Learning improvement days must be for activities related to improving student learning consistent with education reform implementation. Learning improvement day rules are codified in WAC 392-140-950 through 967. From September to December 2008, learning improvement day funding will be based on the number of learning improvement days reported by the district on Report F-203. Monthly, beginning in January of the school year, this will be adjusted based on current S-275 Personnel Reporting data. After the close of the school year, districts will be required to report the number of learning improvement days provided on Report F-196, Annual Financial Statements. Funding will be at the lesser of 2 days, S-275 calculated days, and the F-196 reported days.

State-funded certificated instructional staff (CIS) salaries are based on the average CIS staff mix factors in all programs (excluding institutional education). The CIS mix factor will be calculated using full-time equivalent CIS in the 300 and 400 series duty codes ending in 0 and 630 and 640 duty codes in all programs except Programs 26 and 56. These data will be reported by school districts as part of the FY 2008–09 S-275 Personnel Reporting system. Program codes are described in the *Accounting Manual for Public School Districts in the State of Washington* and duty codes will be described in the S-275 Instructions for FY 2008–09.

Certificated Instructional Staff Unit Salary Increase

The certificated instructional staff salary unit increase allocation includes the 3.7 percent COLA and up to .633 percent equity increases for 2007–08, and the **4.4** percent COLA increase for 2008–09. **Also included for 2008–09 for those districts not grandfathered at a higher base salary is a 0.73 percent salary equity increase for a total increase of 5.13 percent. The**

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2008–09 increase for grandfathered districts is the greater of 4.4 percent or the percent required to reach a base salary of \$34,426. This reduces the number of grandfathered districts from 24 to 12. The salary increase can be calculated as the difference between the CIS salary maintenance and the district's formula-generated CIS units multiplied by the district's certificated instructional derived base salary for 2008–09 shown on LEAP Document 2 multiplied by the district's FY 2008–09 CIS mix factor computed using LEAP Document 1. If the district provides fewer than two learning improvement days, the state salary allocation will be reduced accordingly.

Certificated Administrative Staff Unit Salary Maintenance

The certificated administrative staff unit salary maintenance is determined by multiplying the formula-generated CAS units by the district's certificated administrative average salary for 2006–07 as shown on LEAP Document 2.

Certificated Administrative Staff Unit Salary Increase

The certificated administrative staff unit salary increase allocation includes the 3.7 percent COLA and the equity increase for 2007–08, and the **4.4 percent COLA increase for 2008–09. Also included for 2008–09, for districts with the lowest allocated salaries, is an increase to bring the salary up to \$57,986. In total for 2008–09, districts will receive the greater of 4.4 percent or the percent necessary to increase the allocated salary to \$57,986.** The salary increase can be calculated as the difference between the CAS salary maintenance and the district's formula-generated CAS units multiplied by the district's certificated administrative salary for 2008–09 shown on LEAP Document 2.

Classified Staff Unit Salary Maintenance

The classified staff unit salary maintenance is determined by multiplying the formula-generated classified staff units by the district's classified average salary for 2006–07 as shown on LEAP Document 2.

Classified Staff Unit Salary Increase

The classified staff unit salary increase allocation includes the 3.7 percent COLA and the equity increase for 2007–08, and the **4.4 percent COLA increase for 2008–09. Also included for 2008–09, for districts with the lowest allocated salaries, is an increase to bring the salary up to \$31,865. In total, districts will receive the greater of 4.4 percent or the percent necessary to increase the allocated salary to \$31,865.** The salary increase can be calculated as the difference between the classified salary maintenance and the district's formula-generated classified units multiplied by the district's classified salary for 2008–09 shown on LEAP Document 2.

Mandated Fringe Benefits

The basic education allocation includes funding for the following fringe benefits required by law:

- (a) Employer contributions to OASI (social security).
- (b) Industrial insurance, medical aid, and the supplemental pension contribution.
- (c) Unemployment compensation.
- (d) Public Employees' Retirement System (PERS) contribution.
- (e) Teachers' Retirement System (TRS) contribution.

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The mandated benefit portion of the basic education allocation formula is determined by applying the factors below to formula-generated certificated and classified staff unit salary allocations as follows:

<u>Description</u>	<u>Percentage</u>
Certificated salary maintenance benefit percent	16.75
Certificated salary increase benefit percent	16.11
Classified salary maintenance benefit percent	18.72
Classified salary increase benefit percent	15.22

For information on retirement rates see Section 7.

Insurance Benefit

The insurance benefit portion of the basic education allocation formula is calculated per formula-generated certificated and classified staff units at the **monthly rate of \$732.00** for September 2008 through August 2009.

To calculate the insurance benefit portion of the allocation for classified staff units, the classified formula staff units are multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1,440 hours of work per year, with no individual employee counted as more than one FTE.

Allocations for Nonemployee-Related Costs (NERC)

The allocation for NERC is increased for inflation plus an additional increase as follows:

- (a) **\$10,178** per formula-generated certificated staff unit except vocational-secondary and skills center units.
- (b) **\$24,999** per formula-generated vocational-secondary staff unit.
- (c) **\$19,395** per skills center certificated staff unit.

Substitute Teacher Pay

The substitute teacher portion of the basic education allocation is **\$607.44** per year multiplied by **91.7** percent of the basic education formula-generated CIS units.

Running Start

The Running Start program allows eleventh and twelfth grade students to enroll in certain universities and community or technical colleges and earn both college and high school credit. Running Start enrollment is funded at a uniform statewide rate estimated at **\$4,914** per annual average full-time equivalent (AAFTE) nonvocational student and **\$5,779** per AAFTE vocational student. Moneys generated by Running Start students are collected by the school district and paid to the university and community or technical college. School districts may retain up to 7 percent of moneys generated by Running Start enrollment.

Deductible Revenues

The basic education total guaranteed entitlement is the total of the calculations described in this section. The state payment to the district in Revenue 3100 is reduced by the following general fund revenues of the school district:

1400	Local in Lieu of Taxes
1600	County-Administered Forests
3600	State Forests
5400	Federal in Lieu of Taxes

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5500 Federal Forests

Notes: Except for 5500 Federal Forests, debt service and capital project fund revenues in these accounts are not deductible. For Skamania County districts only, 30 percent of the lesser of the basic education allocation or federal forests revenue will be deducted.

The time lag between receipt of deductible revenues and the reduction of apportionment can significantly distort a school district's financial condition. For this reason, school districts that receive significant deductible revenues are encouraged to record a liability upon receipt of the deductible revenue and liquidate the liability when apportionment is reduced. Other precautions include:

- Budgeting adequate deductible revenues.
- Periodically comparing actual deductible revenues to deductible revenues shown on Line C.1 of monthly apportionment Report 1191.

