

2022 K-12 Supplemental Budget Overview

OSPI Fiscal & Governmental Relations

March 31, 2022



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Reminders

- This webinar is being recorded.
- OSPI did not filter or verify participants, it is being accessed by anyone who registered via the link publicly available.
- A link with the recording of the webinar will be sent to all those who have registered for the event, including those not in attendance.

Disclaimer

- The following presentation represents OSPI's understanding of the budget and the status of the implementation of the budget today.
- Some of the material presented here may change before it becomes final.
- OSPI will keep the field informed as implementation rules or strategies evolve.
- We appreciate your patience through the implementation processes.

OSPI Presenters

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Questions or Comments

- If you have a **question**, please use the Q&A function. We will monitor questions as they come in and pause between segments to address them throughout.
- If you have a **comment or concern**, feel free to use the chat. We can utilize those comments as necessary as we continue work needed to implement the budget.
- If your question does not get answered during the webinar, please email Carrie Hert at carrie.hert@k12.wa.us.

Agenda

- Capital Budget
- Child Nutrition Services
- Federal Funds/ESSER
- School Apportionment & Financial Services
- Student Transportation
- Other Items of Interest (Time Permitting)

2022 Supplemental Capital Budget

- School Seismic Safety Program
 - Substitute Senate Bill 5933 – Established Program in Statute
 - \$100 Million Appropriation
 - \$91.4 Million provided for new planning and retrofit construction grants.
 - \$8.6 Million provided for projects awarded funding in 2020.
 - Eligibility Requirements
 - Schools located in high seismic hazard areas
 - Buildings located in specific areas on the national seismic hazard area map.
 - Buildings located within the Washington Tsunami Design Zone.
 - Buildings constructed before 1998 and have not received a seismic retrofit to 2005 seismic standards.
 - Grants
 - Planning Grants – Districts meeting eligibility requirements can apply for funding to assist in developing a building seismic retrofit. Schools located in tsunami zones may apply for funding to relocate buildings outside the tsunami zone or construct a vertical evacuation tower.
 - Construction Grants – Districts with OSPI approved seismic retrofit plans will be able to apply for funding to completed the planned retrofit. Grant funding will pay at least two-thirds of the total project cost.



2022 Supplemental Capital Budget

- Small District and Tribal Compact School Modernization Grants
 - \$12 Million Funding Correction
 - Federal Funding Correction
 - Correction provides funding to Garfield, Bridgeport, Thorp, Grand Coulee, and Palouse school districts which were awarded funding in the 2021–23 capital budget.
 - \$7.6 Million New Funding
 - Legislature provided additional funding for three additional projects on the prioritized list of projects requested in the 2021–23 capital budget.
 - \$0.9 Million Brewster School District
 - \$5.0 Million Creston School District
 - \$1.6 Million Oroville School District
 - 13 school district projects (\$19.2 million) from the 2021–23 capital budget request remain unfunded.
 - OSPI will be reaching out to these districts to update project costs and will include them as part of our 2023–25 capital budget request.
 - 2023–25 Capital Budget
 - OSPI currently has iGrants Form Package 9 available for small school districts (1,000 or less students) to apply for project planning grants to address building deficiencies. Applications are due June 2, 2022. Contact Scott Black (scott.black@k12.wa.us) if you have questions on how to apply.



2022 Supplemental Capital Budget

- West Sound Skills Center
 - \$10.9 Million
 - Funds design and addition of space that support high-demand and high-wage sector programs.
- Emergency Repair Pool
 - \$1.7 Million
 - Additional funding to school districts with limited financial capacity to address unexpected and imminent health and safety hazards at K–12 schools that will impact the day-to-day operations of the school facility.
 - School districts can apply for emergency repair pool grant funding when an event occurs and do not have the financial resources to make the needed building system repairs.
- Other News
 - New School Facilities and Organization Eastern Washington Regional Coordinator – Mark Brown
 - Mark’s contact information: mark.brown@k12.wa.us



