

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 176
JANUARY 23, 2014**

LEGISLATIVE UPDATE

At the meeting, Workforce Board staff will update the Board on the 2014 legislative session as it relates to workforce development.

RCW 28C.18.060(5) directs the Workforce Training and Education Coordinating Board (Workforce Board) to "... review and make recommendations to the Office of Financial Management (OFM) and the Legislature on operating and capital budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education."

Board staff reached out to partners and received their budget requests for the 2014 supplemental budget. Staff then analyzed the budget requests to see where they aligned with *High Skills, High Wages*, the state's strategic plan for workforce development.

This presentation will include information from the agencies on their budget requests. At the Board meeting, representatives from the agencies may speak to their requests.

Included in this tab is a chart showing the budget requests and where they align with goals in *High Skills, High Wages*. The Board may choose to support certain items on this list. A sample letter is also included that could be sent to Legislative leadership.

Board Action Required: Discussion and possible action

2014 SUPPLEMENTAL BUDGET RECOMMENDED MOTION

WHEREAS, the Workforce Training and Education Coordinating Board's strategic plan for workforce development, *High Skills, High Wages*, identifies strategic opportunities, and over the years the Board has championed budget requests consistent with *High Skills, High Wages*; and

WHEREAS, Given the need to focus the state's limited resources on strategic opportunities that help workers and employers advance as the economy recovers, while also helping grow the future workforce; and

WHEREAS, The Workforce Training and Education Coordinating Board approved a list of priorities to recommend for legislative funding in September 2012, before the start of the 2013-15 biennium; and

WHEREAS, Agencies that focus on workforce development have since provided the Workforce Training and Education Coordinating Board with their 2014 Supplemental Budget requests;

NOW THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board requests that the Governor and Legislature prioritize the attached additional budgetary requests from workforce development agencies for funding for the 2014 supplemental budget.

SAMPLE DRAFT LETTER

January 23, 2014

The Honorable Ross Hunter
House of Representatives
315 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

Dear Representative Hunter:

After reviewing workforce budget requests from partner agencies, the Workforce Training and Education Coordinating Board recommends the list of workforce programs and requests referred to in the attached resolution be given funding priority in the 2014 supplemental operating budget.

State law directs the Workforce Board to review and recommend to the Office of Financial Management and the Legislature budget requests for training system programs by our partner agencies. Part of the Workforce Board's review includes ensuring that these requests are consistent with the state's workforce development strategic plan. (See RCW 28C.18.060(5)).

In 2012, the Workforce Board updated the state's workforce development strategic plan, *High Skills, High Wages*, after undertaking an extensive, interactive comment process at public forums, targeted stakeholder meetings, virtual online sessions and written feedback. The new strategic plan calls for an education and training system that addresses the different learning styles and workforce training needs of the state's diverse students and working population. In addition, the plan calls for accountability and cost effectiveness in workforce education and training delivery.

The Workforce Board's resolution identifies activities and programs that are consistent with the state's strategic plan and should be considered a priority in funding through the 2013-15 biennium.

These recommendations are founded on the Workforce Board's careful data driven assessment of the unique challenges and opportunities for workforce development in Washington. Should the Governor or Legislature determine that further prioritization of workforce programs is necessary, the Workforce Board will support those efforts by suggesting additional criteria for prioritization. Please contact us directly if you would like further information or assistance.

Sincerely,



Cindy Zehnder
Chair

The following table, prepared by Workforce Board staff, contains specific elements of Executive and Operating Agencies' Budget requests for the 2014 supplemental operating budget. These requests speak directly to the goals and objectives outlined in *High Skills, High Wages*.

Proposed Budget Enhancements that Align with *High Skills, High Wages*

HSHW Goal Objective	Agency/ Executive Request	Title	Description	FY 2013 – 2015 Request
Goal 1 Obj. 1 Obj. 3 Obj. 4	Office of Superintendent of Public Instruction (OSPI)	CTE MSOC Technical Corrections	This correction is to restore funding of CTE and Skill Center “materials, supplies and operating costs” (MSOC) rates, so as general education MSOC rates are increased, CTE and Skill Center rates are automatically increased. This retains the legislative policy that CTE and Skill Centers receive an enhanced MSOC rate.	\$ 1.8 Million
Goal 1 Obj. 5	Governor Inslee	Early Warning Dropout Prevention	Implement or improve district early warning dropout prevention systems. Grants will allow districts to share best practices for improving outcomes for students at risk of dropping out of high school.	\$250,000
Goal 2 Obj. 4 Goal 3 Obj. 1	DSHS, Economic Services Administration	Improving WorkFirst Participation	Request will strengthen the department’s ability to encourage work or work-related activities and achieve higher work participation rates for WorkFirst recipients. Federal law requires states to meet specific work requirements for TANF recipients or face a financial penalty. The state did not meet these targets in 2012, and analysis indicates it is unlikely the targets were met in 2013. The Department is proposing changes to allow it to meet these targets for 2014.	\$14.8 million (shift in federal funds for the TANF program)
Goal 1 Obj. 1 Obj. 4	State Board of Education (SBE), OSPI	Learning Improvement Days (LID) Restoration	SBE is requesting three days, OSPI is requesting two days. Fiscal estimate is based on OSPI request of two Learning Improvement Days. Superintendent Dorn requests \$45,169,053 in FY 2015 to provide districts with allocations for two state-funded and directed learning improvement days.	\$45.2 Million
Goal 1 Obj. 3	Governor Inslee, SBE	Math and Science Equivalencies Curriculum	Develop math and science equivalency curricula for Career and Technical Education courses, which will provide students multiple pathways for meeting math and science course requirements for graduation.	\$300,000