Vocational Equipment Replacement Allocation

A vocational equipment replacement allocation of \$75 per full-time equivalent vocational student and \$125 per full-time equivalent skills center student is provided. The \$75 per FTE student vocational equipment allocation will be included in the indirect limit calculation at 100%.

Fire District Reimbursement

Payment will be made in July 2009 and is estimated to be **\$1.04 per headcount pupil** reported on the October 2008 School Enrollment Report, Form P-105, in school buildings within fire protection districts. School buildings within a fire protection district must have a fire status code of U or A on the P-105 report.

State allocations for this program are subject to recovery. For more information on recoveries, refer to Section 5.

School Consolidation

If two or more school districts consolidate and each district was receiving additional basic education formula staff units for small schools, the following shall apply:

- (a) For three school years following the consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to consolidation.
- (b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units after consolidation shall be reduced in increments of 20 percent per year.

District Petition for Delay or Reduction of Apportionment

Any school district board of directors may petition OSPI by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation. Any delay shall not be for more than two years. Any reduction or delay shall have no impact on levy authority and local effort assistance.

Transfer of Apportionment

A resident school district may request part of the district basic education allocation payment to go to another school district or ESD. In most cases this is not necessary because the serving school district reports basic education allocation enrollment and receives the basic education allocation. However, in the case of cooperatives with ESDs, the school district and not the ESD receive the

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basic education allocation. A school district may desire that a portion of the basic education allocation be transferred to the ESD. To do so, the resident school district must send Form SPI 1295 to OSPI, School Apportionment and Financial Services. (See Section 4, page 5.)

A district that transfers its allocation should record that allocation as revenue and as a payment to another district. The school district or ESD receiving the transferred allocation should record it as revenue from school districts.

All requests for transfer must specify the total annual dollar amount to be transferred to the other school district or ESD and must be authorized by the school district board of directors on a resolution or interdistrict cooperative agreement. The authorizing document must be kept on file and available for audit at the school district office.

Transfers from the basic education allocation appear on Report 1191.

Redirection of Apportionment

A district may direct a portion of the basic education allocation to the capital projects fund or debt service fund. Please refer to the APPORT chapter of this handbook for more information.

Emergency Advance Payments

Districts experiencing cash flow problems may apply for an emergency advance. Please refer to the APPORT chapter of this handbook for more information.

Library Program Funding

An estimated \$4.09 per annual average FTE student is provided to maintain and improve library materials, collections, and services. This funding shall be used to augment current funding for librarian programs provided through basic education and other existing funding mechanisms. In order to receive this allocation, districts must agree that, to the maximum extent possible, they will ensure that library programs and services are equitably provided throughout the district.

Full Day Kindergarten

Full Day Kindergarten (FDK) will be funded for an estimated 20 percent of the state enrollment based on poverty and approved applications. A list of eligible schools has been posted to the School Apportionment and Financial Services budget preparation website at <http://www.k12.wa.us/SAFS/08budprp.asp>. Funding will be calculated using the general apportionment formula including the 2008–09 annual average FDK FTE enrollment, district staff mix, and the K–4 CIS funding ratio. Districts should record expenditures under program 01.

Pursuant to legislative budget language, the FDK FTE enrollment is not included in the determination of a school district's overall K–12 FTE for the allocation of student achievement and other funding formula calculations. The FDK enrollment is included in the K–4 and K–12 staff ratio calculations.

Special Education Transfer of Apportionment to Account 3121

A portion of the account 3100 allocation will be transferred to account 3121 as described below.

3121 Special Education, General Apportionment

A portion of the account 3100 allocation will be transferred to account 3121 based on students' full-time equivalency (FTE) in the special education program. The district's December 2007 Form

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1077, Least Restrictive Environment and Child Count, will be used to determine the FTE percentage.

The calculation of student FTE percentage is as follows:

- sum the Table 1 students ages 6–11 times 92%,
- the Table 1 students ages 11–21 times 87%,
- the Table 2 students times 64%, and
- the Table 3 students times 13%.
- Divide this sum by the total number of students in Tables 1, 2, 3, 28, 29, and 8.

Subtract this number from 1. A calculation of this is posted to the School Apportionment and Financial Services website under 2008–09 Budget Preparations.

To calculate the allocation transferred, first multiply the K–21 special education headcount enrollment served by the district, by the BEA rate used for special education funding. Then divide by one plus the district’s state recovery rate for 2008–09 to subtract an allowance for districtwide expenditures. Next multiply by the FTE percentage determined above from the Form 1077 to arrive at the 3121 allocation.

3300 Local Effort Assistance

Local effort assistance (LEA) is state matching money for maintenance and operation (M&O) levies in eligible school districts. School districts with above-average tax rates due to low property valuations are eligible. The 2009 LEA will be funded at 100 percent.

An estimate of 2009 local effort assistance is posted to the School Apportionment and Financial Services website under 2008–09 Budget Preparations. Districts are cautioned to check this estimate carefully before using it for budgeting purposes. In particular, review the revenues in the levy base and the transfer estimates.

For the 2008–09 school year, districts will receive 28 percent of the 2008 calendar year LEA allocation. This may be calculated by taking the 2008 January through August LEA amount, dividing by 0.72 to arrive at the 100 percent 2008 LEA, and multiplying the result by 0.28. Districts will also receive 72 percent of the 2009 calendar year LEA allocation.

The F-203 program option 2, Calc/Edit/Report, suboption 2, 2009 Levy Authority and LEA, produces a report showing an estimate of 2009 LEA. School districts are advised to review account assumptions in Part K prior to running this report. Also there is an estimate of 2009 levy authority posted to the School Apportionment and Financial Services website under the link titled “2008–09 Budget Preparations.”

4121 Special Education

The state special education formula is an allocation for the excess costs of providing services to special education students age K–21 plus an allocation for special education students age 0–preK. The allocation for special education students age K–21 is based on a maximum of 12.7 percent of the district’s total K–12 resident FTE enrollment for 2007–08.

The funding formula is as follows:

- Annual average headcount of age 0–4 and age 5 if not enrolled in kindergarten special education enrollment times the district’s 2007–08 basic education allocation rate per student times 1.15.

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- Plus the annual average headcount of age 5 if enrolled in kindergarten and age 6–21 special education enrollment, limited to a maximum of 12.7 percent of annual average K–12 resident FTE basic education enrollment, times the district’s 2008–09 basic education allocation rate per student times 0.9309.
- A portion of district federal IDEA award is to be used to pay for some of the increased costs of the special education program, otherwise referred to as integrating federal funds. This amount is estimated to be the 2007–08 rate. This integration will not change the amount of federal IDEA funds awarded to the district.

