
SENATE BILL 5031

State of Washington

68th Legislature

2023 Regular Session

By Senators Wellman, Braun, Dhingra, Hunt, Kuderer, Nguyen, Nobles, and C. Wilson

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1 AN ACT Relating to safety net award distributions for students
2 receiving special education services outside of the state of
3 Washington; and amending RCW 28A.150.392.

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

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

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

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

15 (2) Safety net funds shall be awarded by the state safety net
16 oversight committee subject to the following conditions and
17 limitations:

18 (a) The committee shall award additional funds for districts that
19 can convincingly demonstrate that all legitimate expenditures for
20 special education exceed all available revenues from state funding
21 formulas.

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

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

6 (d) In the determination of need, the committee shall require
7 that districts demonstrate that they are maximizing their eligibility
8 for all state revenues related to services for students eligible for
9 special education and all federal revenues from federal impact aid,
10 medicaid, and the individuals with disabilities education act-Part B
11 and appropriate special projects. Awards associated with (e) and (f)
12 of this subsection shall not exceed the total of a district's
13 specific determination of need.

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

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

26 (g) The committee shall then consider the extraordinary high cost
27 needs of one or more individual students eligible for and receiving
28 special education served in residential schools as defined in RCW
29 (~~28A.190.020~~) 28A.190.005, programs for juveniles under the
30 department of corrections, and programs for juveniles operated by
31 city and county jails to the extent they are providing a secondary
32 program of education.

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

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

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

3 (3) The superintendent of public instruction shall adopt such
4 rules and procedures as are necessary to administer the special
5 education funding and safety net award process. By December 1, 2018,
6 the superintendent shall review and revise the rules to achieve full
7 and complete implementation of the requirements of this subsection
8 and subsection (4) of this section including revisions to rules that
9 provide additional flexibility to access community impact awards.
10 Before revising any standards, procedures, or rules, the
11 superintendent shall consult with the office of financial management
12 and the fiscal committees of the legislature. In adopting and
13 revising the rules, the superintendent shall ensure the application
14 process to access safety net funding is streamlined, timelines for
15 submission are not in conflict, feedback to school districts is
16 timely and provides sufficient information to allow school districts
17 to understand how to correct any deficiencies in a safety net
18 application, and that there is consistency between awards approved by
19 school district and by application period. The office of the
20 superintendent of public instruction shall also provide technical
21 assistance to school districts in preparing and submitting special
22 education safety net applications.

23 (4) On an annual basis, the superintendent shall survey districts
24 regarding their satisfaction with the safety net process and consider
25 feedback from districts to improve the safety net process. Each year
26 by December 1st, the superintendent shall prepare and submit a report
27 to the office of financial management and the appropriate policy and
28 fiscal committees of the legislature that summarizes the survey
29 results and those changes made to the safety net process as a result
30 of the school district feedback.

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

33 (a) One staff member from the office of the superintendent of
34 public instruction;

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

37 (c) One or more representatives from school districts or
38 educational service districts knowledgeable of special education
39 programs and funding.

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

5 (a) The safety net award is provided for a high-cost student that
6 receives special education services from an approved nonpublic agency
7 located outside of the state of Washington;

8 (b) The school district successfully applied for and received a
9 safety net award for the high-cost student in a prior school year and
10 the student's placement has not changed since that safety net award
11 was granted; and

12 (c) The school district meets all other safety net award
13 eligibility requirements as determined by the safety net oversight
14 committee.

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

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