
SUBSTITUTE HOUSE BILL 1357

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Stonier, Santos, Obras, Timmons, Scott, Ortiz-Self, Nance, Fosse, Salahuddin, Wylie, Macri, and Hill)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to special education funding and support for
2 inclusionary practices; amending RCW 28A.150.390, 43.216.580,
3 28A.150.392, and 28A.150.560; adding a new section to chapter 28A.155
4 RCW; adding a new section to chapter 28A.150 RCW; creating new
5 sections; and providing expiration dates.

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

7 **Sec. 1.** RCW 28A.150.390 and 2024 c 229 s 1 are each amended to
8 read as follows:

9 (1) The superintendent of public instruction shall submit to each
10 regular session of the legislature during an odd-numbered year a
11 programmed budget request for special education programs for students
12 with disabilities. Funding for programs operated by local school
13 districts shall be on an excess cost basis from appropriations
14 provided by the legislature for special education programs for
15 students with disabilities and shall take account of state funds
16 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
17 28A.150.415.

18 (2) The excess cost allocation to school districts shall be based
19 on the following:

20 (a) A district's annual average head count enrollment of students
21 ages three and four and those five year olds not yet enrolled in

1 kindergarten who are eligible for and receiving special education,
2 multiplied by the district's base allocation per full-time equivalent
3 student, multiplied by 1.2;

4 (b) (i) Subject to the limitation in (b) (ii) of this subsection
5 (2), a district's annual average enrollment of resident students who
6 are eligible for and receiving special education, excluding students
7 ages three and four and those five year olds not yet enrolled in
8 kindergarten, multiplied by the district's base allocation per full-
9 time equivalent student, multiplied by the special education cost
10 multiplier rate of:

11 (A) (~~Beginning in the 2020-21 school year, either:~~

12 ~~(I) 1.0075 for students eligible for and receiving special~~
13 ~~education and reported to be in the general education setting for 80~~
14 ~~percent or more of the school day; or~~

15 ~~(II) 0.995 for students eligible for and receiving special~~
16 ~~education and reported to be in the general education setting for~~
17 ~~less than 80 percent of the school day;~~

18 ~~(B) Beginning in the 2023-24 school year, either:~~

19 ~~(I) 1.12))~~ 1.18 for students eligible for and receiving special
20 education and reported to be in the general education setting for 80
21 percent or more of the school day; or

22 ~~((II) 1.06))~~ (B) 1.09 for students eligible for and receiving
23 special education and reported to be in the general education setting
24 for less than 80 percent of the school day.

25 (ii) If the enrollment percent exceeds 16 percent, the excess
26 cost allocation calculated under (b) (i) of this subsection must be
27 adjusted by multiplying the allocation by 16 percent divided by the
28 enrollment percent.

29 (3) The superintendent of public instruction may reserve amounts
30 up to .005 of the funding generated under subsection (2) of this
31 section for statewide special education activities under section 2 of
32 this act.

33 (4) As used in this section:

34 (a) "Base allocation" means the total state allocation to all
35 schools in the district generated by the distribution formula under
36 RCW 28A.150.260 (4) (a), (5), (6), and (8) and the allocation under
37 RCW 28A.150.415, to be divided by the district's full-time equivalent
38 enrollment.

39 (b) "Basic education enrollment" means enrollment of resident
40 students including nonresident students enrolled under RCW

1 28A.225.225 and students from nonhigh districts enrolled under RCW
2 28A.225.210 and excluding students residing in another district
3 enrolled as part of an interdistrict cooperative program under RCW
4 28A.225.250.

5 (c) "Enrollment percent" means the district's resident annual
6 average enrollment of students who are eligible for and receiving
7 special education, excluding students ages three and four and those
8 five year olds not yet enrolled in kindergarten and students enrolled
9 in institutional education programs, as a percent of the district's
10 annual average full-time equivalent basic education enrollment.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.155
12 RCW to read as follows:

13 (1) The superintendent of public instruction shall engage in
14 statewide special education activities to support students receiving
15 special education services.

