STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of the Governor	Applicant's Mailing Address: P.O. Box 40002 Olympia, Washington 98504-0002
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Victor Moore Position and Office: Director, Office of Financial Management Contact's Mailing Address: P.O. Box 43113 Olympia, Washington 98504-3113 Telephone: 360.902.0530 Fax: 360.664.2832 E-mail address: Victor.Moore@ofm.wa.gov	State Contact for the Government Services Fund (CFDA No. 84.397) *(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)* Name: Same Position and Office: Contact's Mailing Address: Telephone: Fax: E-mail address:

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	Telephone: 360-902-4111
Signature of Governor or Authorized Representative of the Governor: Christine Gregoire	Date: 5-15-09

Recommended Statement of Support from the Chief State School Officer *(Optional)*:

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name):	Telephone:
Signature of the Chief State School Officer:	Date:

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

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To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	Telephone: 360-902-4111
Signature of Governor or Authorized Representative of the Governor: Christine Gregoire	Date: 5-11-09

Recommended Statement of Support from the Chief State School Officer *(Optional)*:

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name): Randy I Dorn	Telephone: 360.725.6004
Signature of the Chief State School Officer: Randy I Dorn	Date: 5-12-09

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

(1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)

(2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)

(3) The State will –

(3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)

(3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and

(3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)

(4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

See Attachment A for additional information.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-11-09

PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State's current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application *(check only those assurances for which the State accepts the data described in Appendix B):*

__X__ Achieving Equity in Teacher Distribution Assurance.

__X__ Improving Collection and Use of Data Assurance.

__X__ Improving Standards Assurance.

__X__ Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-11-09

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following *(check appropriate assurances that apply)*:

__X__ In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__X__ In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__X__ In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__X__ In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

__X__ In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

__X__ In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-11-09

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See* Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-11-09

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See* Appendix C – Instructions for Part 4: Maintenance of Effort.

1. **Levels of State support for elementary and secondary education** *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

FY 2006	**$ 5,416,249,403**
FY 2009*	**$ 6,525,838,500**
FY 2010*	**$ 6,306,256,000**
FY 2011*	**$ 6,612,070,000**

(* Provide data to the extent that data are currently available.)

2. **Levels of State support for public institutions of higher education** *(enter amounts for each year)*:

FY 2006	**$ 1,313,609,000**
FY 2009*	**~~$ 1,546,889,000~~** $1,584,717,000 VAM 5/20/09
FY 2010*	**$ 1,316,526,000**
FY 2011*	**$ 1,413,171,000**

(* Provide data to the extent that data are currently available.)

3. **Additional Submission Requirements**: In an attachment to the application –

   (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -

   (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. *See* instructions in Appendix D.
- The term "postsecondary education" refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

(a) Level of State support for elementary and secondary education in FY 2008 provided through the State's primary elementary and secondary education funding formulae	$ 6,388,815,500
(b) Level of State support for public IHEs in FY 2008	$ 1,581,406,000
(c) Level of State support for elementary and secondary education in FY 2009 provided through the State's primary elementary and secondary education funding formulae	$ 6,887,838,500 - projected $ 6,525,838,500 - actual
(d) Level of State support for public IHEs in FY 2009	$ 1,584,717,000
(e) Level of State support for elementary and secondary education in FY 2010 provided through the State's primary elementary and secondary education funding formulae	$ 7,258,297,000 - projected $ 6,306,256,000 - actual
(f) Level of State support for public IHEs in FY 2010	$ 1,316,526,000

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

X☐ Yes ☐ No

* *See* Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

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2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 $ 362,000,000

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 $ -0-

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Restoration Amounts (continued)

(c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010	$ 357,338,000
(d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010	$ 100,662,000
(e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010	$ -0-

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

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PART 5, SECTION B: STATE USES OF THE GOVERNMENT SERVICES FUND

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

Category	**Estimated Percentage of Funds to Be Used**
Public Safety	100 %
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined	
TOTAL	100%

PART 6: ACCOUNTABILITY, TRANSPARENCY, AND REPORTING ASSURANCES

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
  - the uses of funds within the State;
  - how the State distributed the funds it received;
  - the number of jobs that the Governor estimates were saved or created with the funds;
  - tax increases that the Governor estimates were averted because of the funds;
  - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
  - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
  - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
  - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)

- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)

- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)

- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))

- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-21-09

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.

- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.

- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).

- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).

- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name): Christine Gregoire	
Signature: Christine Gregoire	Date: 5-11-09

Attachment A – Information related to Part 2 assurances

The following is a brief description of some Washington policies and programs that address the assurances in Part B and illustrate means by which Washington will address them.

1. **Achieving Equity in Teacher Distribution (improving teacher effectiveness, distribution of highly qualified teachers – experience, in-field assignments)**

Washington programs:
Bonuses for nationally certified teachers teaching in high-poverty schools. Teachers attaining National Board for Professional Teaching Standards (NBPTS) certification receive an annual $5,000 bonus. Those teachers teaching in high-poverty schools receive an additional $5,000 annual bonus. The last bonus acts as an incentive to attract and retain recognized, highly qualified teachers in some of our most low-performing schools. In the two years this incentive bonus has been in place, 394 teachers have qualified. The state has 2,357 NBPTS certificated teachers. The legislature appropriated $64,783,000 for these NBPTS bonus programs for 2009-11.

Retooling to teach math and science program. Washington's Professional Educator Standards Board administers a program through which currently certificated teachers can pursue a mathematics or science endorsement. Stipends are provided to pay for coursework and state content exam fees. The legislature appropriated $488,000 for the 2009-11 biennium.

Improving instruction for students with dyslexia. Following positive results of a three-year pilot on the effective instruction of students with dyslexia, a statewide professional development program will be developed and a handbook made available via the web. The legislature appropriated $290,000 for the 2009-11 biennium.

2. **Improving collection and Use of Data (establishing a longitudinal data system that includes America Competes elements)**

Washington programs:
Education Research and Data Center. This center, residing in the Governor's Office of Financial Management, was established two years ago to bring together data from early learning through higher education to provide better information for policymakers, educators and citizens. Legislative policy and budget action this spring has strengthened the direction and capacity of the Center and the work at the Office of the Superintendent of Public Instruction. The legislature appropriated $4,974,000 for the 2009-11 biennium to continue to build the longitudinal student information data base and include financial, student and educator system data.

3. **Improving assessments and academic standards (enhance assessment quality, providing for inclusion of special education and limited English proficient students in assessments, strengthen academic standards)**

Washington programs:
State assessment system. Efforts are underway to substantially revise the state's assessment system to make it technology-based, with faster return times and more useful reports for teachers and students; such reports will include information regarding student progress over time.

Additionally, design work is underway to build diagnostic academic assessments that will be technology-based, classroom-delivered, to provide useful intervention information. The legislature appropriated $4 million for this purpose for the 2009-11 biennium.

An effort is currently underway to improve the assessments of special education students. A workgroup of teachers, assessment experts and parents are developing recommendations; the recommendations are targeted for completion in early summer 2009.

The 2009 assessments in math and science at all grade levels were translated into Spanish and Russian. Those translations were provided in the form of CDs with each item translated aurally into the second language. Students responded in the standard English version of the test, including writing in English when a written response was required. The plan is to expand the CD translations into the next four most common languages spoken in the state.

New mathematics assessments are being developed as the state moves from a comprehensive high school math assessment to two end-of-course assessments; first assessment addresses Algebra I and related standards; second assessment addresses Geometry and related standards.

New elementary and middle school science assessments are being developed; a recommendation regarding moving from a comprehensive high school science assessment to end-of-course assessments is expected fall 2009.

State standards efforts. The State Board of Education and the Office of the Superintendent of Public Instruction have just completed a multi-year review and revision of state mathematics and science standards. One goal has been to align the standards with the knowledge and skills necessary for success in post-secondary education and the 21st century workforce.

The State Board of Education has also increased the mathematics credit requirement for graduation from two credits to three credits.

4. Supporting struggling schools

Washington programs:

Focused assistance. Eight years ago the legislature initiated funding for a voluntary school improvement process that assists school staff with large numbers of struggling students. This program has greatly expanded with funding from the Gates Foundation and the federal government.

