

# HOUSE BILL REPORT

## HB 2720

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**As Reported by House Committee On:**  
Education Appropriations & Oversight

**Title:** An act relating to prioritizing safety net funding for residential schools.

**Brief Description:** Prioritizing safety net funding for residential schools.

**Sponsors:** Representatives Kagi and Ryu.

**Brief History:**

**Committee Activity:**

Education Appropriations & Oversight: 2/1/12, 2/2/12 [DPS].

**Brief Summary of Substitute Bill**

- Directs the Safety Net Oversight Committee to prioritize safety net awards to districts that have the primary duty for providing basic education to individuals who reside in residential habilitation centers.

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### HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Fagan, Assistant Ranking Minority Member; Dahlquist, Hansen, Hargrove, Hope, Maxwell, Nealey, Orwall, Pollet, Reykdal, Santos, Seaquist, Sells and Short.

**Staff:** Jessica Harrell (786-7349).

**Background:**

Safety Net.

In 1995 the Legislature revised the state's special education funding formula. Shortly thereafter, the Legislature mandated the development of a safety net to accompany the changes to the state funding formula for special education. The safety net funding enabled districts to apply for supplemental funding in situations in which there was demonstrable

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financial need within the following parameters: maintenance of effort; special characteristics and costs; and high cost individual.

Safety net awards may be provided as a supplement to the state funding formula when districts have demonstrated that they have:

- provided a reasonably efficient program;
- utilized all available state and federal funding; and
- properly formulated Individualized Education Programs for eligible students in the applicant districts.

In 2007 the Legislature created an additional category for safety net funding, the community impact category. This category allows districts to identify and quantify unique characteristics of their school communities that have an adverse fiscal impact on the district's fiscal ability to provide special education services.

As required by the Legislature in 2011, beginning with the 2010-11 school year, the Office of Superintendent of Public Instruction is required to make determinations for safety net awards in August of each year. Eligibility is determined based on analysis of actual expenditure data for the current school year. Fiscal year (FY) appropriations for safety net awards are \$8.9 million in FY 2012 and \$34.2 million in FY 2013. The considerable increase from FY 2012 to FY 2013 is driven primarily by a reduction in available federal funds in FY 2013.

Under educational programs for residential school residents (28A.190.050), districts in which a residential school is located must execute a contract regarding services to be provided to residents. Residential schools are defined as facilities that provide services for the diagnosis, confinement, and rehabilitation of juveniles committed by the courts or for the care and treatment of persons with exceptional physical or mental needs.

#### Department of Social and Health Services.

The Washington State Medicaid (Medicaid) program includes care and habilitation services for persons with developmental disabilities. Services are administered by the Department of Social and Health Services and may be provided in a community or institutional setting. There are currently about 860 clients residing at four institutions referred to as Residential Habilitation Centers (RHCs): Rainier School, Lakeland Village, Fircrest School, and Yakima Valley School. Effective July 1, 2012, persons under the age of 16 will no longer be admitted to an RHC. Persons between the age of 16 and 21 may be admitted for short-term respite or crisis stabilization services. There are currently 18 clients under the age of 21 residing in RHCs. Of those, 17 are living at Fircrest School.

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#### **Summary of Substitute Bill:**

Effective immediately upon adoption, priority for safety net funding must be given to school districts that have the primary duty of educating individuals who reside in residential habilitation centers (such as Fircrest School).

**Substitute Bill Compared to Original Bill:**

An emergency clause is added, making the bill effective immediately.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect immediately.

**Staff Summary of Public Testimony:**

(In support) Shoreline School District is a relatively small school district that, by coincidence of location, is responsible for educating all high cost, special needs residents of the Fircrest Residential Habilitation Center. Currently, 25 residents of Fircrest are being served by the Shoreline School District. The Shoreline School District out of pocket costs unreimbursed over the last three years totals approximately \$500,000. For the current FY, the estimated shortfall is \$400,000. Shoreline School District needs to be prioritized.

(Opposed) None.

**Persons Testifying:** Sue Walker and Hillery Clark, Shoreline School District.

**Persons Signed In To Testify But Not Testifying:** None.