16 (a) The statewide activities must include:

17 (i) Annually reviewing data from school districts and public
18 schools, including the percentage of students receiving special
19 education services, to ensure there is not a disproportionate
20 identification of students, as defined by the superintendent of
21 public instruction in accordance with federal requirements of the
22 individuals with disabilities education act, 20 U.S.C. Sec. 1400; and

23 (ii) Providing technical assistance to school districts with
24 disproportionate data.

25 (b) The statewide activities may include:

26 (i) Providing professional development in inclusionary practices
27 to school districts, public schools, and community partners in
28 promoting inclusionary teaching practices within a multitiered system
29 of supports framework to help safeguard against over-identification
30 and other issues related to disproportionality; and

31 (ii) Maintaining common templates and resources including a
32 statewide tool for individualized education programs.

33 (2) The superintendent of public instruction shall annually
34 report to the education committees of the legislature, in accordance
35 with RCW 43.01.036, by December 1st on the statewide activities
36 funded under RCW 28A.150.390(3).

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.150
38 RCW to read as follows:

1 (1) Subject to availability of amounts appropriated for this
2 specific purpose, the office of the superintendent of public
3 instruction must award grants to up to 20 pilot schools to support
4 school-wide centers of excellence for inclusionary practices. School
5 districts may apply for grant funding on behalf of a school within
6 their district. The selected schools will generate a grant equivalent
7 to the amount needed to bring the school to a multiplier of 1.5 for
8 all students eligible for, and receiving special education in, the
9 school in each school year over a four-year period. Grant amounts
10 provided in this section must be spent on qualifying expenses for
11 special education programs for students with disabilities.

12 (2) The superintendent of public instruction must select grant
13 recipients based on the criteria in this subsection (2). Selected
14 pilot schools must be diverse geographically and in size of
15 enrollment. Successful school applicants must:

16 (a) Demonstrate engaged and committed school leadership and
17 faculty in support of inclusionary practices, which may include, but
18 are not limited to, the following practices:

19 (i) A willingness to make master schedule changes to allow for
20 common collaboration time;

21 (ii) A plan for transformational change in building practices in
22 support of inclusion;

23 (iii) Broadly communicating a commitment to the shift in
24 practices; and

25 (iv) A commitment to, and understanding of, universal design for
26 learning;

27 (b) Demonstrate that all school staff, including classified
28 staff, are appropriately trained in inclusionary practices or submit
29 a plan for all staff to obtain the appropriate training by the end of
30 the following school year;

31 (c) Provide data demonstrating the school's existing success in
32 inclusionary practices or recent improvements in inclusionary
33 practices; and

34 (d) Describe how staff training and support in inclusionary
35 practices will be sustained after initial training is provided.

36 (3) Beginning December 1, 2026, and annually thereafter, the
37 office of the superintendent of public instruction shall submit a
38 report to the appropriate committees of the legislature on the grant
39 program. The report must include, at a minimum:

40 (a) A list of the grant recipients from the previous school year;

1 (b) The additional funding provided to each grant recipient as
2 required in subsection (1) of this section; and

3 (c) The effectiveness of the grant funds in increasing staff
4 training in inclusionary practices and improving student outcomes.

5 (4) The funding provided under this section is not part of the
6 state's statutory program of basic education.

7 **Sec. 4.** RCW 43.216.580 and 2024 c 284 s 1 are each amended to
8 read as follows:

9 (1) The department is the state lead agency for Part C of the
10 federal individuals with disabilities education act. The department
11 shall administer the early support for infants and toddlers program,
12 to provide early intervention services to all eligible children with
13 disabilities from birth to three years of age. Eligibility shall be
14 determined according to Part C of the federal individuals with
15 disabilities education act or other applicable federal and state
16 laws, and as specified in the Washington Administrative Code adopted
17 by the department. Services provided under this section shall not
18 supplant services or funding currently provided in the state for
19 early intervention services to eligible children with disabilities
20 from birth to three years of age.

21 (2)(a) Funding for the early support for infants and toddlers
22 program shall be appropriated to the department based on the annual
23 average head count of children ages birth to three who are eligible
24 for and receiving early intervention services, multiplied by the
25 total statewide allocation generated by the distribution formula
26 under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation
27 under RCW 28A.150.415, per the statewide full-time equivalent
28 enrollment in common schools, multiplied by ~~((1.15))~~ the multiplier
29 used in RCW 28A.150.390(2)(a).