Child Nutrition Services

USDA did not extend waivers– return to “normal” operations for SY 2022–23

- NSLP / SBP operations (including meal counting/claiming)
- F/R eligibility

USDA releases annual reimbursement rates in June/July

Community Eligibility Provision (CEP)

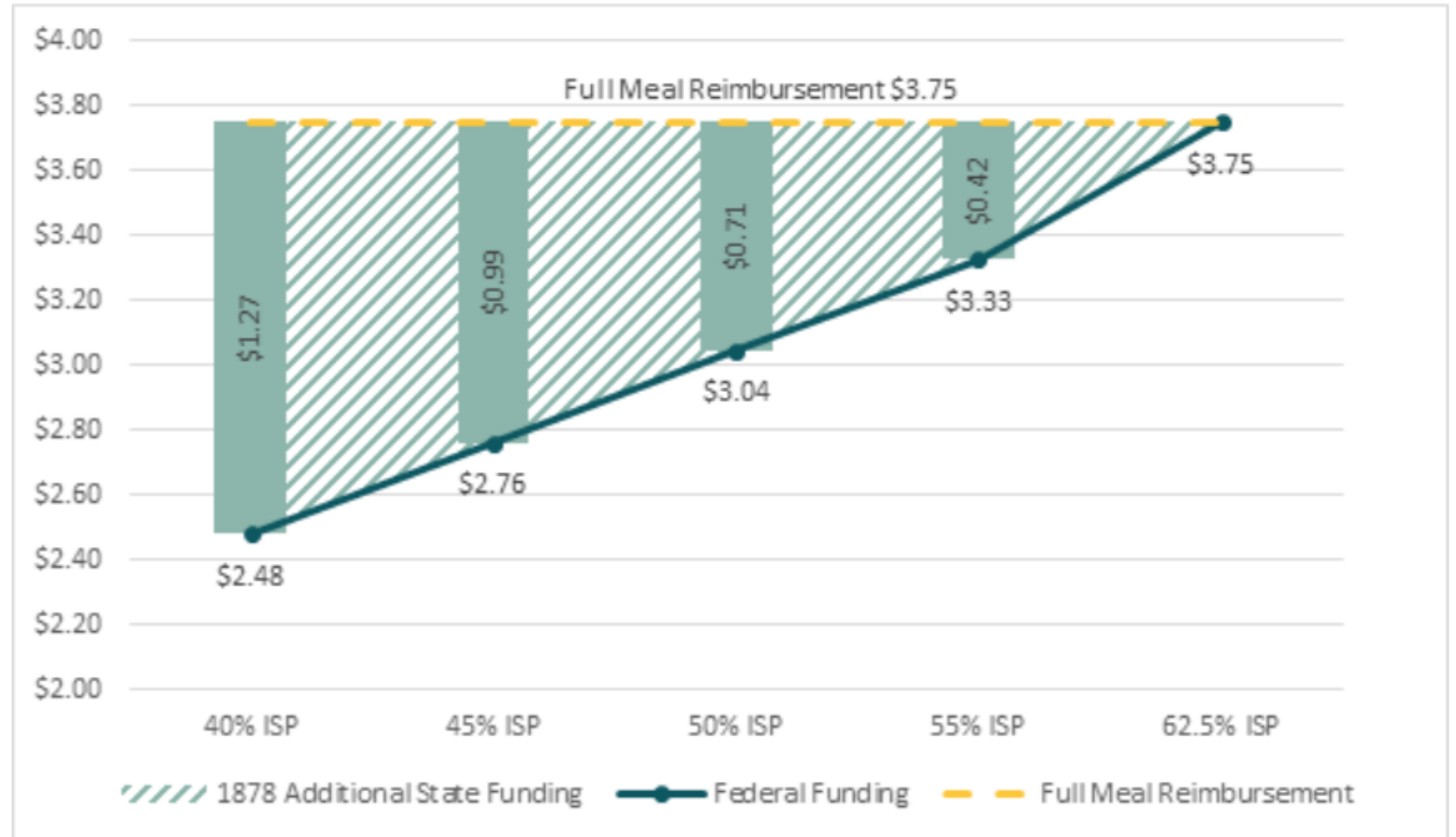
HB 1878: Expands CEP in WA by requiring CEP participation for all schools with an ISP of $\geq 40\%$

- USDA program that allows a participating school to offer meals to all students free of charge and without needing to complete a meal application.
- Identified Student Percentage (ISP)= The percentage of students Directly Certified for Free Meals
- Builds on HB 2660 (2020) which required CEP in non-high schools above 62.5% ISP.