HSHW Goal Objective	Agency/ Executive Request	Title	Description	FY 2013 – 2015 Request
Goal 1 Obj. 2 Obj. 3 Obj. 4	Governor Inslee	Pre-Apprenticeship grants	Support Running Start for the Trades by offering grants of up to \$10,000 to districts for student pre-apprenticeship programs.	\$400,000
Goal 2 Obj. 2 Obj. 3	State Board for Community & Technical Colleges (SBCTC)	Promote Student Success: Improve Access, Workforce Opportunities	<p>SBCTC has three requests in this section:</p> <ul style="list-style-type: none"> - Increase high-demand enrollments (\$5 million). High-demand programs of study are often more expensive and may require specialized, highly technical equipment. - Deliver ongoing performance funding (\$4.75 million). SBCTC’s Student Achievement Initiative provides direct feedback and incentives to colleges based on student progress in meeting key completion goals. - Preserve opportunities for under-represented students (\$.41 million). Would preserve an academic support program (the MESA Community College Program), which helps underrepresented students pursue STEM degrees. Federal funding is expiring; legislative funds would allow the pilot program to continue for the remainder of the 2014 fiscal year. 	\$10.16 million
Goal 1 Obj. 1 Obj. 3 Obj. 4	OSPI	Skill Center Staffing Corrections	The current funding rate of “Other CIS” (certificated instructional staff) for CTE and Skill Center students is less than that of a basic education student. As more “Other CIS” staff are funded in the prototypical school formula, the gap between Basic Education Allocation and CTE funded staff will grow. This will result in a negative enhancement in this part of the funding formula.	\$ 20.8 Million
Goal 2 Obj. 2	SBCTC	Support Capital Priorities	Support modern facilities for high-demand programs, including improvements to existing buildings throughout the system and building an instruction center at Olympic College.	\$56.215 million
Goal 3	Employment Security Department (ESD)	Unemployment Tax & Benefits System	ESD’s computer system for processing unemployment insurance claims dates back to the 1980s, and uses a now “dead” computer language no longer taught to computer programmers. A 2012 feasibility study recommended replacement of the computer system. The new system would be called the Unemployment Tax & Benefits (UTAB) System. ESD has federal Reed Act funds to replace the system, but requires a legislative appropriation to use the funds. The funds will be broken down over 3 biennia - \$256,000 in the first year will fund the RFP, with additional requests over the 2015-17 and 2017-19 biennia.	\$256,000

Promote student success: improve access, workforce opportunities

Increase high-demand enrollments: \$5 million

Community and technical colleges partner with industry to narrow the skills gap. Programs in science, technology, engineering and math (STEM) fields are expensive, requiring specialized equipment and smaller class sizes. Additional enrollments funded at a sustainable per-student level would expand access to high quality in-demand programs.

Deliver ongoing performance funding: \$4.75 million

The Student Achievement Initiative, a performance-based funding model, tracks students' progress and recognizes colleges that move students further, faster. Additional funding would establish an annual investment to continually improve efforts to help students earn certificates and degrees.

Preserve opportunities for under-represented students: \$0.41 million

The MESA Community College Program (MCCP), an academic support program, helps under-represented students pursue STEM degrees. Additional funding would maintain pilot programs for the remainder of the 2014 fiscal year when federal funds expire.

Support high-quality faculty and staff

Provide faculty increments: \$3.4 million

Students and employers alike rely on faculty to bring the latest innovations into the classroom. Funding is requested for step or "increment" salary increases to reward and retain faculty who update their knowledge and skills. This would represent the first legislative-funded salary increase since 2008.

Ensure equity in possible salary increase: \$7.4 million

Some state employees may have an opportunity to receive a one percent salary increase if state revenues grow by \$200 million due to "economic activity." This request would include faculty and staff who are otherwise exempt from state merit system rules.

Support capital priorities

Improve facilities: \$56.215 million

Investing in modern facilities supports the high-demand programs students need and employers expect. Funding for an instruction center and other improvements, along with legislative authorization to use local funds, would support a 21st century learning environment that meets today's educational demands.

Support policy priorities

Provide critical corrections education

Research shows educating incarcerated adults dramatically reduces recidivism and frees public funds for other important priorities. Supported by the Department of Corrections, **House Bill 1429** provides opportunities for inmates to earn degrees and contribute back to society and the workforce.

A smart investment for Washington...

- **60 percent** of Washington's public higher education students are enrolled at a community or technical college (CTC).
- **40 percent** of public baccalaureate graduates in Washington start at a CTC.
- Associate degree holders earn **35 percent** more than those with a high school diploma alone.
- **78 percent** of students completing job training programs are employed within nine months after leaving college.

SL - CTE and Skill Center Staffing Technical Corrections

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2013-15

Recommendation Summary Text:

A technical correction is requested for the “Other CIS” funding ratio for career and technical programs (CTE) in middle and high schools, and for skill center programs. Allocations for other certificated instructional staff should be no less than the same basic education rates outlined in SHB 2776 for all other programs. The current funding rate of “Other CIS” for CTE and skill center students is less than that of a basic education student, and as additional “Other CIS” staff are funded in the prototypical school funding formula the gap between BEA and CTE funded staff will continue to grow, which results in a negative enhancement in this part of the funding formula. Language should be adopted that automatically increases these CIS units at the BEA CIS rate.

