
SUBSTITUTE HOUSE BILL 2720

State of Washington

62nd Legislature

2012 Regular Session

By House Education Appropriations & Oversight (originally sponsored by Representatives Kagi and Ryu)

READ FIRST TIME 02/06/12.

1 AN ACT Relating to prioritizing safety net funding for residential
2 schools; amending RCW 28A.150.392; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 28A.150.392 and 2009 c 548 s 109 are each amended to
5 read as follows:

6 (1) To the extent necessary, funds shall be made available for
7 safety net awards for districts with demonstrated needs for special
8 education funding beyond the amounts provided through the special
9 education funding formula under RCW 28A.150.390. If the federal safety
10 net awards based on the federal eligibility threshold exceed the
11 federal appropriation in any fiscal year, then the superintendent shall
12 expend all available federal discretionary funds necessary to meet this
13 need. Safety net funds shall be awarded by the state safety net
14 oversight committee subject to the following conditions and
15 limitations:

16 (a) The committee shall consider additional funds for districts
17 that can convincingly demonstrate that all legitimate expenditures for
18 special education exceed all available revenues from state funding
19 formulas. Notwithstanding the requirements of RCW 28A.190.050,

1 priority for safety net funding shall be given to districts that have
2 the primary duty for providing basic education to individuals who
3 reside in residential habilitation centers. In the determination of
4 need, the committee shall also consider additional available revenues
5 from federal sources. Differences in program costs attributable to
6 district philosophy, service delivery choice, or accounting practices
7 are not a legitimate basis for safety net awards. In the determination
8 of need, the committee shall require that districts demonstrate that
9 they are maximizing their eligibility for all state revenues related to
10 services for special education-eligible students and all federal
11 revenues from federal impact aid, medicaid, and the individuals with
12 disabilities education act-Part B and appropriate special projects.
13 Awards associated with (b) and (c) of this subsection shall not exceed
14 the total of a district's specific determination of need.

15 (b) The committee shall then consider the extraordinary high cost
16 needs of one or more individual special education students.
17 Differences in costs attributable to district philosophy, service
18 delivery choice, or accounting practices are not a legitimate basis for
19 safety net awards.

20 (c) Using criteria developed by the committee, the committee shall
21 then consider extraordinary costs associated with communities that draw
22 a larger number of families with children in need of special education
23 services, which may include consideration of proximity to group homes,
24 military bases, and regional hospitals. Safety net awards under this
25 subsection (1)(c) shall be adjusted to reflect amounts awarded under
26 (b) of this subsection.

27 (d) The maximum allowable indirect cost for calculating safety net
28 eligibility may not exceed the federal restricted indirect cost rate
29 for the district plus one percent.

30 (e) Safety net awards shall be adjusted based on the percent of
31 potential medicaid eligible students billed as calculated by the
32 superintendent of public instruction in accordance with chapter 318,
33 Laws of 1999.

34 (f) Safety net awards must be adjusted for any audit findings or
35 exceptions related to special education funding.

36 (2) The superintendent of public instruction may adopt such rules
37 and procedures as are necessary to administer the special education
38 funding and safety net award process. Before revising any standards,

1 procedures, or rules, the superintendent shall consult with the office
2 of financial management and the fiscal committees of the legislature.
3 In adopting and revising the rules, the superintendent shall ensure the
4 application process to access safety net funding is streamlined,
5 timelines for submission are not in conflict, feedback to school
6 districts is timely and provides sufficient information to allow school
7 districts to understand how to correct any deficiencies in a safety net
8 application, and that there is consistency between awards approved by
9 school district and by application period. The office of the
10 superintendent of public instruction shall also provide technical
11 assistance to school districts in preparing and submitting special
12 education safety net applications.

13 (3) On an annual basis, the superintendent shall survey districts
14 regarding their satisfaction with the safety net process and consider
15 feedback from districts to improve the safety net process. Each year
16 by December 1st, the superintendent shall prepare and submit a report
17 to the office of financial management and the appropriate policy and
18 fiscal committees of the legislature that summarizes the survey results
19 and those changes made to the safety net process as a result of the
20 school district feedback.

21 (4) The safety net oversight committee appointed by the
22 superintendent of public instruction shall consist of:

23 (a) One staff member from the office of the superintendent of
24 public instruction;

25 (b) Staff of the office of the state auditor who shall be nonvoting
26 members of the committee; and

27 (c) One or more representatives from school districts or
28 educational service districts knowledgeable of special education
29 programs and funding.

30 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect
33 immediately.

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