The terms used above in the special education formula are defined as follows:

- “BEA allocation rate” is based on staff ratios of 49 per 1,000 for Grades K–3 and 46 per 1,000 for Grades 4–12. K–3, vocational, and small school enhancements are not included.
- “Annual average FTE basic education enrollment” means the resident enrollment, including students enrolled through choice and students from nonhigh districts, and excluding students residing in another district enrolled through interdistrict cooperatives.
- “Integrating federal funds” means incorporating a portion of the IDEA federal awards to districts to fund some of the increased costs of the special education program. To implement this, the BEA allocation rate will be multiplied by .9309, then reduced by the district’s final 2004–05 integration amount times 24 divided by 145. The result will be multiplied by the funded age K–21 special education enrollment. This integration will not affect the amount of the district’s IDEA award.

State and Federal funding will be provided for all safety net awards.

Please refer to Revenue Account 6124 for more information.

Cooperatives of at Least 15 Districts

Cooperatives of at least 15 districts in which all excess cost services are provided by the cooperative may request an aggregate calculation of the maximum enrollment percent and basic education allocation rates.

For such districts, the maximum enrollment percent will be calculated on the aggregate of all districts in the cooperative covered by the request, to a maximum of 12.7. Also, the basic education allocation rates will be based on the aggregate basic education allocation rates for the districts covered by the request. The allocation to each of these districts will then be based on the aggregate maximum enrollment percent and the aggregate basic education allocation rates.

Cooperatives—Reporting of Enrollment

A school district that serves students in a cooperative reports the enrollment of the students for basic education and for special education by resident district. The serving district is the district that provides the instructional staff. If more than one school district serves the students, both districts are to claim the student for basic education funding with each district reporting a portion of the student’s enrollment FTE. That portion is the average hours of enrollment in the district per week to the student’s total enrollment hours per week multiplied by the student’s total enrollment FTE in both districts. For reporting purposes, the school district providing the major portion of special education services will report the student on the special education enrollment report

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indicating the resident district. The special education enrollment report will display the number of students by resident district. Only one district may report a student for special education.

The district that serves the student will receive the basic education allocation generated by the student's enrollment. The resident district will receive the special education allocation unless a transfer of allocation is completed.

Transfer of Special Education Allocations

Special education allocations are based on resident special education enrollment and paid to the resident school district. If the resident school district wants part or all of the payment to go to another school district or ESD, the resident district must send Form SPI 1295 to OSPI, School Apportionment and Financial Services. (See Section 4, page 5.)

A district that transfers its allocation should record that allocation as revenue and as a payment to another district. The school district or ESD receiving the transferred allocation should record it as revenue from school districts. For school districts this would be Revenue Account 7121 and for ESDs it would be Revenue Account 71.

All requests for transfer must specify the total annual dollar amount to be transferred to the other school district or ESD and must be authorized by the school district board of directors on a resolution or interdistrict cooperative agreement. The authorizing document must be kept on file and available for audit at the school district office. Transfers of special education allocations will utilize the lesser of the total requested transfer amount or the actual special education allocation.

Transfers from the special education allocation appear on Report 1220.

Special Education Funding Methodology

A portion of the revenue 3100 is moved to Revenue Account 3121 as described above. The excess cost portion of the funding is provided in Revenue Account 4121. Districts charge the full cost of special education teachers and program to program 21.

Home and Hospital Education Programs

The FY 2008–09 home and hospital (HH) allocation is based on weeks of enrollment in homes and in hospitals. The allocation formula provides funding to districts as follows:

1. Weeks of enrollment are determined through the following process:
 - a. Determine the first school day on which the student was both eligible for HH service and began to receive HH services.
 - b. Determine the last school day on which the student was both eligible for HH service and received HH services.
 - c. Count the number of school days, as defined in WAC 392-121-033, between the dates determined in (a.) and (b.) above.
 - d. Divide the number of days in (c.) above by five to determine weeks of enrollment.
 - e. Use the lesser of weeks in (d.) above or 18. Total weeks of service for any individual may not exceed 18.
 - f. Accumulate the results of (e.) above for all students receiving HH services through the school district. Also accumulate weeks of enrollment for all students receiving HH services through hospitals. This agency does not calculate separate allocations for any hospital education programs except for the Children's Hospital and Medical Center in Seattle.

REVENUE ACCOUNT SUMMARY

2. Full weeks of HH enrollment are allocated at **\$60**, including salary, benefits, and mileage. Full weeks of enrollment in hospital education programs are allocated at **\$55**, including salary and benefits.

Recoveries

State allocations for this program are subject to recovery. School districts may carry over up to 10 percent of Revenue Account 4121 allocation to the next school year. The Revenue Account 3121 allocation will be deducted first from program 21 direct expenditures before evaluation of the 4121 recovery calculation. For more information on recoveries, refer to Section 5, page 2 of this chapter.

4126 State Institutions, Special Education

Refer to Revenue Account 4156.

4134 Middle School Vocational

Funding is provided using a formula similar to the current secondary vocational formulas. Districts must apply and receive approval for their middle school CTE program to receive funding.

4155 Learning Assistance Program

The LAP allocation is calculated using a formula based fully on poverty and using prior year enrollment. The poverty factor is the October 2007 percent of students eligible for free and reduced price lunch (FRPL). In addition, districts will be held harmless from a reduction in funding from the 2004–05 school year allocation. The allocation is calculated as follows:

(a) First Component—All Districts

The prior school year FRPL percentage
times
district's total average FTE enrollment for Grades K–12 for the 2007–08 year
times
the estimated rate of **\$285.99**

(b) Second Component—Districts with FRPL Percentage Above 40 Percent

The prior school year FRPL percentage minus 40
times
district's total average FTE enrollment for Grades K–12 for the 2007–08 year
times
the estimated rate of **\$285.99**

(c) Third Component—Hold Harmless if Parts (a) plus (b) are less than 2004–05 Allocation

The 2004–05 LAP allocation
minus
the allocation in parts (a) and (b)

(d) Fourth Component—Only for Districts with Bilingual Percentage Greater than 20 and FRPL Percentage Greater than 40

REVENUE ACCOUNT SUMMARY

The prior school year bilingual percentage minus 20
times
district's total average FTE enrollment for Grades K–12 for the 2007–08 year
times
the estimated rate of **\$285.99**

The bilingual percentage is the average of the bilingual headcount for October and May, divided by the kindergarten through Grade twelve October headcount enrollment.

The Grades K–12 enrollment for 2007–08 includes running start FTE enrollment.

State allocations for this program are subject to recovery. However, school districts may carry over up to 10 percent of the allocation to the next school year. For more information on recoveries, refer to Section 5, page 3 of this chapter.

4156 State Institutions, Centers and Homes—Delinquent

This funding is available solely to programs meeting the requirements of chapter 28A.190 RCW Residential Education Programs and chapter 29A.193 RCW Education Programs for Juvenile Inmates. These programs are supported by state Revenue Accounts 4126 and 4156. The initial budgeted allocations will be included with the July 2008 apportionment payment documentation sent to districts administering institution educational programs and will be adjusted in January 2009 based upon actual 2008–09 enrollments and staff mix as reported to this agency for the institution programs.