Fiscal Detail

Operating Expenditures		FY 2014	FY 2015	Total
General Fund	001-01	\$9,600,000	\$11,200,000	\$20,800,000
Total Cost		\$9,600,000	\$11,200,000	\$20,800,000

Staffing	FY 2014	FY 2015	Annual Avg.
Total FTEs Requested	0	0	0

Package Description (Includes the following sections)

Background

In determining initial year funding for “Other CIS” units for CTE and Skill Centers, staffing allocations under the prototypical funding formula were broken out amongst the various positions based on two principles; actual hiring patterns as shown in the S-275 reporting, and maintaining cost neutrality in the initial year of the transition to the new prototypical funding formula. It was determined through S-275 analysis that after accounting for the number of teachers being hired in CTE and Skill Center programs there wasn’t enough funding remaining to allocate “Other CIS” units at the same level as outlined in SHB 2776. Therefore, a mathematical formula was used to arrive at the per 1,000 student FTE funding ratios of 2.02 and 2.36 – which represent the unallocated portion of the old funding ratios not hired as teachers or administrators. This was intended to be the funding ratios for the implementation year only; the rates were not intended to stay stagnant.

“Other CIS” staffing allocations are for nurses, librarians, counselors, social workers and psychologists.

Current Situation

CTE and Skill Center students are allocated less “Other CIS” units than a basic education student is allocated, resulting in a negative enhancement. This methodology

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assumes that CTE and Skill Center students need less support from other certificated staff than their peers who are enrolled in general education courses.

In order for the transition to the prototypical school funding formula to be as cost neutral to the state as possible, the basis for the “Other CIS” staffing ratio in CTE and Skill Center programs was a calculated number tied to a funding factor in the prior funding formula. This is how the basic education other CIS units came to be funded at 4.25 per 1,000 and the same staff for CTE and Skill Centers are funded at a lesser ratio. If we continue to base the CTE and Skill Center “Other CIS” allocations on ratios that do not change, the difference between this allocation for basic education and these programs will grow. If funding for “Other CIS” staff in CTE and Skill Center programs remains at the constant level of 2.02 per 1,000 and 2.36 per 1,000 respectively, and basic education “Other CIS” staff is funded at the QEC fully funded values the impact of this discrepancy will increase. Using an enrollment base equal to October 2013 apportionment, the chart below demonstrates the impact of an increasing BEA “Other CIS” funding mechanism and a constant ratio for CTE and Skill Center programs.

	2011-12 School Year		2013-14 School Year		Fully Funded QEC Values	
	Staff Units	% of Enhancement	Staff Units	% of Enhancement	Staff Units	% of Enhancement
Basic Education	231.93	100.00%	241.20	100.0%	401.10	100.00%
CTE	110.23	47.53%	110.23	45.7%	110.23	27.48%
Difference	(121.70)	-52.47%	(130.97)	-54.3%	(290.87)	-72.52%
Enrollment basis of 54,571.11 equals 9-12 CTE enrollment as of October 2013.						
	2011-12 School Year		2013-14 School Year		Fully Funded QEC Values	
	Staff Units	% of Enhancement	Staff Units	% of Enhancement	Staff Units	% of Enhancement
Basic Education	22.37	100.00%	23.27	100.0%	38.69	100.00%
Skills Center	12.42	55.52%	12.42	53.4%	12.42	32.10%
Difference	(9.95)	-44.48%	(10.85)	-46.6%	(26.27)	-67.90%
Enrollment basis of 54,571.11 equals 9-12 CTE enrollment as of October 2013.						

CTE allocations are currently lumped together with basic education allocations (BEA) in the apportionment reports. In an attempt to discern what part of these amounts were BEA and what part was the CTE enhancement, this technical error was uncovered. This means that each CTE student in a school is driving a reduced staffing allocation for “Other CIS” units, and as CTE enrollment increases, in STEM or other CTE focused schools, the funding gap grows.

Proposed Solution

Each student must be considered a basic education student first and should drive all of the funding formula’s staffing units equally; CTE should not be shorted “Other CIS” units.

In order for the “Other CIS” funding allocation to be enhanced along with other areas of the funding formula, they must have a basis within the existing formula. Therefore, the ratios of 2.02 per 1,000 student FTE and 2.36 per 1,000 student FTE should be increased to 4.42 per 1,000. The 4.42 per 1,000 student FTE can be calculated through factors of the existing funding formula as follows:

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([High School Teacher Librarians] + [High School Guidance Counselors] + [High School Nurses] + [High School Social Workers] + [High School Psychologists]) / Prototypical High School Enrollment

$$(0.523 + 2.009 + 0.096 + 0.015 + 0.007) / 600 = .00442 \text{ or } 4.42 / 1,000$$

This 4.42 per 1,000 ratio will be enhanced as the elements within the calculation are enhanced which is not the case today. This will allow a CTE or skill center student to generate the same allocation for "Other CIS" staff as all other basic education students. If we consider that every student is a basic education student first and foremost, then they must generate at least an equal staffing allocation in all areas of the funding formula.

Contact person

T.J Kelly (360) 725-6301

Narrative Justification and Impact Statement (Includes the following section)

What specific performance outcomes does the agency expect?

The funding formula allocation will be correctly allocated to school districts. The legislature's policy was to provide an enhancement for CTE student, not penalize schools for having CTE students in the category of "Other CIS" staffing allocations that fund nurses, librarians, counselors, social workers and psychologists.

Performance Measure Detail

Describe performance measures that will be tracked to gauge success of the program.

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This helps achieve full funding of basic education, which is a priority of Superintendent Dorn.

Reason for change:

To align the funding for Other CIS staff in CTE and Skill Center programs to be equivalent to that in general education.

Does this decision package provide essential support to one of the Governor's priorities?

Further development of CTE and STEM education programs is supported by this correction.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Fully funding education is the paramount duty of the state.

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What are the other important connections or impacts related to this proposal?

Impact on Clients and Services

This error disincentives school districts from expanding CTE and Skill Center programs.

Impact on Other State Programs

What alternatives were explored by the agency, and why was this alternative chosen?

No alternatives were considered as this proposal aligns to the current funding formula for other CIS staff in general education.

What are the consequences of not funding this package?

The discrepancy between the other CIS staff allocation in general education as compared to CTE and Skill Center programs will continue to grow.

