

SB 5031 - H COMM AMD
By Committee on Appropriations

ADOPTED AS AMENDED 04/11/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 28A.150.392 and 2019 c 387 s 2 are each amended to
4 read as follows:

5 (1) (a) To the extent necessary, funds shall be made available for
6 safety net awards for districts with demonstrated needs for special
7 education funding beyond the amounts provided through the special
8 education funding formula under RCW 28A.150.390.

9 (b) If the federal safety net awards based on the federal
10 eligibility threshold exceed the federal appropriation in any fiscal
11 year, then the superintendent shall expend all available federal
12 discretionary funds necessary to meet this need.

13 (2) 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 award additional funds for districts that
17 can convincingly demonstrate that all legitimate expenditures for
18 special education exceed all available revenues from state funding
19 formulas.

20 (b) In the determination of need, the committee shall consider
21 additional available revenues from federal sources.

22 (c) Differences in program costs attributable to district
23 philosophy, service delivery choice, or accounting practices are not
24 a legitimate basis for safety net awards.

25 (d) In the determination of need, the committee shall require
26 that districts demonstrate that they are maximizing their eligibility
27 for all state revenues related to services for students eligible for
28 special education and all federal revenues from federal impact aid,
29 medicaid, and the individuals with disabilities education act-Part B
30 and appropriate special projects. Awards associated with (e) and (f)
31 of this subsection shall not exceed the total of a district's
32 specific determination of need.

1 (e) The committee shall then consider the extraordinary high cost
2 needs of one or more individual students eligible for and receiving
3 special education. Differences in costs attributable to district
4 philosophy, service delivery choice, or accounting practices are not
5 a legitimate basis for safety net awards.

6 (f) Using criteria developed by the committee, the committee
7 shall then consider extraordinary costs associated with communities
8 that draw a larger number of families with children in need of
9 special education services, which may include consideration of
10 proximity to group homes, military bases, and regional hospitals.
11 Safety net awards under this subsection (2)(f) shall be adjusted to
12 reflect amounts awarded under (e) of this subsection.

13 (g) The committee shall then consider the extraordinary high cost
14 needs of one or more individual students eligible for and receiving
15 special education served in residential schools as defined in RCW
16 (~~28A.190.020~~) 28A.190.005, programs for juveniles under the
17 department of corrections, and programs for juveniles operated by
18 city and county jails to the extent they are providing a secondary
19 program of education.

20 (h) The maximum allowable indirect cost for calculating safety
21 net eligibility may not exceed the federal restricted indirect cost
22 rate for the district plus one percent.

23 (i) Safety net awards shall be adjusted based on the percent of
24 potential medicaid eligible students billed as calculated by the
25 superintendent of public instruction in accordance with chapter 318,
26 Laws of 1999.

27 (j) Safety net awards must be adjusted for any audit findings or
28 exceptions related to special education funding.

29 (3) The superintendent of public instruction shall adopt such
30 rules and procedures as are necessary to administer the special
31 education funding and safety net award process. By December 1, 2018,
32 the superintendent shall review and revise the rules to achieve full
33 and complete implementation of the requirements of this subsection
34 and subsection (4) of this section including revisions to rules that
35 provide additional flexibility to access community impact awards.
36 Before revising any standards, procedures, or rules, the
37 superintendent shall consult with the office of financial management
38 and the fiscal committees of the legislature. In adopting and
39 revising the rules, the superintendent shall ensure the application
40 process to access safety net funding is streamlined, timelines for

1 submission are not in conflict, feedback to school districts is
2 timely and provides sufficient information to allow school districts
3 to understand how to correct any deficiencies in a safety net
4 application, and that there is consistency between awards approved by
5 school district and by application period. The office of the
6 superintendent of public instruction shall also provide technical
7 assistance to school districts in preparing and submitting special
8 education safety net applications.

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

17 (5) The safety net oversight committee appointed by the
18 superintendent of public instruction shall consist of:

19 (a) One staff member from the office of the superintendent of
20 public instruction;

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

23 (c) One or more representatives from school districts or
24 educational service districts knowledgeable of special education
25 programs and funding.

26 (6) Beginning in the 2023-24 school year, the office of the
27 superintendent of public instruction must distribute safety net
28 awards to school districts on a quarterly basis if the following
29 criteria are met:

30 (a) The safety net award is provided for a high-need student that
31 receives special education services from an approved nonpublic agency
32 located outside of the state of Washington;

33 (b) The school district successfully applied for and received a
34 safety net award for the high-need student in a prior school year and
35 the student's placement has not changed since that safety net award
36 was granted;

37 (c) The safety net award is provided to a school district with
38 fewer than 3,000 annual full-time equivalent enrolled students; and

1 (d) The school district meets all other safety net award
2 eligibility requirements as determined by the safety net oversight
3 committee.

4 (7) Beginning in the 2019-20 school year, a high-need student is
5 eligible for safety net awards from state funding under subsection
6 (2)(e) and (g) of this section if the student's individualized
7 education program costs exceed two and three-tenths times the average
8 per-pupil expenditure as defined in Title 20 U.S.C. Sec. 7801, the
9 every student succeeds act of 2015."

10 Correct the title.

EFFECT: Requires that the school district receiving quarterly safety net awards for a nonpublic out-of-state high-need student have fewer than 3,000 annual full-time equivalent enrolled students.

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