In addition to the ESEA (federal) related activities, Washington's district and school improvement assistance program is voluntary. State law prohibits the Superintendent of Public Instruction and the State Board of Education from mandating that corrective actions or alternative governance plans be undertaken – unless the legislature approves such actions. This spring the legislature directed the State Board of Education to design a required improvement process for struggling schools and districts; but stipulated that the State Board obtain legislative authorization before it is implemented.

The state's assistance efforts are shifting from school-based focused assistance to a district-based focus to build district capacity for leading and sustaining significant improvement in student performance in all schools. The OSPI conducts educational audits of low-performing schools and districts and enters into performance agreements with the district to implement the recommendations of the audit. The legislature has appropriated $6,092,000 for the 2009-11 biennium.

Full-day kindergarten. A commitment has been made to support highest-poverty elementary schools by phasing-in funding for full-day kindergarten; approximately 20% of schools receive this funding. The legislature has appropriated $81,010,000 for the 2009-11 biennium.

Learning Assistance Program. This program provides resources for school districts to serve under achieving students. Best practices are to be used to provide additional learning support. The legislature has appropriated $203,304,000 for the 2009-11 biennium.

Reading Corps. Students in low-performing schools and school districts receive additional tutoring and reading skill development assistance. The schools must be using comprehensive, proven, research-based reading programs. The legislature has appropriated $2,112,000 for the 2009-11 biennium.

Attachment B

Part 4, Section C: Maintenance-of-Effort Baseline Data

1. Additional Submission Requirements
   a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education

   Formula allocations for elementary and secondary education are based on 2009 passed supplemental budget and the final legislative 2009-11 operating budget (pending the Governor's signature). They include formula allocations to school districts, but not competitive grants.

   b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

   Data sources used to determine levels of state support in higher education include enacted budgets from 2006 through the just-passed 2009-11 biennial budget. In addition, state funding for research activities was removed at the program level, per the ARRA legislation.
   Finally, we add funding for facilities maintenance funded through the education construction account, which is appropriated in the capital budget (but which funds operating activities only). This account, which is funded through proceeds from the State Lottery, has been used for operating activities in facilities maintenance for higher education since 2004. No state bonds are used, and the funding pays for operating expenses (largely salaries and benefits) that were funded through the state general fund prior to 2004.

Attachment C

Part 5, Section A: State Uses of the Education Stabilization Fund
Attachment Related to State's Primary Education Funding Formulas

Summary: Washington State allocates resources through a formula structure with nine components. These include: Basic education per student (a guaranteed number of staff per 1,000 students and basic operating costs); extra funds for property poor school districts to reduce local operating levy tax rates; extra funds to reduce class size and improve professional development; extra resources for struggling students (distributed based on poverty, similar to Title I, Part A); extra resources for English Language Learners and Special Education-eligible students; pupil transportation (based on a cost per mile for reported miles); funding for students in the juvenile justice system; and an allocation for gifted students.

The basic education formula is complex, but ultimately drives a per student funding amount that is allocated to districts based on their monthly enrollment count. Formula factors include:

- Varying staff/student ratios for different grade levels.
- Separate staff unit salary and benefit allocations for administrative, instructional, and classified (support) staff.
- Weightings for the education and experience of instructional staff (mix factors).
- Allocations for basic operating costs (such as utilities, supplies, and curriculum).
- Allocations for substitute teachers.
- Enhanced funding for small schools.
- Enhanced funding for vocational programs.
- Separate rates for Running Start students (early entry to community college).

State funding formulas for the other categorical programs are simpler:

Levy Equalization: This funding represents payments of state funds as a match to local property taxes in property-poor districts. These moneys, known as local effort assistance (LEA), help school districts with above-average tax rates due to low property valuations.

Reduced Class Size and Improved Targeted Services/Professional Development: This represents an allocation of about $460 per student to reduce class size, expand programs for early learning, expand support for struggling students, and improve professional development.

Struggling Students (Learning Assistance Program): Generally, supplemental assistance is provided at a rate of about $230 per student eligible for Free or Reduced Price Lunch. Districts provide services supplemental to Title I, Part A.

English Language Learners: Bilingual funding is provided at a rate of about $900 per annual average eligible student. Eligibility is determined based on federal No Child Left Behind requirements assessment and re-assessment of English language verbal and reading comprehension.