30 (b) The department shall distribute funds to early intervention
31 services providers, and, when appropriate, to county lead agencies.

32 (c) For the purposes of this subsection (2), a child is receiving
33 early intervention services if the child has received services within
34 the same month as the monthly count day, which is the last business
35 day of the month.

36 (3) Federal funds associated with Part C of the federal
37 individuals with disabilities education act shall be subject to payor
38 of last resort requirements pursuant to 34 C.F.R. Sec. 303.510 (2020)

1 for birth-to-three early intervention services provided under this
2 section.

3 (4) The services in this section are not part of the state's
4 program of basic education pursuant to Article IX of the state
5 Constitution.

6 **Sec. 5.** RCW 28A.150.392 and 2024 c 127 s 2 are each amended to
7 read as follows:

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

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

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

19 (a) The committee shall award additional funds for districts that
20 can convincingly demonstrate that all legitimate expenditures for
21 special education exceed all available revenues from state funding
22 formulas. When determining award eligibility and amounts[,], the
23 committee shall limit its review to relevant documentation that
24 illustrates adherence to award criteria. The committee shall not make
25 determinations regarding the content of individualized education
26 programs beyond confirming documented and quantified services and
27 evidence of corresponding expenditures for which a school district
28 seeks reimbursement.

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

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

34 (d) In the determination of need, the committee shall require
35 that districts demonstrate that they are maximizing their eligibility
36 for all state revenues related to services for students eligible for
37 special education and all federal revenues from federal impact aid,
38 medicaid, and the individuals with disabilities education act-Part B
39 and appropriate special projects. Awards associated with (e) and (f)

1 of this subsection shall not exceed the total of a district's
2 specific determination of need.

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

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

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

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

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

28 (j) Safety net awards must be adjusted for any unresolved audit
29 findings or exceptions related to special education funding. Safety
30 net awards may only be adjusted for errors in safety net applications
31 or individualized education programs that materially affect the
32 demonstration of need.

33 (3) The superintendent of public instruction shall adopt such
34 rules and procedures as are necessary to administer the special
35 education funding and safety net award process. By December 1, 2018,
36 the superintendent shall review and revise the rules to achieve full
37 and complete implementation of the requirements of this subsection
38 and subsection (4) of this section including revisions to rules that
39 provide additional flexibility to access community impact awards.
40 Before revising any standards, procedures, or rules, the

1 superintendent shall consult with the office of financial management
2 and the fiscal committees of the legislature. In adopting and
3 revising the rules, the superintendent shall ensure the application
4 process to access safety net funding is streamlined, timelines for
5 submission are not in conflict, feedback to school districts is
6 timely and provides sufficient information to allow school districts
7 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 (4) (a) On an annual basis, the superintendent shall survey
14 districts regarding their satisfaction with the safety net process
15 and consider feedback from districts to improve the safety net
16 process. Each year by December 1st, the superintendent shall prepare
17 and submit a report to the office of financial management and the
18 appropriate policy and fiscal committees of the legislature that
19 summarizes the survey results and those changes made to the safety
20 net process as a result of the school district feedback.

21 (b) By December 1, 2024, the office of the superintendent of
22 public instruction must develop a survey requesting specific feedback
23 on the safety net application process from school districts with
24 3,000 or fewer students. The survey must include, at a minimum,
25 questions regarding the average amount of time school district staff
26 spend gathering safety net application data, filling out application
27 forms, and correcting application deficiencies. The survey must also
28 include questions to help identify which application components are
29 the most challenging and time consuming for school districts to
30 complete. By December 1, 2025, the office of the superintendent of
31 public instruction must use this feedback to implement a simplified,
32 standardized safety net application for all school districts that
33 reduces barriers to safety net funding.

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

36 (a) One staff member from the office of the superintendent of
37 public instruction;

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

1 (c) One or more representatives from school districts or
2 educational service districts knowledgeable of special education
3 programs and funding.