Effective SY 2022–23

Community Eligibility Provision (CEP)

State funding supplements federal funds in CEP schools with an Identified Student Percentage $\geq 40\%$ to $\leq 62.5\%$



Community Eligibility Provision (CEP)

LAP funding hold harmless...

- Locks in pre-CEP FRPL%
- Each year on CEP, LAP Base Allocation will be based on the greater of the “normal” LAP allocations or the data from the year prior to CEP implementation.
- CEP schools that were eligible for LAP High Poverty in the year prior to CEP adoption remain eligible as long as they are on CEP, even if the FRPL% falls below the eligibility threshold.
- Schools that were eligible for the National Board Certified High Poverty Schools teacher bonus in the previous two years before CEP adoption remain eligible as long as they are on CEP.

LAP Base Allocation will be based on the greater of these two options:		
School Year	(A) Normal Method – Use Prior Year Data	(B) CEP Method – Continue to use Pre-CEP Data
SY 2021–22 – Pre CEP		
SY 2022-23 – CEP Year 1	Data from 2021-22 - 41.88%	Data from 2021-22 – (Pre-CEP) 41.88%
SY 2023-24 – CEP Year 2	Data from 2022-23 - ?	Data from 2021-22 – (Pre-CEP) 41.88%
SY 2024-25 – CEP Year 3	Data from 2023-24 - ?	Data from 2021-22 – (Pre-CEP) 41.88%
SY 2024-25 – CEP Year 4	Data from 2024-25 - ?	Data from 2021-22 – (Pre-CEP) 41.88%



Supply Chain Assistance (SCA) Funds

- USDA funding to support schools meet the unprecedented supply chain challenges
- Funds specific to the purchase of “domestic, unprocessed or minimally processed foods for the school meal programs.”
 - Fluid milk or other dairy foods such as cheese and yogurt
 - Fruits and vegetables including 100% fruit juice
 - Grain products such as pasta and rice
 - Meat or meat alternates
- Can NOT be used for labor, supplies, equipment, or administrative costs

Supply Chain Assistance (SCA) Funds

- WA received \$18,223,217 in SCA
- USDA pre-determined formula to calculate each LEAs funding allocations
 - Base payment of \$5,000/LEA
 - Proportional amount based on student enrollment (October 2021)
 - Plan to issue in July or August 2022
- Instructions / details to be provided in upcoming Bulletin

Overview of the ESSER Grants to LEAs

- **Grant Timelines:**

- ESSER I funds can be obligated until 9/30/22
- ESSER II funds can be obligated until 9/30/23
- ESSER III funds can be obligated until 9/30/24

- **ESSER Grant Funds Spent to Date*:**

- ESSER I: \$192M or 98%
- ESSER II: \$375M or 51%
- ESSER III (20% allocation reserved for student learning recovery): \$45M or 14%
- ESSER III (80% allocation): \$75M or 6%

**Claims processed through January 2022*



Overview of the ESSER Grants to LEAs

- **Common Areas of Spending:**

- Salaries and benefits for allowable activities (ESEA programs, IDEA, Perkins, McKinney-Vento, etc.)
- Educational technology
- Cleaning supplies and PPE
- After-school and summer learning programs
- Student learning recovery (curriculum, salaries/benefits, after-school programs, etc.)
- School facility and repair improvements to improve air quality (capital expenditures require prior approval from OSPI)

Overview of the ESSER Grants to LEAs

Question: Will there be more ESSER funds coming?