Allocation reports are posted to the Internet under “District Reports” at <http://www.k12.wa.us/safs/>.

The 2007–09 biennial budget requires this agency to monitor school district expenditure plans for these programs to ensure that districts provide a full 220-day program.

Recoveries

State allocations for this program are subject to recovery. School districts may carry over up to 10 percent of the state allocation from one year to the next. For more information on recoveries, refer to Section 5, page 2 of this chapter.

REVENUE ACCOUNT SUMMARY

4158 Special and Pilot Programs

This includes state revenue for special and pilot programs such as reading corps grants, mentor teachers and other programs. **Some of the programs displayed below may end up being funded under a different account code.** The following table compares the 2007–08 funding for these programs with the 2008–09 funding:

	<u>2007–08</u>	<u>2008–09</u>
Mentor Teacher Assistance Program	2,348,000	2,348,000
Leadership Internship Program	705,000	705,000
Training of Paraprofessional Classroom Assts.	548,000	548,000
Principal Support Program	488,000	488,000
Washington Reading Corps Grants	1,056,000	1,056,000
Nurse Corps at ESDs	2,541,000	2,541,000
K–20 Telecom. Network Technical Support	1,939,000	1,939,000
Mathematics Helping Corp	1,764,000	1,764,000
Washington State Achievers Scholarship Program	1,000,000	1,000,000
Vocational Student Leadership Orgs.	97,000	97,000
Readiness to Learn Grants	3,594,000	3,594,000
National Teacher Certificate Salary Increase	9,025,000	13,991,000
Focused Assistance	4,046,000	4,046,000
LASER / Pacific Science Center Program	5,303,000	5,303,000
High School and School District Improvement Program	1,000,000	1,000,000
Navigation 101	3,220,000	3,220,000
Pilot Programs to Close the Achievement Gap	500,000	0
School Safety Plans	800,000	800,000
Building Bridges Grants	2,500,000	2,500,000
K–3 Demonstration Projects	1,328,000	1,719,000
Middle School Career and Technical Education	1,133,000	1,133,000
After School Grants	1,500,000	1,500,000
Technology Upgrades and Improvements	12,400,000	0
Truancy Petition Funding	1,800,000	1,800,000

4163 Promoting Academic Success (PAS)

Funding for the promoting academic success program is discontinued.

4165 Transitional Bilingual

Allocations for the transitional bilingual program are estimated at a rate of **\$904.37** per eligible student. This rate assumes withholding of \$12.61 per student for bilingual assessment costs by OSPI.

Funding has been provided for eligible students in Grades K–12. No funding has been provided for preschool bilingual students.

State allocations for this program are subject to recovery. For more information on recoveries, refer to Section 5, page 2 of this chapter.

4166 Student Achievement

REVENUE ACCOUNT SUMMARY

Student Achievement funding was created by the passage of Initiative 728 in the November 2000 general election.

The allocation for the 2008–09 school year is at a rate of **\$458.10 per FTE student in the prior (2007–08) school year. This rate is funded with state property tax revenue at \$265.00 per FTE student and education legacy trust revenue at \$193.10 per FTE student.** The enrollment used to calculate Student Achievement allocations will be the annual average FTE students shown on Report 1191E for the 2007–08 school year as of August 2008 apportionment plus resident district direct funded technical college enrollment.

Section 3 of the initiative is printed in its entirety below:

SECTION 3.

ACCOUNTABILITY. School districts shall have the authority to decide the best use of student achievement funds to assist students in meeting and exceeding the new, higher academic standards in each district consistent with the provisions of this act.

(1) Student achievement funds shall be allocated for the following uses:

(a) To reduce class size by hiring certificated elementary classroom teachers in grades K–4 and paying nonemployee-related costs associated with those new teachers;

(b) To make selected reductions in class size in grades 5–12, such as small high school writing classes;

(c) To provide extended learning opportunities to improve student academic achievement in grades K–12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

(d) To provide additional professional development for educators, including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extended day teaching contracts;

(e) To provide early assistance for children who need prekindergarten support in order to be successful in school;

(f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection.

(2) Annually, on or before May 1st, the school district board of directors shall meet at the time and place designated for the purpose of a public hearing on the proposed use of these funds to improve student achievement for the coming year. Any person may appear or, by written submission, have the opportunity to comment on the proposed plan for the use of these funds. No later than August 31st, as a part of the process under RCW 28A.505.060, each school district shall adopt a plan for the use of these funds for the upcoming school year. Annually, each school district shall provide to the citizens of their district a public accounting of the funds made available to the district during the previous school year under this act, how the funds were used, and the progress the district has made in increasing student achievement, as measured by required state assessments and other assessments deemed appropriate by the district. Copies of this report shall be provided to the superintendent of public instruction and to the academic achievement and accountability commission.

REVENUE ACCOUNT SUMMARY

Districts are advised to maintain accounting records identifying the amount expended on each of the six activities funded by the initiative [subsections 3(1)(a) through 3(1)(f)]. This information will be needed for the end-of-year report. OSPI will provide a standard report form to ensure that certain basic data elements are reported by all districts.

Districts wishing to use Student Achievement funding for school facilities (Section 3(1)(f) of the initiative) are to budget 4166 revenue in the Capital Projects Fund. OSPI will pay this amount directly into the district's Capital Projects Fund through the monthly apportionment process. After the budget has been adopted, a district may request payment of Student Achievement revenue into the Capital Projects Fund by sending OSPI, School Apportionment and Financial Services, a signed board resolution identifying the amount to be paid. Payment will be made in subsequent apportionment payments.

Indirect cost charges and carryover are permitted. However, significant indirect charges and carryover amounts should be identified in the school district plan and year-end report required by Initiative 728. Additional guidance on I-728 Student Achievement funding is provided on OSPI's website at: <http://www.k12.wa.us/I728>.

4174 Highly Capable

Allocations for the highly capable program are calculated by multiplying the estimated rate of **\$406.69** by **2.314** percent of the district's total basic education FTE enrollment.

State allocations for this program are subject to recovery. For more information on recoveries, refer to Section 5, page 2 of this chapter.

4175 Professional Development Funds for Math and Science

Allocations for professional development based upon 2 additional days for 4th and 5th grade teachers, 3 days for middle and high school math and science teachers and 5 days for 1 math and 1 science teacher, in each middle and high school.

4198 School Food Services

Reimbursement is estimated to be **\$0.0345 per lunch** for all lunches served to students participating in the National School Lunch Program. Reimbursement is estimated to be **\$0.15 per breakfast** served to students eligible to receive free and reduced price breakfasts and who participate in the School Breakfast Program. Also provided is \$0.30 per reduced price breakfast to eliminate the breakfast co-pay for students eligible for reduced price breakfast.