What is the relationship, if any, to the state's capital budget?

No capital needs are generated by this technical correction.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This would require a change in the omnibus appropriations act.

Expenditure and revenue calculations and assumptions:

Assumptions and calculations are covered in the chart below.

Revenue Calculations and Assumptions:

This will not create any new revenue for the state.

Expenditure Calculations and Assumptions:

	High School CTE	Middle School CTE	Skill Center
Enrollment (FTE)	55,583.13	5,809.00	5,413.14
Other CIS General Ed Ratio	4.42/1,000	4.17/1,000	4.42/1,000
Other CIS Staff Units	245.68	24.22	23.93
CTE or Skill Center Other CIS Ratio	2.02/1,000	2.02/1,000	2.36/1,000
Other CIS Staff Units	112.28	11.73	12.78
Additional Staff Units Needed	133.40	12.49	11.15
Statewide Salary Allocation	33,504.23	33,504.23	33,504.23
Statewide Staff Mix	1.56925	1.56925	1.56925
Total Salary	\$ 7,013,681.17	\$ 656,646.47	\$ 586,284.29
Health Benefits \$9,216	\$ 1,229,409.90	\$ 115,101.85	\$ 102,768.25
Fringe Benefits 16.34%	\$ 1,146,035.50	\$ 107,296.03	\$ 95,798.85
Total Salary and Benefits	\$ 9,389,126.57	\$ 879,044.35	\$ 784,851.39

SL - CTE and Skill Center Staffing Technical Corrections

Total Cost	\$ 11,053,022.32	
*Enrollment, statewide staff mix factor, salary and benefit allocations represent August 2013 apportionment.		

Please describe the classification and numbers of staff assumed in the calculations.

Object Detail

		FY 2014	FY 2015	Total
A	Salary and Wages	\$0	\$0	\$0
B	Employee Benefits	\$0	\$0	\$0
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$0	\$0	\$0
G	Travel	\$0	\$0	\$0
J	Equipment	\$0	\$0	\$0
N	Grants	\$9,600,000	\$11,200,000	\$20,800,000
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$9,600,000	\$11,200,000	\$20,800,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2014	FY 2015	Avg	FY 2014	FY 2015	Total
A038 Basic Education	021				\$9,600,000	\$11,200,000	\$20,800,000
					\$0	\$0	\$0
Total Activities					\$9,600,000	\$11,200,000	\$20,800,000

Six-Year Expenditure Estimates

Fund	13-15 Total	15-17 Total	17-19 Total
General Fund	\$20,800,000	\$23,600,000	\$24,200,000
Expenditure Total	\$20,800,000	\$23,600,000	\$24,200,000

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FTEs	0	0	0
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Distinction between one-time and ongoing costs:

These would all be ongoing costs.

Budget impacts in future biennia:

This could be impacted by future increases to the other CIS staff allocations in general education.

SH – State Direct LIDs

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2013-15

Recommendation Summary Text:

Superintendent Dorn requests \$45,169,053 in FY 2015 to provide districts with allocations for two state-funded and directed learning improvement days (LIDs). These days will be dedicated to training teachers in the revised evaluation system, and to professional learning focused on CCSS-ELA and CCSS-M.

Fiscal Detail

Operating Expenditures		FY 2014	FY 2015	Total
General Fund	001-01		\$45,169,053	\$45,169,053
Total Cost				

Staffing	FY 2014	FY 2015	Annual Avg.
Total FTEs Requested	0	0	0

Package Description (Includes the following sections)

Background

During the 2010 legislative session, E2SSB 6696 created a new teacher evaluation system to be implemented across the state. The goal of the new evaluation system is to improve teaching in the classroom and ultimately increase student achievement. The FY 2014 the Legislature allocation \$174/teacher for training in the new system, but this allocation was not sufficient to train all teachers in the new system. In addition, there was no provision for teaching principals about the use of student growth in their own evaluation or the evaluation of the teachers they supervise.

In the 2011-12 school year 16 school districts piloted the new evaluation system. Both principals and teachers received training in the system. As a result, principals reported that the 15-20 hours of time spent on each comprehensive evaluation was well spent because there was a mutual understanding of the process. Educator evaluation requires demonstration of performance through evidence such as teacher practice, student test scores, student portfolios, and other artifacts. Both teachers and principals must be provided with time to learn about the framework that defines expectations and required evidence, including student growth measures.

Washington's transition to new career- and college-ready learning standards (CCSS and NGSS) presents an opportunity for educators, school administrators, and policy leaders to come together around all facets necessary to transform teaching and learning in classrooms every day. Our state's CCR learning standards focus on students' application of knowledge in authentic situations and on the construction of new knowledge. To be successful, teachers will need to employ and be supported with instructional strategies that integrate critical and creative thinking, collaboration,

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problem solving, research and inquiry skills, and presentation or demonstration skills. Therefore, to create dynamic, engaging, high-level learning for students, teachers will need to develop expertise well beyond basic content knowledge and instruction. They will need greater data literacy as we shift from current accountability systems to more granular and ongoing ways of assessing student learning. And, their leaders will need to champion professional learning in their buildings and back the teachers who coach and support each other.

Current Situation

The teacher evaluation system is built on three approved instructional frameworks that correlate with RCW 28A.405.100.1(b) to define effective teaching. Current proviso funding provides every principal in the state access to 42 hours of training on how to use the instructional framework to evaluate teachers. More than 900 principals participated in 2012-13 and all others will be accommodated in 2013-14.

District superintendents, central office administrators and principals with the responsibility of evaluating their assistant principals also have access to two days of training and two additional days of coaching on how to use the leadership framework for principal evaluation. More than 300 administrators were trained in 2012-13 and all others will be trained in 2013-14.