- We have not heard from US Department of Education that there will be more ESSER funds coming.

ESSER Questions?

Amy Harris, Director of Federal Fiscal Policy and Grants Management

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Enrollment Stabilization

Pay out in May 2022 Apportionment SY 2021–22 – ONE PAYMENT

Will recalculate stabilization district level amount using SY 2019–20 AAFTE as of February 2020 compared to SY 2021–22 as of February 2022

- Final payout must stay with appropriation of \$280,875,000
- Refer to Substitute House Bill 1590 for details behind the calculation

Washington Youth Academy will also receive enrollment stabilization to the total of \$1,020,000 split between fiscal year 2022 and 2023.

Local Effort Assistance (LEA) & Enrichment Levy Stabilization

Substitute House Bill 1590 amends the term “prior year enrollment” for both enrichment levy **AND** local effort assistance to be in effect for the 2022 & 2023 calendar year

- Calendar Year 2022: compares SY 2019–20 AAFTE to SY 2020–21 AAFTE and uses whichever is greater for levy and LEA
 - Approximate Hold Harmless for CY 2022 LEA is: \$44 million
 - Approximate Hold Harmless for CY 2022 Enrichment Levy is: \$39 million
- Calendar Year 2023: compares SY 2019–20 AAFTE to SY 2021–22 AAFTE and uses whichever is greater for levy and LEA



Learning Assistance Program (LAP) – Hold Harmless SY 2022–23

Two types of hold harmless given for LAP in supplemental budget for SY 2022–23:

- At a district level, the district may use the greater of the FRPL poverty percentage from SY 2019–20 or SY 2021–22.
- At the school level, if a school qualifies for the high-poverty LAP allocation in SY 2021–22, it will automatically qualify for the HiPov LAP allocation in SY 2022–23.

Will be a separate revenue stream on the Apportionment Reports:

- Revenue Code TBD
- Current published preliminary poverty percentage on SAFS website show if your district is expected to receive hold harmless LAP funds.
- Will publish a final list the first week of April

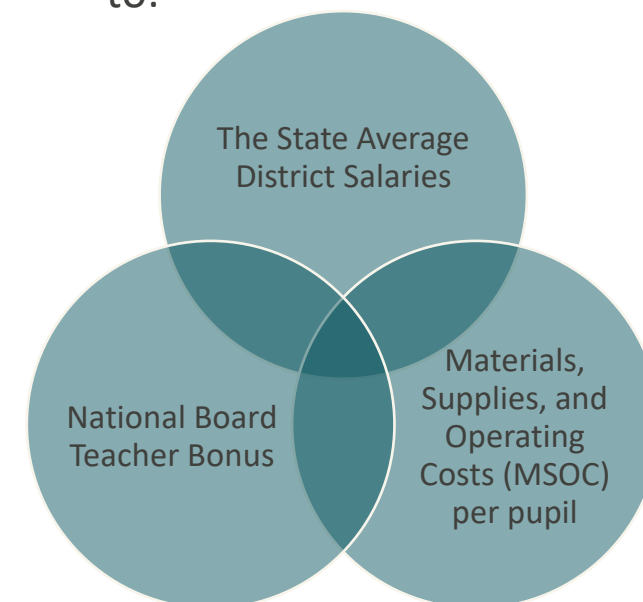


School Year 2022–23 Inflationary Increase

The budget calculates an inflationary increase of 5.5% for school year 2022–23: $(72,733.28 / 68,936.34) - 1 = 5.5\%$

School Year	Budget Inflation	Budget Salary	ERFC Updated Inflation	Rebase Salary		Rebased Inflation
2017-18		\$ 64,000.00		\$ 64,000.00		
2018-19	1.9%	\$ 65,216.00	1.8%	\$ 65,152.00	Funded	
2019-20	2.0%	\$ 66,520.32	1.3%	\$ 65,998.98	Funded	1.2%
2020-21	1.6%	\$ 67,584.65	2.0%	\$ 67,318.96	Funded	1.2%
2021-22	2.0%	\$ 68,936.34	5.1%	\$ 70,752.22	Funded	4.7%
2022-23	2.8%	\$ 70,866.56	2.8%	\$ 72,733.28	Projected	5.5%