Also provided is \$1,667,000 to eliminate the \$0.40 lunch co-pay for students in Grades kindergarten through Grade three eligible for reduced price lunch.

4199 Transportation Operations

The transportation operations allocation rate is **\$48.59 per weighted student unit**. For transportation services for students living one radius mile or less from school, the allocation will be calculated by using the number of K–5 students enrolled and living one radius mile or less from their school multiplied by a specific factor of 1.29, then by the allocation rate of \$48.59. Enrollment is from a count taken during the same week that the ridership count is taken. K–5 enrollment funds may be used for transporting students, funding crossing guards, and matching funds for capital projects. Projects managed by the federal government are ineligible.

Districts will also receive a temporary assistance allocation based on their actual expenditures for state funded transportation for 2007–08. Statewide \$12,500,00 will be prorated to districts based on the difference between their actual expenditures and their

REVENUE ACCOUNT SUMMARY

transportation operations allocation. This allocation will be calculated after the actual 2007–08 expenditures are available.

State allocations for this program are subject to recovery. For more information on recoveries, refer to Section 5, page 2 of this chapter.

4499 Transportation Depreciation

Funding is determined by totaling the replacement and/or depreciation payments from individual depreciation schedules for each bus. The formula for calculating depreciation payments for each bus will continue to be derived from the lowest quotes received by OSPI from school bus vendors in each category.

5000–5099 Federal General Purpose

5300 Impact Aid

Impact aid is provided directly to school districts by the U.S. Department of Education under Title VIII, Impact Aid (formerly Public Law 81-874) based upon district application.

5329 Section 8003(d) of Impact Aid

Section 8003(d) is provided directly to school districts by the U.S. Department of Education and reported on the Voucher for Impact Aid Section 8003 Payments. Section 8003(d) is an additional payment for children with disabilities for federally connected children who are eligible under the Individuals with Disabilities Education Act (IDEA). For guidance on recording expenditures, refer to Chapter 6 of the *Accounting Manual for Public School Districts in the State of Washington*.

5500 Federal Forests

Federal forests revenue is distributed by the State Treasurer to the counties. The distribution of federal forests revenue is expected to occur in December. When counties receive this revenue, OSPI will advise the various county treasurers regarding distribution to individual school districts. A district can divert part or all of its federal forests revenue to either or both the Capital Projects Fund or the Debt Service Fund. To do this, a resolution by the school district board of directors should be adopted and delivered to the appropriate county treasurer. Regardless of which fund(s) receive this revenue, federal forests revenue is a deductible revenue for basic education apportionment purposes. For those school districts in Skamania County only, the deduction is 30 percent of the lesser of the basic education allocation or the federal forests revenue.

6100–6199 Federal Grants Received Through OSPI

For current information about the Elementary and Secondary Education Act (ESEA) as amended by the No Child Left Behind Act of 2001 (NCLB), go to: <http://www.k12.wa.us/ESEA/>.

Questions about NCLB: ESEA@ospi.wednet.edu

6100 Special Purpose, OSPI Unassigned

HIV/AIDS Education (CFDA #93.938)
Drug and Alcohol Substance Abuse-Prevention and Intervention (CFDA #93.959)
Learn and Serve (CFDA #94.004)
Fund for the Improvement of Education (CFDA #84.215)
Rural Low Income Schools (CFDA #84.358)

6121 Special Education—Medicaid Reimbursements

REVENUE ACCOUNT SUMMARY

Beginning in 2007–08, Medicaid reimbursements will be received through DSHS. Therefore, Revenue Account 6321 should be used, instead of Revenue Account 6121. In addition, school districts may retain 100% of the revenue, up from 50% in prior years. These are reimbursements for medical services for special education students that are eligible for Medicaid. Revenues should not be confused with Medicaid administrative match revenues which are recorded in Revenue Account 6310.

6124 Special Education, Supplemental

Federal funding coded to this account includes the following:

- Title VI, Part B, Section 611 “Grants to States” (CFDA #84.027) and Section 619 “Preschool” (CFDA #84.173) flow-through funds.
- **A portion of special education safety net awards. The award letter will give the amount of the award that is from state and federal sources.**

Purpose:

This revenue provides financial assistance to school districts for students in need of specially designed instruction.

Allocation/Award basis: Formula

OSPI Special Education sends out applications and information regarding FY 2007–08 allocations when available from the Office of Special Education Programs, U.S. Department of Education (preliminary allocations in approximately May). For planning purposes, use the allocations from the iGrants Grant Profile.

Information on applying for safety net funding for 2007–08 is provided by OSPI Bulletin issued in the fall (2008). Information on applying for 2007–08, when available, will be posted to the Special Education website at: <http://www.k12.wa.us/SpecialEd/default.aspx>.

Limitations:

- School districts are allowed to carry over up to five percent of their federal allocation.

For more information:

- Contact OSPI Special Education Office:
 - Webpage: <http://www.k12.wa.us/SpecialEd/default.aspx>
 - Phone: (360) 725-6075

6138 Secondary Vocational Education (CFDA #84.048)

Purpose:

The purpose of this program is to develop the academic, vocational, and technical skills of vocational and technical education students.

Allocation/Award basis: Formula

Allocated by OSPI to districts based 70% on number of students age 7–15 in poverty and 30% total age 7–15 in district.

Preliminary and Final Allocations: Posted on iGrants, when available.

Limitations:

- 5% cap on administrative costs.
- No carryover allowed.

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For more information:

- Contact OSPI Career and Technical Education Office:
 - Webpage: <http://www.k12.wa.us/CareerTechEd/default.aspx>
 - Phone: (360) 725-6245

6146 Skills Center

Revenue funding levels will be provided by OSPI program staff when information is available.

6151 Disadvantaged Title I

Specific programs include:

- Title I, Part A—Basic (CFDA #84.010).
- Title I, Part A—Basic, School Improvement (CFDA #84.010).
- Title I, Part A, Section 1003 (g)—School Improvement Funds (CFDA #84.377A)
- Title I, Part B (3)—Even Start (CFDA #84.213).
- Title I, Part D, Subpart 2—Local Agency (CFDA #84.010).
- Title I, Part F—Comprehensive School Reform (CFDA #84.332).
- Title I, Part G—Advanced Placement (CFDA #84.330).
- Title X, Part C—McKinney-Vento Homeless Assistance Act (CFDA #84.196).

Title I, Part A—Basic

Purpose:

Program funds are targeted to high-poverty school districts and used to provide supplementary educational services, usually in reading and math, to students who are educationally disadvantaged or at risk of failing to meet the state standards.

Allocation/Award basis: Formula

District allocations are primarily based upon the number of low-income students according to U.S. census data. Funds are allocated under four separate funding formulas: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants, but distributed in a single allocation.