Special Education: The state special education allocation per student is based on 93.09 percent of the district's basic education allocation per student age 3–21. This funding is provided for up to 12.7% of a district's basic education population. Special education safety net funding is provided to districts that can demonstrate financial need due to high-cost individual students.

Juvenile Justice and Other Institutional Education: The state funds a 220-day educational program for children in certain institutions. Institutional education moneys are allocated to the school districts, educational service districts, or others that provide the educational program on a monthly basis. State funding for each type of institution is provided based on a formula resembling the Basic Education funding formula. Each full-time equivalent student generates staff units, which in turn generate dollars for salaries, benefits, and other costs of the program. Allocations are paid to the school district operating the educational program in the same manner as the basic education allocation.

Gifted Allocations: The state funds approximately $900 per student for about 2% of the state's K-12 student population as an allocation for gifted education services.

Pupil Transportation: This component of the funding formula allocates resources to school districts based on student bus ridership and a weighted allocation per mile.

Part 5, Section A
Additional Requirement 3 Regarding Data Source for State Support for IHEs

We used enacted state budget data to determine levels of state support in 2008 and 2009. Fund sources included in the 'state support' total include state general fund, the education legacy trust, and the education construction account (which funds operating activities related to facilities maintenance). These figures differ from those found in section 4 of this application because they are based on the total projected spending levels for institutions of higher education and do not remove state spending on research programs. We believe this is allowed based on the 'special instructions' in Section 5a and Appendix D.

Part 5, Section A
Additional Requirement 5 Regarding Allocation of Funding for Public IHEs

The final legislative budget will determine the amount of funding each public institution of higher education will receive.
(The levels of funding in the budget are calculated to replace tuition revenue; that is, absent these funds, institutions would increase tuition on resident undergraduate students by 7%. This funding would obviate the need for such an increase.)

SUPERINTENDENT OF PUBLIC INSTRUCTION

RANDY I. DORN OLD CAPITOL BUILDING • PO BOX 47200 • OLYMPIA WA 98504-7200 • http://www.k12.wa.us

May 8, 2009

The Honorable Christine Gregoire
Washington State Governor
P.O. Box 40002
Olympia, WA 98504

Dear Governor Gregoire:

This letter is to confirm my support for Washington's State Fiscal Stabilization Fund grant application. As Superintendent of the Office of Public Instruction for the State of Washington ("OSPI"), I have authority over and responsibility for many of the topics that are the subject of the application. I assure you that the responses prepared and information provided by my staff in the course of completing the application are true and accurate representations of the activities of the OSPI and reflect the education policy of the State of Washington as provided to the OSPI by the Washington State Legislature.

Further, to the extent of my authority as Superintendent of Public Instruction, I hereby make the following specific assurances to you (with reference to that portion of the SFSF grant application requesting the assurance):

Part 2(1): The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers.

Part 2(2): The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D

Part 2(3)(.1): The State will enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)).

Part 2(3)(.2): The State will comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the

inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments.

Part 2(3)(.3): The State will take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act.

Part 2(4): The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections.

Part 3: The data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the education reform assurances that are provided in Part 2 of our application related to Achieving Equity in Teacher Distribution Assurance, Improving Collection and Use of Data Assurance, Improving Standards Assurance and Supporting Struggling Schools Assurance.

Part 6: My office will prepare for your submission to the Secretary of Education the reports required in Part 6 of the application.

Part 6: The Office of the Superintendent will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps and with any Inspector General examination of records under the program.

Part 7: The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.

Part 7: With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program;

the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.

Part 7: The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).

Part 7: The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).

Part 7: Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).

Part 7: To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a).

Part 7: The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General

Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Additionally, school districts will need to be held accountable for the assurances they sign and data they submit. I know there will be challenges in administering these funds. Accurate accounting and timely reporting, including the significant requirement for quarterly information, will require new processes for districts. My staff will need to provide technical support to assist school districts. I am appreciative of offers from your staff to assist in creating workable systems to meet the requirements and will be calling upon them as needed.

I look forward to working with your federal funds czar and education policy and fiscal staff to make the most of the opportunities SFSF present our state.

Sincerely,

Randy I. Dorn
State Superintendent
of Public Instruction