4 (6) Beginning in the 2025-26 school year, the office of the
5 superintendent of public instruction must distribute safety net
6 awards to school districts on a quarterly basis if the following
7 criteria are met:

8 (a) The safety net award is provided for a high-cost student who
9 receives special education services from an approved nonpublic agency
10 located outside of the state of Washington;

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

15 (c) The school district meets all other safety net award
16 eligibility requirements as determined by the safety net oversight
17 committee.

18 (7) Beginning in the 2025-26 school year, the office of the
19 superintendent of public instruction must distribute safety net
20 awards to second-class school districts on a quarterly basis.

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

27 (b) Beginning in the 2023-24 school year, a high-need student is
28 eligible for safety net awards from state funding under subsection
29 (2)(e) and (g) of this section if the student's individualized
30 education program costs exceed:

31 (i) 2 times the average per-pupil expenditure, for school
32 districts with fewer than 1,000 full-time equivalent students;

33 (ii) 2.2 times the average per-pupil expenditure, for school
34 districts with 1,000 or more full-time equivalent students.

35 (c) For purposes of (b) of this subsection, "average per-pupil
36 expenditure" has the same meaning as in 20 U.S.C. Sec. 7801, the
37 every student succeeds act of 2015, and excludes safety net funding
38 provided in this section.

1 NEW SECTION.

2 **Sec. 6.**

3 (1)(a) The omnibus operating
4 appropriations act, chapter 475, Laws of 2023, appropriated funding
5 to the office of the superintendent of public instruction for two-
6 year demonstration projects that build school-wide systems to support
7 students in distress and prevent crisis escalation cycles that may
8 result in restraint or isolation. In accordance with the legislation,
9 the office of the superintendent of public instruction established
10 demonstration projects with demonstration sites and pilot sites.

11 (b) Six demonstration sites were selected to showcase best
12 practices and to serve as learning communities and examples that
13 would allow other school districts to observe positive practices in
14 real-world settings. Sixteen pilot sites were selected to engage in
15 targeted professional development, including in inclusionary
16 practices, through learning experiences offered by the demonstration
17 sites and state contracted professional development providers, as
18 well as complete other tasks to achieve the project's goal.

19 (c) In its progress report on the outcomes of the demonstration
20 projects, the office of the superintendent of public instruction
21 recommended that the projects be funded for two additional years.

22 (2)(a) Subject to the availability of amounts appropriated for
23 this specific purpose, the office of the superintendent of public
24 instruction shall provide grants to: (i) Support inclusive teaching
25 practices and student behavior management practices for six
26 demonstration sites that are ready to exhibit adopted best practices
27 and 16 pilot sites committed to adopting best practices; and (ii)
28 offer best practices training to the pilot sites. Grant funding and
29 training must be prioritized to support students with individualized
30 education programs who spend the least amount of time in general
31 education classrooms.

32 (b) The demonstration sites receiving grants under this
33 subsection must showcase the following practices: Staff use of
34 inclusive teaching practices and student behavior management
35 practices; staff knowledge and support of district policies; student
36 and school needs assessments; use of regulation spaces for students;
37 and data collection and reporting related to disruptive student
38 behavioral incidents. The demonstration sites must continue to serve
39 as learning communities and examples that allow other school
40 districts, not only the pilot sites, to observe positive practices in
41 real-world settings.

1 (c) The pilot sites receiving grants under this subsection must
2 take advantage of learning experiences provided by state contractors
3 and demonstration sites to build school-level and district-level
4 systems that incorporate positive, inclusive, student behavior
5 management practices to prevent crisis escalation and reduce
6 disruptive behavioral incidents, with particular focus on students
7 with disabilities. The pilot sites must improve data collection and
8 reporting systems and complete other tasks to achieve the project's
9 goal.

10 (3) By November 15, 2026, and in accordance with RCW 43.01.036,
11 the office of the superintendent of public instruction shall provide
12 the appropriate committees of the legislature with a final report on
13 the demonstration projects. The report must, to the extent possible,
14 quantify the impact of the demonstration projects in terms of student
15 outcomes, such as changes in disruptive student behavior, increases
16 in the amount of time students with disabilities spend in the general
17 education setting, or increases in assessment scores. The report must
18 include an estimate of the fiscal impact that use of the practices
19 identified in subsection (2)(b) of this section might have on school
20 district budgets if adopted statewide. The report must also address
21 key implementation challenges and findings, as well as include
22 recommendations for statewide policy changes.