Limitations:

- No cap on administration. A necessary and reasonable portion of the allocation may be used for program administration.
- Must set-aside:
 - Amount necessary to serve homeless students not attending Title I schools.
 - At least 5% of district allocation for professional development to ensure teachers and paraprofessionals in Title I, Part A schools meet federal highly qualified staff requirements (unless a lesser amount is needed).
 - Amount necessary to provide equitable services to private school children.
 - If district allocation exceeds \$500,000, at least 1% of district allocation for parental involvement (95% must be allocated to school buildings).
- If identified for **district improvement**, must set-aside:
 - 10% of **district** allocation for professional development to improve instruction.
- If buildings are identified for **school improvement**:
 - An amount equal to up to 20% of **district** allocation for transportation for public school choice and supplemental education services.
 - At least 10% of allocation to identified **school(s)** for professional development to address the issue(s) that resulted in identification.
- Carryover allowed up to 15%.

REVENUE ACCOUNT SUMMARY

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Title I Office:
 - Webpage: <http://www.k12.wa.us/TitleI/default.aspx>
 - Phone: (360) 725-6100
- U.S. Department of Education Guidance
 - Federal Law, Regulations, and Guidance Documents Webpage: <http://www.ed.gov/programs/titleiparta/legislation.html?exp=0>
- OSPI Bulletins: <http://www.k12.wa.us/BulletinsMemos/bulletins2008.aspx>

Title I, Part A—Basic, School Improvement Assistance

Purpose:

The purpose of this revenue is to provide assistance to districts and schools identified for improvement, corrective action, or restructuring to help them develop and implement a plan for strengthening the educational program.

Allocation/Award basis: Competitive

These funds are coordinated with state focused assistance and private partnership funds into a voluntary and single competitively-awarded program. Awards are made to schools and districts in improvement status with priority going to the lowest achieving schools and districts that demonstrate the greatest need for the funds and the strongest commitment to ensuring that the funds are used to improve student achievement. Awards are made annually with continuation of school based awards available for two additional years.

Limitations: Per OSPI iGrants application and other program guidance.

For more information:

- Contact OSPI School Improvement Office:
 - Webpage: <http://www.k12.wa.us/SchoolImprovement/default.aspx>
 - Phone: (360) 725-6108

Title I, Part A, Section 1003(g)—School Improvement Funds

Purpose:

The purpose of this revenue is to provide assistance to districts and schools identified for improvement, corrective action, or restructuring to help them develop and implement a plan for strengthening the educational program.

Allocation/Award basis: Competitive

Awards are made to schools and districts in improvement status with priority going to the lowest achieving schools and districts that demonstrate the greatest need for the funds and the strongest commitment to ensuring that the funds are used to improve student achievement. Awards are made annually.

Limitations: Per OSPI iGrants application and other program guidance.

For more information:

- Contact OSPI School Improvement Office:
 - Webpage: <http://www.k12.wa.us/SchoolImprovement/default.aspx>

REVENUE ACCOUNT SUMMARY

- Phone: (360) 725-6108

Title I, Part B (2)—Early Reading First

Purpose:

This program supports local efforts to enhance the early language, literacy, and pre-reading development of preschool-age children, particularly those from low-income families, through strategies and professional development that are based on scientifically-based research.

Allocation/Award basis: Competitive

Awarded by United States Department of Education directly to one or more LEAs eligible to receive a subgrant under the Reading First State Grants program and/or one or more public or private organizations located in a community served by an LEA eligible to receive a Reading First State Grants subgrant. The United States Department of Education makes competitive 6-year awards directly to LEAs.

Limitations: Per grant agreement.

For more information:

- U.S. Department of Education webpage: <http://www.ed.gov>

Title I, Part B (3)—Even Start

Purpose:

This program supports family literacy programs that integrate early childhood education, adult education, and literacy activities for low-income families, including parents eligible for services under the Adult Education and Family Literacy Act and their children from birth through age seven.

Allocation/Award basis: Competitive

OSPI awards subgrants to partnerships of school districts and other organizations, giving priority to proposals that target areas designated as empowerment zones or enterprise communities or that propose to serve families in other high-poverty areas.

Limitations: Per OSPI RFP and other program guidance.

For more information:

- Contact OSPI Program Office:
 - Phone: (360) 725-6049

REVENUE ACCOUNT SUMMARY

Title I, Part D, Subpart 2—Local Agency (CFDA #84.010)

Purpose:

This program supports local school districts and locally operated correctional facilities in order to carry out high quality educational programs to prepare youth for secondary school completion, training, employment, transition activities, and further education. The program is also designed to prevent youth from dropping out and to provide a support system to ensure their continued education.

Allocation/Award basis: Formula

The formula uses October case count of children residing for 30 consecutive days, 1 day of which must be in the month of October.

Title I, Part G—Advanced Placement

Purpose:

The purpose of this program is to increase the number of low-income students participating in Advanced Placement classes and taking Advanced Placement tests. Under NCLB, the former program has been replaced with two separate programs—one for test fees, the other for activities designed to increase access to Advanced Placement classes for low-income students.

Allocation/Award basis: Competitive

Limitations: Per OSPI RFP and other program guidance.

For more information:

- Contact OSPI Program Office:
 - Phone: (360) 725-6097

Title X, Part C—McKinney-Vento Homeless Assistance Act

Purpose:

This program provides funds to states to ensure that homeless children have equal access to public education, including access to services that enable them to meet the same state student academic and achievement standards that all students are expected to meet.

Allocation/Award basis: Competitive

Limitations: Per OSPI RFP and other program guidance.

For more information:

- Contact OSPI Program Office:
 - Phone: (360) 725-4968
- OSPI Bulletins/Memorandums:
 - McKinney-Vento Homeless Education Liaison 2004–05 Form IP 129 – Bulletin 013-04.

6152 School Improvement

This revenue code encompasses various titles of the Elementary and Secondary Education Act designed to improve the quality of education. Specific programs include:

- Title II, Part A—Improving Teacher Quality (CFDA #84.367).

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- Title II, Part B—Mathematics and Science Partnerships.
- Title II, Part D—Educational Technology (CFDA #84.318).
- Title IV, Part A—Safe and Drug Free Schools (CFDA #84.186).
- Title IV, Part B—21st Century Learning Centers (CFDA #84.287).
- Title V, Part A—Innovative Programs (CFDA # 84.298).
- Title VI, Part B (1) and (2)—Rural and Low Income Schools (CFDA #84.358).

Title II, Part A—Improving Teacher Quality

Purpose:

The purpose of this program is to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools.

Allocation/Award basis: Formula

Funds are allocated to districts by OSPI. Districts first receive the amount they received in FY 2001 for the Eisenhower Professional Development State Grants and Class-Size Reduction programs. Remaining funds are allocated based 20% on child population (age 5–17) and 80% on child poverty.

