
SENATE BILL 6524

State of Washington

65th Legislature

2018 Regular Session

By Senators Braun, Rolfes, Rivers, Fain, Zeiger, Hawkins, and Mullet

1 AN ACT Relating to special education funding; amending RCW
2 28A.150.390 and 28A.150.392; and adding a new section to chapter
3 28A.155 RCW.

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

5 **Sec. 1.** RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each
6 amended to read as follows:

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

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

17 (a) A district's annual average headcount enrollment of students
18 ages birth through four and those five year olds not yet enrolled in
19 kindergarten who are eligible for and enrolled in special education,
20 multiplied by the district's base allocation per full-time equivalent
21 student, multiplied by 1.15; and

1 (b) A district's annual average full-time equivalent basic
2 education enrollment, multiplied by the district's funded enrollment
3 percent, multiplied by the district's base allocation per full-time
4 equivalent student, multiplied by 0.9309.

5 (3) As used in this section:

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

10 (b) "Basic education enrollment" means enrollment of resident
11 students including nonresident students enrolled under RCW
12 28A.225.225 and students from nonhigh districts enrolled under RCW
13 28A.225.210 and excluding students residing in another district
14 enrolled as part of an interdistrict cooperative program under RCW
15 28A.225.250.

16 (c) "Enrollment percent" means the district's resident special
17 education annual average enrollment, excluding students ages birth
18 through four and those five year olds not yet enrolled in
19 kindergarten, as a percent of the district's annual average full-time
20 equivalent basic education enrollment.

21 (d) "Funded enrollment percent" means:

22 (i) The lesser of the district's actual enrollment percent or
23 thirteen and five-tenths percent; or

24 (ii) For school districts with a student enrollment under one
25 thousand students, the actual enrollment percent, if above thirteen
26 and five-tenths percent.

27 **Sec. 2.** RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each
28 amended to read as follows:

29 (1)(a) To the extent necessary, funds shall be made available for
30 safety net awards for districts with demonstrated needs for special
31 education funding beyond the amounts provided through the special
32 education funding formula under RCW 28A.150.390. The state allocation
33 for the special education safety net shall be specified in the
34 omnibus appropriations act but must be at least five percent of the
35 total allocated to school districts under RCW 28A.150.390(2)(b).

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

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

4 (a) The committee shall award additional funds for districts that
5 can convincingly demonstrate that all legitimate expenditures for
6 special education exceed all available revenues from state funding
7 formulas.

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

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

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

21 (e) The committee shall then consider the extraordinary high cost
22 needs of one or more individual special education students.
23 Differences in costs attributable to district philosophy, service
24 delivery choice, or accounting practices are not a legitimate basis
25 for safety net awards.

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

33 (g) 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 (h) 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 (i) 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 September 1,
6 ((2019)) 2018, the superintendent shall review and revise the rules
7 to achieve full and complete implementation of the requirements of
8 this subsection and subsection (4) of this section. Before revising
9 any standards, procedures, or rules, the superintendent shall consult
10 with the office of financial management and the fiscal committees of
11 the legislature. In adopting and revising the rules, the
12 superintendent shall ensure the application process to access safety
13 net funding is streamlined, timelines for submission are not in
14 conflict, feedback to school districts is timely and provides
15 sufficient information to allow school districts to understand how to
16 correct any deficiencies in a safety net application, and that there
17 is consistency between awards approved by school district and by
18 application period. The office of the superintendent of public
19 instruction shall also provide technical assistance to school
20 districts in preparing and submitting special education safety net
21 applications.

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

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

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

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

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

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.155
2 RCW to read as follows:

3 (1) School districts are encouraged to participate in the
4 establishment or continuation of existing cooperative programs
5 between or among school districts, or educational service districts
6 and school districts, to provide special education and services to
7 eligible students with disabilities.

8 (2) Prior to the 2019-20 school year and every five years
9 thereafter, each special education cooperative must apply for
10 approval of the program by the superintendent of public instruction.

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