Teacher training is currently funded at \$10 million in the 2013-15 biennium, however this is not sufficient to ensure that all certificated staff are fully trained on the new system.

Professional learning support varies widely across all districts. OSPI, in collaboration with the 9 ESDs has put together transition plans that can support school districts and educators in having access to consistent and accessible professional learning resources and opportunities. However there is significant inequity across the state regarding the access and time educators have to engage in professional learning opportunities. With full implementation of the CCSS in 2014-15 and in order to begin supporting integrated teacher learning in the transition to the NGSS, it is critical to factor in time for every teacher to engage in CCSS professional learning, and to continue supporting building the regional and state-level infrastructures and capacity that are necessary to support a statewide professional learning system in these transitions for students and teachers.

Proposed Solution

In order to address the immediate need for training in the new teacher and principal evaluation system, and to provide educators with the professional learning they need to adjust their instructional practice to meet the demands of the CCSS the Superintendent request funding for two LIDs that would be dedicated to these efforts.

Training in the new evaluation system will include the following:

- Understanding the instructional or leadership framework that defines expectations.

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- Understanding how the instructional or leadership frameworks fit within the state evaluation criteria.
- Understanding the evaluation tool and evidence required to demonstrate effectiveness, including an introduction to the state's student growth rubrics.
- Understanding the four levels of performance and the evidence that defines each level.

In addition, teachers and their evaluators can learn together about how to set student growth goals, assess progress towards those goals and measure changes in student learning over time.

Professional learning opportunities dedicated to CCSS will include:

- Understanding CCSS-M content shifts, and implications on classroom instruction;
- Understanding CCSS-ELA content shifts, and implications on classroom instruction;
- Working collaboratively with educators across content areas and grade spans focused on building-wide implementation of the CCSS-ELA and Math;
- Understanding how to identifying evidence of student learning through the use of formative assessment resources and processes, such as those available through the Smarter Balanced Digital Library and making specific plans for focusing instruction to improve learning as a result.

Contact person

Jeanne Harmon, Director, Teacher Principal Evaluation Project, (360) 725-6116
Jessica Vavrus, Assistant Superintendent, Teaching & Learning, (360) 725-6417

Narrative Justification and Impact Statement (Includes the following section)

What specific performance outcomes does the agency expect?

By funding state-directed learning improvement days OSPI expects that districts will achieve a shared standards of practice, build on existing collaborative structures, and increase accountability by making the evaluation system more transparent.

In order to set high expectations of the new evaluation system for all educators; all educators must know the expectations. By providing initial training on the revised evaluation system, both teachers and principals have a shared understanding and can move more efficiently into full implementation.

The TPEP system up to this point has relied heavily on the collaborative state and district level approach. In order to build upon this collegiality and trust, we must not leave even one person behind. Providing this training to all educators will ensure expectations are clear.

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Further, in order to hold individuals or groups accountable for student learning, the targets must be transparent and understood by all educators. By implementing this package, trust in the new system will grow and educators will find themselves collectively responsible for student learning.

By funding this request OSPI also expects to see increased equity and access by educators to professional learning opportunities focused on CCSS and an increase in the percentage of teachers and principals in WA that indicate readiness to implement the CCSS.

Performance Measure Detail

The Bill and Melinda Gates Foundation provided resources and support to study the impact of our evaluation system specifically focused on the new eVAL management system and student growth. The research project will continue through the three years of the teacher and principal evaluation implementation. OSPI will look at both qualitative and quantitative aspects of our system and embed that learning in the training provided to teachers, principals and district teams.

In order to measure the effectiveness of professional learning OSPI will analyze state and national measures of student performance in ELA and Mathematics, and evaluate the results of teacher and school district impact surveys conducted statewide through the American Institute for Research (AIR) and other research entities.

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Superintendent Dorn supports high quality teaching that increases student achievement.

Reason for change:

Does this decision package provide essential support to one of the Governor's priorities?

This package supports the Governor's priority to improve student achievement articulated in World Class Education Goal 1.2.j *Increase the percentage of teachers rated distinguished*

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

The new evaluation system has the potential to dramatically increase student achievement and the lives of Washington's students. Policymakers have invested heavily in this system change. Opinion makers are watching carefully. In these first few years of implementation, every move is strategic, and providing educators with information about how they will be evaluated and the connects between the states new career and college readiness standards and their evaluations will help to ensure that these significant reforms are successful.

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What are the other important connections or impacts related to this proposal?

OSPI has worked closely with the TPEP steering committee organizations (WEA, AWSP, WASA, WSPTA, WSSDA) and have discussed this potential package with them. They are supportive of the efforts to include everyone in the training of the new evaluation systems.

In addition, key members of our steering committee have been meeting with stakeholder groups (League of Education Voters, Partnership for Learning, and Stand for Children) over the past two years and recently met with them about this and other issues related to implementation. They too are supportive of these efforts to train educators around the frameworks and student growth measures.

Impact on Clients and Services

The former evaluation system was forty years old and universally viewed as being ineffective. It is critical that we support educators and districts towards full implementation so that all educator evaluations are valid and reliable.

Local districts have been asked to implement several reforms simultaneously, and these funds will help districts provide their staff with the training they need to do so with fidelity.

Impact on Other State Programs

Increases in effective teaching and instructional leadership accelerate the rate and quality of students' learning and increase the potential for closing opportunity and achievement gaps that we all know to be harmful to students and to society.

What alternatives were explored by the agency, and why was this alternative chosen?

Online training modules were created by OSPI to support the learning of teachers and principals. However, the goal of common understanding and common expectations cannot be achieved in an isolated learning environment. Teachers and principals need time for the dialogue that will assure a shared understanding of the criteria, the rubrics, and the measures that will assess student growth. Therefore, it is necessary to provide face-to-face training with teachers and supported as best practice from research on the learning progression.