Limitations:

- No cap on administration. A necessary and reasonable portion of the allocation may be used for program administration.
- School districts are required to conduct a comprehensive assessment of their professional development and staffing needs for improving student academic achievement. This needs assessment must be used to establish priorities for the use of funds.
- Private schools are entitled to participate on an equitable basis in this program. The federal statute specifies the activities in which private schools can participate. The statute also requires that for purposes of determining the amount of Title II, Part A funds that a district must make available for equitable services to private school teachers, the LEA must assume that it is spending at least as much on professional development under Title II, Part A as it did in FY 2001 under the Eisenhower and Class-size Reduction programs.

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Title II Office:
 - Webpage: <http://www.k12.wa.us/ProfDev/TitleIIA/default.aspx>
 - Phone: (360) 725-6340
- U.S. Department of Education Guidance:
 - Federal Law, Regulations, and Guidance Documents
 - Webpage: <http://www.ed.gov/programs/teacherqual/legislation.html?exp=0>

Title II, Part D—Educational Technology

Purpose:

The purpose of this program is to increase access to technology, particularly in schools served by high-need local educational agencies; improve student academic achievement; provide school teachers, principals, and administrators with the capacity to integrate technology effectively into curricula and instruction that are aligned with challenging state academic content and student

REVENUE ACCOUNT SUMMARY

academic achievement standards; use technology to promote parent and family involvement in education; and support the rigorous evaluation of programs.

Allocation/Award basis: Formula

OSPI awards subgrants based on districts' proportionate share of current year Title I, Part A funding.

Limitations:

- A reasonable and necessary amount of funds may be used for administrative expenditures.
- No less than 25% of the district allocation must be used for high-quality professional development activities to prepare teachers to integrate technology into instruction.
- An equitable share of these funds must be used for services in support of students attending private schools.

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Program Office:
 - Webpage: <http://www.k12.wa.us/EdTech/eett.aspx>
 - Phone: (360) 725-6384
- U.S. Department of Education Guidance:
 - Webpage: <http://www.ed.gov/programs/edtech/guidance.doc>

Title IV, Part A—Safe and Drug Free Schools

Purpose:

The purpose of this revenue is to support programs that prevent violence in and around schools; prevent the illegal use of alcohol, tobacco, and drugs; involve parents and communities; and are coordinated with related Federal, State, school, and community efforts and resources to foster a safe and drug-free learning environment that supports student academic achievement.

Allocation/Award basis: Formula

OSPI allocates funds to districts. 60% of the allocation is based on districts' relative Title I, Part A allocation for the preceding year. The remaining 40% is based on relative enrollment within district boundaries.

Limitations:

- Administration is capped at 2%.
- Up to 25% of allocation may be carried forward.

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Program Office:
 - Webpage: <http://www.k12.wa.us/SafeDrugFree/default.aspx>
 - Phone: (360) 725-6044
- U.S. Department of Education Guidance:
 - Federal Guidance Document
 - Webpage: <http://www.ed.gov/programs/dvpformula/guidance.doc>

Title IV, Part B—21st Century Learning Centers

REVENUE ACCOUNT SUMMARY

Purpose:

This program provides opportunities for communities to establish or expand activities in community learning centers during non-school hours or when school is not in session. Activities include tutorial services and other academic enrichment opportunities designed to reinforce the regular academic program for students in low performing schools.

Allocation/Award basis: Competitive

Priority is given to applicants that propose to serve students who attend schools identified for improvement and who submit applications jointly by at least one LEA receiving funds under Title I, Part A and at least one public or private community-based organization.

Limitations: Per OSPI RFP and other program guidance.

For more information:

- Contact OSPI Program Office:
 - Phone: (360) 725-6052
- U.S. Department of Education Guidance:
 - Federal Law, Regulations, and Guidance Documents
 - Webpage: <http://www.ed.gov/programs/21stcclcl/legislation.html>

Title V, Part A—Innovative Programs

Purpose:

This program supports local education reform efforts that are consistent with and support statewide education reform efforts; implement promising educational reform programs and school improvement programs based on scientifically-based research; provide a continuing source of innovative and educational improvement, including support programs to provide library services, instructional and media materials; meet the educational needs of all students, including at-risk youth; and develop and implement education programs to improve school, student, and teacher performance, including professional development activities and class-size reduction programs.

Allocation/Award basis: Formula

OSPI allocates funds to districts based on: 1) the relative enrollments in public and private schools, 2) children from low-income families based upon approved free and reduced price lunch applications, and 3) children living in sparsely populated areas.

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Program Office:
 - Webpage: <http://www.k12.wa.us/TitleVpartA/default.aspx>
 - Phone: (360) 725-6100
- U.S. Department of Education Guidance:
 - Federal Guidance Document Webpage:
<http://www.ed.gov/programs/innovative/legislation.html?exp=0>

REVENUE ACCOUNT SUMMARY

Title VI, Part B—Rural and Low Income Schools

Purpose:

This program targets funds to rural school districts that serve high numbers of poor students to help them in meeting ESEA performance goals.

Allocation/Award basis: Formula

Funds are allocated by OSPI based on district FTE.

Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Federal Program Office:
 - Webpage: <http://www.k12.wa.us/RuralEducationAchievement/default.aspx>
 - Phone: (360) 725-6225
- U.S. Department of Education Guidance:
 - Federal Law, Regulations, and Guidance Documents
 - Webpage: <http://www.ed.gov/programs/reaprlisp/legislation.html>

6153 Title I, Part C—Migrant (CFDA #84.011)

Purpose:

This program provides financial assistance for supplementary educational and support services for eligible migrant children aged 3 through 21.

Allocation/Award basis: Subgrant based on need

OSPI allocates funds to districts based on weighted factors of student demographics. Districts must have 10 migrant students in need beyond other resources.

Preliminary and Final Allocations: Posted on iGrants, when available.

For more information:

- Contact OSPI Migrant Office:
 - Webpage: <http://www.k12.wa.us/MigrantBilingual/default.aspx>
 - Phone: (360) 725-6148
- U.S. Department of Education Guidance:
 - Federal Law, Regulations, and Guidance Documents
 - Webpage: <http://www.ed.gov/programs/mep/legislation.html?exp=0>

REVENUE ACCOUNT SUMMARY

6154 Reading First (CFDA #84.357)

Purpose:

The purpose of this program is to provide assistance to establish research-based, comprehensive reading programs for students in kindergarten through third grade; increase professional development to ensure all teachers, including special education teachers, have the skills they need to teach these programs effectively; and prepare classroom teachers to effectively screen, identify and overcome reading barriers facing students.

Allocation/Award basis: Competitive

OSPI competitively awards grants to eligible LEAs. Priority is given to eligible LEAs that have at least 15% of students from families with incomes below the census poverty line or at least 6,500 children from families with incomes below the poverty line.

