

HOUSE BILL REPORT

SHB 2180

As Passed House:
February 13, 2024

Title: An act relating to increasing the special education enrollment funding cap.

Brief Description: Increasing the special education enrollment funding cap.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Callan, Bergquist, Reed, Ormsby, Ramel, Stonier, Paul, Alvarado, Farivar, Fosse and Reeves; by request of Office of Financial Management).

Brief History:

Committee Activity:

Appropriations: 1/17/24, 1/29/24 [DPS].

Floor Activity:

Passed House: 2/13/24, 97-0.

Brief Summary of Substitute Bill

- Increases the enrollment limit for special education excess cost funding from 15 percent to 17.25 percent.
- Requires the State Auditor to conduct a review of the prevalence of disabilities.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 28 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chandler, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stonier and Tharinger.

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

Staff: James Mackison (786-7104).

Background:

The state allocates funding for a program of special education for students with disabilities using an excess cost formula. For eligible students in kindergarten through age 21 (K-21), the formula multiplies a school district's base allocation by an excess cost multiplier up to an enrollment limit of 15 percent of a school district's full-time student enrollment. The enrollment limit was increased to its current level in 2023 from 13.5 percent. K-21 students receiving special education generate funding through both the base allocation and excess cost formulas.

School districts receive a tiered excess cost multiplier based on inclusion in a general education setting for K-21 special education students. A multiplier of 1.12 is provided for special education students that spend at least 80 percent of the school day in a general education setting. For students in a general education setting less than 80 percent of the time, districts receive a 1.06 multiplier. The multipliers were increased to their current levels in the 2023 Legislative Session from 1.0075 and 0.995.

The formulas for special education also apply to charter schools and tribal schools in state-tribal education compacts.

Summary of Substitute Bill:

The enrollment limit for K-21 special education funding is increased from 15 percent to 17.25 percent.

The State Auditor (Auditor) must review the prevalence of disabilities and whether the provisions and funding for evaluating students and providing services reflects the prevalence of disabilities, including whether any populations are disparately underevaluated or underserved. The Auditor must report findings and recommendations to the Governor and fiscal and education committees of the Legislature by November 30, 2025.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 3, 2024.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) This policy aligns with a budget request from the Governor. Approximately half of the school districts are above the current 15 percent limit. Last year's increases in

special education were appreciated, and this bill expands on that effort. An increase to special education complements the request for additional salaries for paraeducators. This will help school districts address the special education funding gap. Students are entitled to a free appropriate public education.

School districts and educational associations support the policy. Granite Falls has a significant portion of special education expenditures unfunded, even with \$1.3 million in safety net funding. Costs are increasing. South Sound school districts, which include several that serve military families and are in the Capitol region, will benefit from the policy. Olympia is among the districts with the most students above the enrollment limit. School districts end up relying on local levies to fund a portion of special education costs, and this policy will free up those levy funds for other uses. Even with recent increases there is still a gap, and more is needed. There is support for removing the enrollment limit entirely.

(Opposed) None.

(Other) The limit on funded special education enrollment is unconscionable. The increase to the limit is appreciated but is not enough. Not funding all special education students signals to families of special needs students that they are not valued.

Persons Testifying: (In support) Representative Lisa Callan, prime sponsor; Maddy Thompson, Governor's Office; Brian Fechter, Office of Financial Management; Julie Salvi, Washington Education Association; Carl Cary, Washington State School Directors' Association; Darcy Huffman, Olympia School District; Troy Nichols, Capital Region Educational Service District 113; Mitch Denning, Alliance of Educational Associations; Mikhail Cherniske, Office of the Superintendent of Public Instruction; and Charlie Brown, South Sound Superintendents.

(Other) Amy Moses-Lagos.

Persons Signed In To Testify But Not Testifying: None.