What are the consequences of not funding this package?

Beginning with the 2015-16 school year, ESSB 5895 requires that the evaluation be used in making personnel decisions. Due to the fact that the evaluation system will be tied to work assignment, reductions in force and other decisions in the future, there is a potential for litigation if educators are not properly trained.

OSPI, the ESDs and local districts have been working to build the infrastructure for a statewide professional learning system. A critical element of this system requires that local districts staff have consistent access to the professional learning opportunities they

SH – State Direct LIDs

need to improve their instructional practice without having to sacrifice student learning time to achieve that goal.

What is the relationship, if any, to the state’s capital budget?

There is no relationship between this request and the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

OSPI will request a change to RCW 28A.415.360 - Learning improvement days-- Eligibility—Reports in order to specify that funds provided for LIDS in the 2013-15 and 2015-17 biennia be used for state directed purposes.

Expenditure and revenue calculations and assumptions:

Expenditure Calculations and Assumptions:

OSPI assumes that all state-funded certificated instructional staff working in basic education programs will be eligible for LID days; approximately 56,000 FTE staff. OSPI staff used current year salary and benefit allocation amounts to derive a per day cost of these staff. The funding drivers are included in the table below.

Total CIS	55,822.05
Base Salary	34,154.11
Average Staff Mix	1.56926
<i>Salary Allocation</i>	<i>2,991,876,315.12</i>
Benefits @18.68%	558,882,495.67
HLD @ 9,216 per fte	514,455,985.15
<i>Total Salary and benefits</i>	<i>4,065,214,795.94</i>
Days per FTE	180
Per Day Cost	22,584,526.64

Object Detail

		FY 2014	FY 2015	Total
A	Salary and Wages	\$0	\$0	\$0
B	Employee Benefits	\$0	\$0	\$0
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$0	\$0	\$0
G	Travel	\$0	\$0	\$0
J	Equipment	\$0	\$0	\$0
N	Grants	\$0	\$45,169,053	\$45,169,053
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$0	\$45,169,053	\$45,169,053

Expenditures & FTEs by Program

SH – State Direct LIDs

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2014	FY 2015	Avg	FY 2014	FY 2015	Total
A020 Professional Development	055				\$0	\$45,169,053	\$45,169,053
					\$0	\$0	\$0
Total Activities					\$0	\$45,169,053	\$45,169,053

Six-Year Expenditure Estimates

Fund	13-15 Total	15-17 Total	17-19 Total
	\$45,169,053	\$45,169,053	\$45,169,053
Expenditure Total	\$45,169,053	\$90,338,106	\$90,338,106
FTEs	0	0	0

Distinction between one-time and ongoing costs:

All costs in this request are assumed to be ongoing. The process of training will never be complete, but after 2015, most effort will be on induction of newly-hired staff into the new evaluations system on ongoing professional learning to strengthen educators' teaching practices.

In addition, following the implementation of the new evaluation system and learning standards OSPI assumes that districts will continued to use these funds for the purposes identified in RCW 28A.415.360 - Learning improvement days--Eligibility--Reports.

Budget impacts in future biennia:

OSPI assumes that in the process of phasing in full funding for basic education, which includes additional certificated staff, the cost of these days will increase by a factor commensurate with the number of additional state-funded staff. Beyond the period during which full funding for basic education is phased in OSPI anticipate that these costs will only change with state allocations for salaries and benefits.

SK – CTE/Skill Center MSOC Technical Corrections

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2013-15

Recommendation Summary Text:

Superintendent Dorn requests a technical correction to the materials, supplies and operating costs (MSOC) funding for CTE and Skill Centers. Without this correction, the enhanced MSOC rates for CTE and Skill Center programs will be virtually eliminated when MSOC is fully funded in fiscal year 2015-16. This correction is to restore funding of CTE and Skill Center MSOC rates so that as general education MSOC rates are increased, CTE and Skill Center MSOC rates are automatically increased as well. This retains the legislative policy that CTE and Skill Centers receive an enhanced MSOC rate.

Fiscal Detail

Operating Expenditures		FY 2014	FY 2015	Total
General Fund	001-01	\$21,000,000	\$30,800,000	\$51,800,000
Total Cost		\$21,000,000	\$30,800,000	\$51,800,000

Staffing	FY 2014	FY 2015	Annual Avg.
Total FTEs Requested	0	0	0

Package Description (Includes the following sections)

Background

The BEA funding formula establishes a base MSOC rate for general apportionment. The other programs of basic education are general apportionment plus an enhancement to serve the needs of these students; special education, bilingual, learning assistance, highly capable and historically CTE and Skill Centers.

SHB2776 established the per student funding levels for MSOC for Skill Center and CTE programs through a multiplier of the general education rate. Thus, the enhanced value of these rates remained as BEA rates were increased.

Current Situation

The 2013-15 biennial appropriations act removes this multiplier and creates independent MOSC rates for general education, CTE, and Skill Center programs. CTE and Skill Center rates were not enhanced, the only increase to these two programs rates was an adjustment for inflation. BEA rates were enhanced, and as a result the MSOC enhancement to CTE and Skill Centers was reduced. Prior to the 2013-15 beinnial appropriations, MSOC rates for CTE and Skill Center programs were 244% and 217% enhanced over BEA rates, respectively. That enhancement has been diminished, and if rates are not increased with BEA rates, CTE and Skill Center MSOC rates will be only slight above BEA rates, when BEA rates are fully implemented.

