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## Education Committee

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### E2SSB 5091

**Brief Description:** Concerning state and federal special education funding.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Wellman, Conway, Darneille, Wilson, C., Kuderer and Takko).

#### Brief Summary of Engrossed Second Substitute Bill

- Increases the special education excess cost multiplier from 0.9609 to 1.00.
- Provides that special education excess cost allocations must include allocations for students with disabilities in institutional education programs.
- Removes federal funding from the special education safety net in fiscal year 2020 and makes changes to safety net eligibility thresholds.
- Directs how professional learning allocations must be calculated.
- Requires the state auditor to audit special education data for the 2018-2019 school year, and report to the Legislature by December 1, 2020.

**Hearing Date:** 3/19/19

**Staff:** Megan Wargacki (786-7194).

#### **Background:**

Special Education Funding. There are two primary sources of funding to support special education and related services for students with qualifying disabilities who are in kindergarten through age 21 (K-21). The state special education allocation is based on an excess cost multiplier of 0.9609; that is, for each K-21 student enrolled in special education, a school district receives the basic education allocation multiplied by 0.9609. However, this state allocation is capped at 13.5 percent of the school district's K-21 full time student enrollment.

The federal special education allocation is primarily based on a school district's enrollment of K-21 students in special education.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Safety Net Funding. Safety net funding is available to school districts that need more than what is provided through the state special education allocation. Safety net awards are provided using a combination of federal funds and dedicated state funds.

The Office of the Superintendent of Public Instruction (OSPI) appoints a committee to review school district applications for safety net funding. The committee may award safety net funding to school districts for extraordinary high need individuals (HNIs) or for community characteristics that draw a large number of students eligible for special education. Federal law requires that school districts expend at least three times the average per pupil expenditure prior to being able to receive federal safety net awards for HNIs. The state has the authority to lower the HNI threshold using state resources, and since the 2012–13 school year, the threshold has been set at 2.7 times the average per pupil expenditure. In order to receiving safety net funding, a school district must convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas.

Institutional Education. Basic education services are provided to incarcerated and previously incarcerated juveniles in institutions such as residential habilitation centers, county detention centers, and long-term juvenile institutions. The formula for state funding for institutional education programs is calculated primarily using student-to-staff ratios. This formula is not codified, rather it is included in the operating budget. Federal funding is available to support at-risk youth from dropping out of school and to provide transition services. Institutional education programs are also eligible for safety net awards for HNIs.

Professional Learning Days. Professional learning is a comprehensive, sustained, job-embedded, and collaborative approach to improving teachers' and principals' effectiveness in raising student achievement. State funding for professional learning days for teachers and other certificated instructional staff must be provided to school districts as follows: one professional learning day in the 2018-19 school year, two professional learning days in the 2019-20 school year, and three professional learning days in the 2020-21 school year.

### **Summary of Bill:**

Special Education Excess Cost Multiplier. The special education excess cost multiplier is increased from 0.9609 to 1.00. Special education excess cost allocations must include allocations for students with disabilities in institutional education programs, with a multiplier of 1.00. Special education allocations for students in institutional education programs must be distributed to the institutional education program that generated the funding.

Safety Net Funding. In fiscal year 2020, safety net appropriations may not include federal funding, thus eliminating the federal requirement that school districts expend at least three times the average per pupil expenditure prior to being able to receive federal safety net awards. A state expenditure requirement that is less than the federal expenditure requirement may be established in the operating budget. Beginning in the 2019-20 school year, the average per pupil expenditure must exclude state safety net funding.

To qualify for safety net awards, school districts must demonstrate that expenditures for special education exceed all available revenues from state basic education funding formulas, rather than state funding formulas generally.

Professional Learning Days. The Office of the Superintendent of Public Instruction must calculate each school district's professional learning allocation separately from the minimum state allocation for salaries and associated fringe benefits. The professional learning allocation must be equal to the proportional increase resulting from adding professional learning days to the required minimum number of school days applied to the school district's minimum state allocation for salaries and associated fringe benefits. For programs funded on a per-student basis, professional learning allocations must be included in per-pupil calculations. Federal special education allocations may be used to provide professional development to classified and certificated staff who provide educational services and supports to students with disabilities.

Audits. The state auditor must audit each school district's special education data for the 2018-19 school year. The audit must review: special education revenues and the sources of those revenues; and special education expenditures and the object of those expenditures. The state auditor must compile and submit the data reported through the audits to the Legislature by December 1, 2020.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.