23 (4) For the purposes of this section, "student behavior
24 management" means the knowledge and skills to:

25 (a) Implement proactive classroom management strategies that
26 create a positive and safe learning environment;

27 (b) Recognize the emotional or behavioral distress of students
28 and respond using evidence-based, trauma-informed behavioral health
29 supports that are age and developmentally appropriate, are
30 restorative, and consider any disabilities of the students;

31 (c) Understand and implement behavior management practices and
32 positive behavioral supports within a multitiered system of supports;
33 and

34 (d) Use evidence-based, trauma-informed, and student-centered
35 approaches for de-escalating aggressive student behaviors that
36 include problem solving and conflict resolution and are less
37 restrictive than isolation or restraint.

38 (5) This section expires August 1, 2027.

1 **Sec. 7.** RCW 28A.150.560 and 2023 c 417 s 6 are each amended to
2 read as follows:

3 (1) It is the policy of the state that for purposes of state
4 funding allocations, students eligible for and receiving special
5 education generate the full basic education allocation under RCW
6 28A.150.260 and, as a class, are to receive the benefits of this
7 allocation for the entire school day, as defined in RCW 28A.150.203,
8 whether the student is placed in the general education setting or
9 another setting.

10 (2) The superintendent of public instruction shall develop an
11 allocation and cost accounting methodology (~~(that ensures state~~
12 ~~general apportionment funding for students who receive their basic~~
13 ~~education services primarily in an alternative classroom or setting~~
14 ~~are prorated and allocated to the special education program and~~
15 ~~accounted for before calculating special education excess costs)) to
16 account for expenditures beyond amounts provided through the special
17 education funding formula under RCW 28A.150.390. This method of
18 accounting must shift 25 percent of a school district's base
19 allocation as defined in RCW 28A.150.390 for students eligible for
20 and receiving special education to the school district's special
21 education program for expenditure.~~

22 (3) To the extent that a school district's special education
23 program expenditures exceed state funding in a school year provided
24 under RCW 28A.150.390 and 28A.150.392, and redirected general
25 apportionment revenue under subsection (2) of this section, the
26 school district must use the remaining portion of the school
27 district's base allocation as defined in RCW 28A.150.390 for students
28 eligible for and receiving special education for the expenditures
29 prior to using other funding sources.

30 (4) Unless otherwise prohibited by law, nothing in this section
31 prohibits school districts from using other funding and state
32 allocations above the amounts provided under RCW 28A.150.390 and
33 subsections (2) and (3) of this section to serve students eligible
34 for and receiving special education.

35 (5) Nothing in this section requires districts to provide
36 services in a manner inconsistent with the student's individualized
37 education program or other than in the least restrictive environment
38 as determined by the individualized education program team.

39 ~~((3))~~ (6) The superintendent of public instruction shall
40 provide the legislature with an accounting of prorated general

1 apportionment allocations provided to special education programs
2 broken down by school district by January 1, 2024, and then every
3 January 1st of odd-numbered years thereafter.

4 NEW SECTION. **Sec. 8.** (1) The office of the superintendent of
5 public instruction shall use information gathered from the
6 demonstration projects and the technical assistance funded by section
7 501(4)(mm), chapter 475, Laws of 2023 to develop a strategy and with
8 a detailed timeline to implement a prohibition on isolating students
9 in prekindergarten through grade five. The goal date for the
10 prohibition should be July 1, 2032. The plan must be reported to the
11 appropriate committees of the legislature by December 1, 2027, in
12 accordance with RCW 43.01.036.

13 (2) This section expires July 1, 2028.

14 NEW SECTION. **Sec. 9.** If specific funding for the purposes of
15 this act, referencing this act by bill or chapter number, is not
16 provided by June 30, 2025, in the omnibus appropriations act, this
17 act is null and void.

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