SK – CTE/Skill Center MSOC Technical Corrections

School Year 2013-2014					
	Per Pupil Rates	2011-12 Multiplier	BEA times Multiplier	Difference	
CTE	\$ 1,399.30	2.44	\$ 1,798.33	\$ 399.03	
Skills Center	\$ 1,244.24	2.17	\$ 1,599.33	\$ 355.09	
BEA	\$ 737.02	n/a	\$ -	\$ -	
School Year 2014-15					
	Per Pupil Rates	2011-12 Multiplier	BEA times Multiplier	Difference	
CTE	\$ 1,423.09	2.44	\$ 1,907.40	\$ 484.31	
Skills Center	\$ 1,265.39	2.17	\$ 1,696.33	\$ 430.94	
BEA	\$ 781.72	n/a	\$ -	\$ -	
Estimated Cost Based on October 2013 Enrollment					
	Enrollment	13-14 Difference	13-14 Cost	14-15 Difference	14-15 Cost
CTE	60,595.69	\$ 399.03	\$ 24,179,425.47	\$ 484.31	\$ 29,347,019.85
Skills Center	6,024.58	\$ 355.09	\$ 2,139,288.60	\$ 430.94	\$ 2,596,234.43
Total			\$ 26,318,714.06		\$ 31,943,254.28

Proposed Solution

Re-instate the multiplier as the mechanism for funding CTE and Skill Center MSOC funding levels.

Contact person

T.J. Kelly 360-725-6301

Narrative Justification and Impact Statement (Includes the following section)

What specific performance outcomes does the agency expect?

None.

Performance Measure Detail

None.

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This technical correction is part of Superintendent Dorn's priorities to fully fund basic education and to make CTE and Skill Center programs a priority.

Reason for change:

Does this decision package provide essential support to one of the Governor's priorities?

This restores the enhanced funding to CTE and Skill Center programs which have been an emphasis of the Governor's.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

SK – CTE/Skill Center MSOC Technical Corrections

This decision package funds education, the paramount duty of the state.

What are the other important connections or impacts related to this proposal?

Superintendent Dorn believes it was the intent of the legislature to keep the enhancement to CTE and Skill Center programs constant as BEA was fully funded. It was not the intent of the legislature to devalue or erode these enhancements.

Impact on Clients and Services

It will be financially impossible to operate CTE and Skill Center programs without MSOC rates that are enhanced beyond BEA MSOC rates.

Impact on Other State Programs

What alternatives were explored by the agency, and why was this alternative chosen?

Superintendent Dorn considers this a technical correction.

What are the consequences of not funding this package?

The CTE and Skill Center enhancements will begin to erode, and it will limit the opportunities for students in Washington State to benefit from these programs.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This would create a need for an adjustment in the biennial appropriations act language.

Expenditure and revenue calculations and assumptions:

Expenditure estimates based on final 2012-13 enrollment numbers. Inflation for school year amounts was applied 2.3% for 2014-15 and 2.0% for each year thereafter.

Revenue Calculations and Assumptions:

Expenditure Calculations and Assumptions:

Please describe the classification and numbers of staff assumed in the calculations.

Object Detail

		FY 2014	FY 2015	Total
A	Salary and Wages	\$0	\$0	\$0
B	Employee Benefits	\$0	\$0	\$0
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$0	\$0	\$0
G	Travel	\$0	\$0	\$0
J	Equipment	\$0	\$0	\$0

SK – CTE/Skill Center MSOC Technical Corrections

N	Grants	\$21,000,000	\$30,800,000	\$51,800,000
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$21,000,000	\$30,800,000	\$51,800,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2014	FY 2015	Avg	FY 2014	FY 2015	Total
A038 Basic Education	021				\$21,000,000	\$30,800,000	\$51,800,000
Total Activities					\$21,000,000	\$30,800,000	\$51,800,000

Six-Year Expenditure Estimates

Fund	13-15 Total	15-17 Total	17-19 Total
	\$51,800,000	\$65,300,000	\$66,400,000
Expenditure Total	\$51,800,000	\$65,300,000	\$66,400,000
FTEs	0	0	0

Distinction between one-time and ongoing costs:

These are all ongoing costs.

Budget impacts in future biennia:

This will be impacted by inflation and caseload adjustments.

Below is a summary of key elements of the Governor's 2014 Supplemental Budget request that impact the DSHS Economic Services Administration and the people we serve, which we think will be of interest to the Workforce Board.

Improving WorkFirst Participation - \$14.8 million GF-Federal; 5.6 FTEs in FY 14 and 30.3 FTEs in FY 15

The Governor's Budget proposes changes in the state's Temporary Assistance for Needy Families (TANF) program, WorkFirst, aimed at strengthening our ability to engage substantially more WorkFirst recipients in work or work-related activities and achieve higher work participation rates.

A key challenge facing the state is meeting federal work participation requirements for TANF. To hold states accountable for moving families from welfare to work, the federal government requires states to meet two work participation targets (for All Families and Two-Parent Families), or risk a financial penalty. In federal fiscal year (FFY) 2012, we estimate that the state failed to meet the participation targets, and the state is not expected to meet the Two-Parent participation target for FFY 2013.

The changes include:

- **A new mandatory Orientation** for WorkFirst participants to ensure they are informed of the benefits and requirements of the program and the consequences for choosing not to participate as required. Issuance of the initial TANF grant payment would be contingent on completion of the Orientation.
- **A shorter sanction period** for participants who do not participate in WorkFirst activities as required. Currently, TANF adults who do not participate as required in their WorkFirst plan are sanctioned and receive a 40 percent reduced grant for up to four months.

If the adult does not cure their sanction within four months, the family's TANF grant is terminated. This means that a family can have up to five months of non-participation before they lose their eligibility for the program. The Governor's budget proposes reducing the sanction period from four months to one month.