OSPI program staff will provide revenue funding levels when information is available.

Limitations:

- Planning and administration is capped at 3.5%.

For more information:

- Contact OSPI Reading First Office:
 - Webpage: <http://www.k12.wa.us/curriculum/instruct/reading/readingfirst/default.aspx>
 - Phone: (360) 725-6070
- U.S. Department of Education Guidance:
 - Federal Law, Regulations, and Guidance Documents
 - Webpage: <http://www.ed.gov/programs/readingfirst/legislation.html?exp=0>

6157 Institutions, Neglected and Delinquent

Title I, Part D, Subpart 1—State Agency (CFDA #84.013)

Purpose: Supports children and youth in state facilities with the supplemental services needed to meet the state's challenging content standards and performance standards and to make a successful transition from institutionalization to further schooling and employment.

Allocation/Award Basis: Formula - February 10th case count of children residing in the state institution for 30 consecutive days.

OSPI Education Support will facilitate application information for FY 2007–08 via the iGrants system when available.

For more information:

- Contact OSPI Program Office:
 - Phone: (360) 725-6046

6164 Title III, Part A—Limited English Proficiency (CFDA #84.365)

This account is used for both Bilingual and Immigrant subgrant funds.

REVENUE ACCOUNT SUMMARY

Purpose:

The purpose of this program is to assist children who are limited English proficient attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic content and achievement standards as all children are expected to meet.

Allocation/Award basis: Formula

OSPI allocates eighty-five percent of the funds to districts based on their relative share of the limited English proficient student population. Up to fifteen percent of the award to the state may be awarded to districts that have experienced significant increases in the percentage or number of immigrant students or that have limited or no experience in serving immigrant students.

Preliminary and Final Allocations: Posted on iGrants, when available.

Limitations:

- Administration is capped at 2%.

For more information:

- Contact OSPI Bilingual Office:
 - Webpage: <http://www.k12.wa.us/MigrantBilingual/default.aspx>
 - Phone: (360) 725-6151

6198 School Food Services

At this time reimbursement rates for FY 2008–09 are unknown. The United States Department of Agriculture (USDA) adjusts the rates each July based on changes in the Consumer Price Index. A bulletin will be issued as soon as the rates are available. The current rates of reimbursement are as follows:

	Free	Reduced Price	Paid
National School Lunch Program	\$2.47	\$2.07	\$0.23
School Breakfast Program	\$1.35	\$1.05	\$0.24
Special Milk Program	average daily expenditure per half pint	-0-	\$0.17

Snacks served in after-school enrichment or educational programs are reimbursed at the free rate in schools where 50 percent or more of the enrolled students are eligible for free and reduced-price meals. Snacks served in sites having less than 50 percent enrollment are reimbursed according to the eligibility of the child in attendance.

	Free	Reduced Price	Paid
National School Lunch Program Snacks	\$0.68	\$0.34	\$0.06

The maximum price that can be charged to a student eligible for a reduced-price lunch is **\$0.40 (40¢)**; the maximum charge for a reduced-price breakfast is **\$0.30 (30¢)**; the maximum charge for a reduced-price snack is **\$0.15 (15¢)**. For FY 2008–09, the state is reimbursing the \$.30 copay for reduced-price breakfast and the \$.40 copay for K–3 reduced-price lunches.

REVENUE ACCOUNT SUMMARY

Economically Needy Lunch

School districts that served 60 percent or more of their lunches free or at a reduced price in the second prior school year (FY 2006–07) may be eligible for an extra **\$0.02 (2¢)** reimbursement for all reimbursable lunches served in FY 2008–09. These school districts will be notified of their eligibility in July or August of each year.

Severe Need Breakfast

To qualify for Severe Need Breakfast during the 2007–08 school year, a school/site must have served 40 percent or more of its lunches free or at a reduced price during SY 2005–06 (the second preceding year). LEAs that apply for the severe need reimbursement must identify eligible schools on each school's Site Information form that is part of the agreement application. This online form must be completed by all LEAs that have schools and/or sites eligible for the severe need breakfast reimbursement and choose to apply for the reimbursement. The optional severe need breakfast reimbursement was \$0.26 (26¢) for each free and reduced-price breakfast served in eligible schools and/or sites during FY 2007–08. School districts eligible for severe need breakfast are paid monthly at the maximum reimbursement rate of \$1.61 for each free and \$1.31 for each reduced-price breakfast claimed as a severe need breakfast during SY 2007–08.

6998 USDA Commodities

The commodity rate is updated in July of each year. The commodity rate for FY 2007–08 was **\$0.1875**.

REVENUE ACCOUNT SUMMARY

7000–7999 Revenues from Other School Districts

7103 Nonhigh Participation

Under this revenue account, high school districts record revenue for serving students residing in nonhigh districts. Nonhigh school districts budget payments to high school districts in Program 01, Activity 29, Object 7. Nonhigh school districts make payments for 2007–08 enrollments in May and November of 2008. OSPI's estimate of May 2008 nonhigh payments is sent to school districts with the March 2008 apportionment reports. The May 2008 payment equals half the estimated annual 2008 payment. For the actual November 2008 payment, OSPI will recalculate the annual 2007–08 payment based on actual 2007–08 enrollments reported on Form P-213 and subtract the May 2008 payment. The high school district may elect to bill the nonhigh district less than the amount calculated by OSPI. The high district may not bill a greater amount without the consent of the school board of the nonhigh district.

Payments for 2008–09 enrollments are made in May and November of 2009.

Nonhigh payments receivable in the 2008–09 school year are calculated as follows:

November 2008 payment equals the
High school district 2008 certified M&O levy
– divided by –
High school district 2007–08 total resident FTE enrollment
– times –
Actual 2007–08 nonhigh enrollment
– minus –
Amount paid in May 2008 for 2007–08 nonhigh enrollment

May 2009 payment equals the
High school district 2009 certified M&O levy
– divided by –
Estimated high school district 2008–09 total resident FTE enrollment
– times –
Estimated 2008–09 nonhigh enrollment
– times 50 percent –

The high school district's M&O levy authority is reduced and the nonhigh school district's levy authority is increased as a result of nonhigh enrollments.

RANs, BANs, and TANs

Proceeds from the sale or issuance of revenue anticipation notes (RANs) are not considered revenues or other financing sources for budgeting or financial reporting. RANs include tax anticipation notes (TANs), bond anticipation notes (BANs), or similar types of short-term obligations issued that will be repaid from anticipated revenues.

School districts must balance their budgets on a fund balance basis without the use of RANs. Proceeds from BANs issued with the intent of refinancing through the sale of bonds also are not considered revenues. Refer to the *Accounting Manual for Public School Districts in the State of Washington* for additional information on RANs.