

HOUSE BILL REPORT

SB 5852

As Passed House:

March 1, 2024

Title: An act relating to special education safety net awards.

Brief Description: Concerning special education safety net awards.

Sponsors: Senators Braun, Mullet, Short, Torres and Wilson, L..

Brief History:

Committee Activity:

Education: 2/14/24, 2/20/24 [DP];

Appropriations: 2/23/24, 2/26/24 [DP].

Floor Activity:

Passed House: 3/1/24, 95-0.

Brief Summary of Bill

- Modifies safety net award eligibility and award adjustment provisions.
- Requires that a survey of small school districts be used to implement a simplified, standardized safety net application.

HOUSE COMMITTEE ON EDUCATION

Majority Report: Do pass. Signed by 14 members: Representatives Santos, Chair; Shavers, Vice Chair; Rude, Ranking Minority Member; McEntire, Assistant Ranking Minority Member; Bergquist, Eslick, Harris, McClintock, Nance, Ortiz-Self, Pollet, Steele, Stonier and Timmons.

Staff: Megan Wargacki (786-7194).

HOUSE COMMITTEE ON APPROPRIATIONS

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.

Majority Report: Do pass. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: James Mackison (786-7104).

Background:

Special Education Funding.

The state allocates funding for a program of special education for students with disabilities. Special education is funded on an excess cost formula for up to 15 percent of a district's students. This formula multiplies the district's base allocation for students enrolled in elementary and secondary special education by an excess cost multiplier of either:

- 1.12 for students receiving special education and reported to be in the general education setting for 80 percent or more of the school day; or
- 1.06 for students receiving special education and reported to be in the general education setting for less than 80 percent of the school day.

Safety Net Funding.

Safety net funding is available to school districts that need more than what is provided through the state special education allocation. The Safety Net Oversight Committee (Committee), appointed by the Office of the Superintendent of Public Instruction (OSPI), may award safety net funding if a school district can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas, and that it is maximizing its eligibility for all related state and federal revenues. It is specified that differences in program costs attributable to school district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

The Committee may award safety net funding to applicants for high-need individuals and for community characteristics that draw a large number of students eligible for special education. A high-need individual is eligible for a safety net award if the student's individualized education program (IEP) costs exceed: 2.2 times the average per-pupil expenditure, for school districts with 1,000 or more students; or 2 times the average per-pupil expenditure, for school districts with fewer than 1,000 students.

State statute requires safety net awards to be adjusted for any audit findings or exceptions related to special education funding. Under an OSPI rule, the Committee may adjust awards for fiscal corrections and for IEP noncompliance. The OSPI rule also specifies that a safety net application may not be approved if there are unresolved audit findings related to special education that are material to the application.

Safety Net Process Survey.

On an annual basis, the OSPI must survey school districts regarding their satisfaction with the safety net process and consider feedback for improvement. The OSPI must summarize the survey results and changes made to the safety net process in an annual report to the Office of Financial Management and the Legislature.

Summary of Bill:

Safety Net Award Eligibility and Amounts.

When determining award eligibility and amounts the Safety Net Oversight Committee (Committee) is directed to limit its review to relevant documentation that illustrates adherence to award criteria. The Committee must not make determinations regarding the content of individualized education programs beyond confirming documented and quantified services and evidence of corresponding expenditures for which a school district seeks reimbursement.

Adjustment of safety net awards for audit findings or exceptions related to special education funding are limited to unresolved findings and for errors in safety net applications or individualized education programs that materially affect the demonstration of need.

Safety Net Process Survey.

By December 1, 2024, the Office of the Superintendent of Public Instruction (OSPI) must develop a survey requesting specific feedback on the safety net application process from school districts with 3,000 or fewer students. The survey must include, at a minimum, questions regarding the average amount of time school district staff spend gathering safety net application data, filling out application forms, and correcting application deficiencies. The survey must also include questions to help identify which application components are the most challenging and time consuming for school districts to complete. By December 1, 2025, the OSPI must use this feedback to implement a simplified, standardized safety net application for all school districts that reduces barriers to safety net funding.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Education):

(In support) The safety net helps school districts support high-need students. The current safety net process is an administrative burden. School districts weigh the time and effort that it will take to access a safety award with the amount of the award. Some districts have

stopped applying for the safety net due to the burden of applying for an award.

Especially in smaller school districts, staff have multiple roles and many duties. The application requires input from a variety of staff. Because the process is complicated, it is easy to make mistakes that result in thousands of dollars of reduction to the award.

Recently, four or more errors in an application result in total loss of reimbursement. The Office of the Superintendent of Public Instruction has made voluntary changes to the reduction amounts in this school year. School districts should be able to correct errors in the application without a penalty.

The bill requires that the safety net application be evaluated on the merits of the application and does not permit the award amount to be reduced due to administrative errors. Special education and related services for some children is very expensive; any rejection or reduction of the requested safety net award amount should only be for a material error in the application.

The bill requires that the safety net application be simplified after a survey of small school districts is conducted. This will make it easier for school districts to access available funding. Staff should be spending their time in direct service to students, not filling out applications.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) The current safety net is time-consuming and an administrative burden. In small districts, applying for the safety net requires coordination with many staff, including human resources, finance, teachers, education specialists, transportation staff, and others. Because of the effort involved, high-need students who barely meet the threshold do not provide enough funding to justify the application process. Immaterial mistakes can cost thousands of dollars.

(Opposed) None.

Persons Testifying (Education): Senator John Braun, prime sponsor; Kelsi Hamilton, Washington State School Directors' Association; Katie Howell, Chehalis Schools; and Charlie Brown, South Sound Superintendents.

Persons Testifying (Appropriations): Katie Howell, Chehalis Schools.

Persons Signed In To Testify But Not Testifying (Education): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.