- **Changing participation requirements for two-parent families.** Under current policy, one parent can choose not to participate while the other parent completes the minimum 35 hours per week participation requirement. The Governor's Budget proposes requiring both parents to participate in WorkFirst activities.
- **New incentive payment for families that meet work requirements.** The Governor's Budget proposes providing a 15% grant increase to families who meet work participation requirements.
- **New Working Family Support program.** The Governor's Budget proposes a new, low-cost (likely less than \$25 per month) assistance benefit for low-income families that are working enough hours to be counted in the state's work participation rate.
- **LEAN projects to identify WorkFirst improvements.** One of the recommendations in the 2011 WorkFirst Redesign Final Report focuses on the implementation of a continuous improvement process for the program – learning from the experts who deliver direct services to TANF families. DSHS will coordinate six major LEAN projects to identify additional program improvements during the period December 2013 through July 2014.



Phase two of Unemployment Tax & Benefits system

November 2013

Summary

The Employment Security Department (ESD) pays unemployment benefits to eligible unemployed workers. Claims processing, payment and tracking are conducted through a 1980s-era computer system known as the General Unemployment Insurance Development Effort (GUIDE) system. A 2012 feasibility study strongly recommended replacing GUIDE and its ancillary systems; the estimated cost is just over \$45 million. ESD has federal Reed Act funds that are projected to cover the costs, but needs an appropriation from the state Legislature.

The department has nearly completed a new computer system for managing unemployment taxes, and the GUIDE replacement project will be the second phase of that modernization project. The outcome will be a unified computer system called the Unemployment Tax & Benefits (UTAB) System, based on modern technology and designed to accommodate growth and programmatic changes for many years to come. The project is supported by the state's Chief Information Officer.

GUIDE uses dead computer language; was designed for an earlier era

The architecture and code for GUIDE were originally deployed in Wyoming in the early 1980s, and that same basic system was adopted in Washington in the mid-1990s. It uses a "dead" computer language (COBOL) that is no longer taught, making it increasingly difficult to hire technical staff to support the system as long-time employees retire.

With changing times, GUIDE struggles to support a radically different service-delivery structure and significantly more claims. For example, it collects and stores information for hundreds of thousands of claimants; transmits and receives data from other states; determines eligibility; calculates individual benefit amounts; monitors compliance with state and federal job-search requirements; and manages special unemployment-insurance programs, such as Training Benefits and Shared Work, which have different rules.

When GUIDE was implemented, workers applied for benefits in person, on paper, at offices throughout the state; now, applications and weekly claims are accepted almost entirely by phone or online. To accommodate GUIDE's limitations, the department had to develop 14 ancillary systems to support the system and meet changing service-delivery needs. During the Great Recession, end-of-life benefits-payment systems crashed in several other states; thanks to careful handling, Washington's GUIDE system kept running, but a critical failure is just a matter of time.

A 2012 study strongly recommended replacing GUIDE as soon as feasible with a new system capable of:

- Being quickly reprogrammed to implement federal and state changes to unemployment-insurance laws.
- Leveraging the infrastructure, accounting, correspondence and reporting modules in the new tax computer system.
- Guiding applicants through the process of applying for benefits online.
- Streamlining the billing process for collecting over-paid benefits.
- Helping the department to better detect fraud.
- Improved monitoring of claimant compliance with work-search and other eligibility requirements.

Funding for GUIDE

Employment Security has sufficient federal Reed Act funds available to cover the projected \$45 million cost of replacing GUIDE and its ancillary systems. Unlike other trust-fund dollars, Reed Act funds may be used for slightly broader purposes than just paying unemployment benefits. Through an appropriation by the state legislature, these limited dollars also may be used by the department for technology or infrastructure or to cover administrative costs (for unemployment benefits and/or employment services).

Contact

Lisa Marsh, Information Technology & Business Integration Director, 360-407-4646
Cathy Hoover, Government Relations Director, 360-902-9407



The Washington State Board of Education

Governance | Achievement | High School and College Preparation | Math & Science | Effective Workforce

2014 SESSION:

Updated: 12-27-2013

SBE Legislative Priorities

Ample Provision

Make ample provision for K-12 education programs

Legislative Action: Identify a reliable and dependable revenue funding source for K-12 education to support a robust response to the McCleary Court Order, and to fully implement the provisions of ESHB 2261 and SHB 2776.

Career & College Ready

Authorization of a 24-credit career and college-ready graduation requirement framework

Legislative Action: The Board urges the Legislature to authorize implementation of the 24-credit career and college-ready graduation requirement framework that supports multiple pathways to post-secondary education and training, and living wage employment options. Changes should take effect for students who will be seniors during the 2018-19 school year (current 7th graders).

Summer Learning Loss

Support efforts to combat summer learning loss

Legislative Action: Summer learning loss is a real problem for many students, and can be detrimental to those already lagging behind. Most students lose about two months of grade level equivalency in math over the summer, and low-income students also lose more than two months in reading. More than half of the achievement gap between lower- and higher-income youth can be explained by unequal access to summer learning opportunities. The Board urges the Legislature to work toward a balanced academic calendar to combat summer learning loss and close the educational opportunity gap.

Math & Science Equivalencies

Expansion of math and science course equivalencies for vocational programs.

Legislative Action: The Board urges the Legislature to direct the development of statewide model course modules and frameworks that allow students to fulfill math and science credit requirements at skill centers and other high school programs across the state. The Board has an interest in ensuring that these credit equivalency opportunities are offered in an equitable manner across the state.

Professional Development

Support restoration of professional learning improvement days (3)

Legislative Action: The Board urges the Legislature to restore funding for three Learning Improvement Days (LID) to support the professional development needs of educators to implement new state policy reforms, including new educator evaluation models, and Common Core and Next Generational Science Standards. Dedicated professional development time will ease the strain on families and children created by the proliferation of half or partial school days, and will reverse the erosion of instructional time that has resulted from the underfunding of professional development.