SENATE BILL REPORT
SB 6117

As of February 9, 2020

Title: An act relating to appropriations for special education programs.

Brief Description: Concerning appropriations for special education programs.

Sponsors: Senators Wellman, Dhingra, Hunt, Kuderer, Pedersen, Saldaña and Wilson, C.; by request of Superintendent of Public Instruction.

Brief History:
Committee Activity: Early Learning & K-12 Education: 1/22/20, 2/03/20 [DPS-WM].
Ways & Means: 2/06/20.

Brief Summary of First Substitute Bill

- Increases the multiplier for students enrolled in special education who are in the general education setting for 80 percent or more of the school day to 1.0251 rather than 1.0075, beginning in the 2020-21 school year.

- Provides that the average per-pupil expenditure used to determine safety net award eligibility for high-need students is the lesser of the state average or the average among districts within the same regionalization tier as the high-need student.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 6117 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.
  Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hawkins, Ranking Member; Hunt, McCoy, Mullet, Padden, Pedersen, Salomon and Wagoner.

Staff: Alex Fairfortune (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jeffrey Naas (786-7708)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: 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 13.5 percent of a district's students. This formula multiplies the district's base allocation for students enrolled in special education by an excess cost multiplier of 0.995.

Beginning in the 2020-21 school year, a new tiered multiplier will take effect. The multiplier will remain at 0.995 for students enrolled in special education who are in the general education setting for less than 80 percent of the school day. The multiplier will increase to 1.0075 for students enrolled in special education who are in the general education setting for 80 percent or more of the school day.

Beyond these allocations, the Office of the Superintendent of Public Instruction may provide safety net funding if a district can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas, and that is is maximizing its eligibility for all related state and federal revenues. Districts must expend at least 2.3 times the statewide average per-pupil expenditure as a cost threshold prior to being able to receive federal safety net awards for high need students.

Summary of Bill (First Substitute): Beginning in the 2020-21 school year, the multiplier for students enrolled in special education who are in the general education setting for 80 percent or more of the school day is increased to 1.0251 rather than 1.0075.

Beginning in the 2021-21 school year, the average per-pupil expenditure used to determine safety net award eligibility for a high need student is the lesser of:
- the average per-pupil expenditure using data from the whole state; or
- the average per-pupil expenditure using only the data for the subset of districts receiving the same salary regionalization factor as the high-need student's district.

When calculating the average per-pupil expenditure for safety net eligibility purposes, safety net funding must be excluded.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute):

- Provides that the average per-pupil expenditure used to determine safety net award eligibility for high-need students is the lesser of:
  - the average per-pupil expenditure, as calculated under federal law—statewide average; or
  - the average per-pupil expenditure, as calculated under federal law using only data from the subset of districts receiving the same salary regionalization factor as the high-need student's district—average among districts within the same regionalization tier.
- Excludes safety net funding from the average per-pupil calculation.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 4, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: The amount of special education funding that comes from levies is still a lot, but increasing the multiplier is a step in the right direction. Increasing the multiplier for inclusive practices is big picture, and will benefit all students. It is more expensive to have a student in the general education setting, but when they are there they are more likely to graduate. We also need to learn how to support students in an inclusive environment because when they graduate they will be in the general population.

OTHER: There is concern that taking these little steps will make the Legislature feel as though special education is fully funded, but that is not the case. School districts expend $1.9 billion on special education services but only receive $1.6 billion, leaving a $300 million gap that must be filled with local levies. This bill provides $12 million a year but does not fully address the larger gap. Another key component is to lift the 13.5 percent funded enrollment cap. This cap was put in place years ago based on a snapshot that is no longer accurate, and should be eliminated as it is disproportionately hitting small, rural districts that have less access to levy funds to supplement. Next year, with dyslexia screenings, all districts will see a significant increase in their special needs population.

Persons Testifying (Early Learning & K-12 Education): PRO: Senator Lisa Wellman, Prime Sponsor; Julia Warth, League of Education Voters; Marnie Maraldo, Issaquah School Board, Washington State School Directors' Association; Ramona Hattendorf, The Arc of King County; Charlotte Cassady, Attorneys for Educational Rights; Dave Mastin, Office of Superintendent of Public Instruction.

OTHER: Lorrell Noahr, Washington Education Association; Kyle Rydell, Eastern Washington Quality Schools Coalition; Susan Cioe, Washington State PTA; Peggy Dolane, Seattle Special Education PTSA.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education): PRO: Dan Steele, Washington Association of School Administrators, Washington Association of School Business Officials.

Staff Summary of Public Testimony (Ways & Means): PRO: We think this bill is a good step forward and we appreciate the fix to the safety net. We appreciate the additional funding because some school districts are spending local levy revenue to offset special education costs. This bill is an additional step for funding special education by increasing the inclusive funding tier. The bill does not address the 13.5 percent cap on special education enrollment, but it is an important step forward.

OTHER: We recommend eliminating the enrollment cap of 13.5 percent for students receiving special education services. There is still a funding gap of $300 million between what districts pay for special education services and what they receive from the state.

Persons Testifying (Ways & Means): PRO: Melissa Gombosky, Spokane, Evergreen, and Vancouver Public Schools; Charlie Brown, Tacoma, Bethel, and Franklin Pierce school districts; Dave Mastin, Office of the Superintendent of Public Instruction \.

OTHER: Lorrell Noahr, Washington Education Association.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.