5.5% increase applied to:



Physical, Social, and Emotional Support (PSES) Staff

State allocations increased in the prototypical funding model for counselors, nurses, social workers, and psychologists

- Phased-in over three years – beginning with School Year 2022–23

As part of state allocation, compliance language passed encompassing above allocations as well as classified staff providing student and staff safety & family engagement

- Compliance is effective School Year 2022–23

High Poverty Guidance Counselor Allocation not included in Compliance

- Using current year enrollment
- Prior Year poverty percentage, qualify if school is at 50% or greater, will post list on SAFS Budget Prep page first week of April



Physical, Social, and Emotional Support (PSES) Staff (cont.)

Staff from programs 01 (Basic Education) and 97 (Districtwide Support) will be pooled into the compliance calculation from the following duty root & activity codes:

Duty Root	Activity Code	Title	Staff Type*
39	ALL	Orientation & Mobility Specialist	Certificated ESA
42	ALL	Counselor	Certificated ESA
43	ALL	Occupational Therapist	Certificated ESA
44	ALL	Social Worker	Certificated ESA
45	ALL	Speech, Language Pathway / Audio	Certificated ESA
46	ALL	Psychologist	Certificated ESA
47	ALL	Nurse	Certificated ESA
48	ALL	Physical Therapist	Certificated ESA
49	ALL	Behavior Analyst	Certificated ESA
64	ALL	Contractor ESA	Certificated ESA
96	24	Family Engagement Coordinator	Classified
91-99	25	Pupil Management & Safety	Classified
91-99	26	Health/Related Services	Classified

*Note: According to the compliance language in 2SHB 1664, districts must prioritize funding allocated to staff who hold a valid ESA certificate appropriate for the staff's role.

For more on Compliance – see Q&A posted on SAFS Budget Prep page

Other Apportionment Items

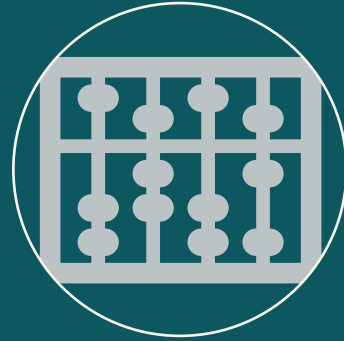


\$8 Million Small School Urban Districts – Section 501(4)(dd)

- Impacts Thirteen Districts, Tribal Compacts, &/or Charters
- Will be paid out in May 2022 Apportionment, SY 2021–22



Continuous Learning 2.0+ will continue for 2022–23

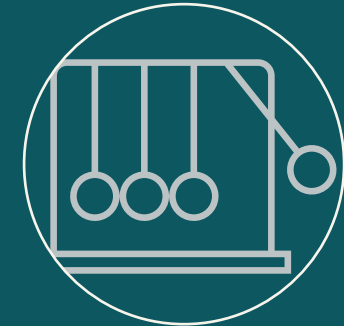


Multi-Year Tool currently Posted on SAFS Budget Prep Page

- CY 2022 Levy / LEA are estimates, will be updated in April when finalized
- Enrollment Stabilization is at state level only, will be added at district level prior to May 2022 apportionment



F203 Projection System will be released by mid-April



F195 release yet to be determined – no later than May



Student Transportation

- \$13M appropriation for Transportation Safety Net funding for FY 2023
- One-time funding
- Application due date April 14, 2023

Student Transportation

- Districts will report excess costs for transporting special education students, students experiencing homelessness, and foster care students.
- Safety net funding will be reported under a subaccount of revenue 4199.
- The funding will not be subject to recovery.
- OSPI is in the process of creating guidelines for the reporting of excess costs and the application process.

Questions?

