

# HOUSE BILL REPORT

## HB 1974

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### As Reported by House Committee On:

Education

**Title:** An act relating to changing the state special education funding formula.

**Brief Description:** Changing the state special education funding formula.

**Sponsors:** Representatives Haigh, Jarrett, Cox, Doumit, Schoesler, Jackley, Talcott, Hatfield, Mulliken, McIntire, Hurst, Linville, Schual-Berke, Fromhold, G. Chandler, Keiser, Barlean, Kenney, Benson, Quall, Lantz, McDermott, Kessler, Grant, Santos, Rockefeller, Eickmeyer, Simpson, Hunt, Mitchell, Ogden, Conway and Pearson.

### Brief History:

#### Committee Activity:

Education: 2/21/01, 2/26/01 [DPS].

Brief Summary of Substitute Bill
<ul style="list-style-type: none"><li>· Excludes three and four-year-olds from the special education funding limit.</li></ul>



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## HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Quall, Democratic Co-Chair; Talcott, Republican Co-Chair; Anderson, Republican Vice Chair; Haigh, Democratic Vice Chair; Cox, Ericksen, Keiser, McDermott, Pearson, Rockefeller, Santos, Schindler, D. Schmidt and Schual-Berke.

**Staff:** Susan Morrissey (786-7111).

### Background:

Before the 1995-96 school year, the special education allocation formula was designed to provide full funding for special education. However, special education students were not included in basic education funding formulas for the time that students spent in the special education program. The formula was revised by the Legislature, after a thorough study by the Joint Legislative Audit and Review Committee. The current formula includes special education and basic education funding for students in kindergarten through grade

twelve. It also includes funding for special education students from birth to kindergarten and a safety net for districts that have demonstrable funding needs beyond the combined special education and basic education funding formulas.

In addition to funding for basic education, school districts receive a special education allocation for every special education student who is enrolled in kindergarten through 12th grade. The districts receive the same level of per-student special education funding for special education students aged 3 and 4. The districts receive a richer funding formula for special education students from birth through age 2. The districts do not receive basic education funding for students who are not yet enrolled in kindergarten. In addition, the funding formula limits the amount of special education funding available to districts that enroll more than 12.7 percent of their students in special education.

The funding formula for special education is calculated as follows:

The annual average headcount of birth through age 2,  
times the district's 1999-2000 basic education allocation rate per student,  
times 1.15 percent, plus  
the annual average headcount of age 3 to 21 special education enrollment, limited to a  
maximum of 12.7 percent of the annual average K-12 resident FTE basic education  
enrollment,  
times the district's 1999-2000 BEA allocation rate per student,  
times .9309.

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**Summary of Substitute Bill:**

The state funding formula for special education will exclude from any funding limits those students for whom school districts do not receive basic education monies.

**Substitute Bill Compared to Original Bill:**

A technical correction is adopted that changes the word "caps" to "index."

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Educating special education students is a challenge for many school districts. The state's funding formula limits the number of students and types of services

that districts can realistically afford to serve and provide. This legislation is a first step to remedy that situation. By removing the funding enrollment cap for three and four-year-olds, it will encourage districts to serve more of those children. Most research supports early intervention for special education eligible students, so this approach is an investment that will serve the children and society well. Many people believe that three and four-year old students were never intended to be included in the cap. This legislation is a good first step. Removing these students from the cap and funding them at the same level used for students from birth to 2 years old would be an even better but more expensive approach.

**Testimony Against:** None.

**Testified:** (In support) representative Haigh, prime sponsor; Barbara Mertens, Washington Association of School Administrators; Carol Taylor Cann, Washington State PTA; Christie Perkins, Washington State Special Education Coalition; Dan Steele, Washington State School Directors Association; and Ken Kanikeberg, Office of the Superintendent of Public Instruction.