Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28A.150.392 and 2019 c 387 s 2 are each amended to read as follows:

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

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

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

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

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

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

(d) In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state revenues related to services for students eligible for special education and all federal revenues from federal impact aid, medicaid, and the individuals with disabilities education act-Part B and appropriate special projects. Awards associated with (e) and (f) of this subsection shall not exceed the total of a district's specific determination of need.
(e) The committee shall then consider the extraordinary high cost needs of one or more individual students eligible for and receiving special education. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

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

(g) The committee shall then consider the extraordinary high cost needs of one or more individual students eligible for and receiving special education served in residential schools as defined in RCW (28A.190.020) 28A.190.005, programs for juveniles under the department of corrections, and programs for juveniles operated by city and county jails to the extent they are providing a secondary program of education.

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

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

(j) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(3) The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. By December 1, 2018, the superintendent shall review and revise the rules to achieve full and complete implementation of the requirements of this subsection and subsection (4) of this section including revisions to rules that provide additional flexibility to access community impact awards. Before revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature. In adopting and revising the rules, the superintendent shall ensure the application process to access safety net funding is streamlined, timelines for
submission are not in conflict, feedback to school districts is
timely and provides sufficient information to allow school districts
to understand how to correct any deficiencies in a safety net
application, and that there is consistency between awards approved by
school district and by application period. The office of the
superintendent of public instruction shall also provide technical
assistance to school districts in preparing and submitting special
education safety net applications.

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

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

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

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

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

(6) Beginning in the 2023-24 school year, the office of the
superintendent of public instruction must distribute safety net
awards to school districts on a quarterly basis if the following
criteria are met:

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

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

(c) The safety net award is provided to a school district with
fewer than 2,000 annual full-time equivalent enrolled students; and
(d) The school district meets all other safety net award eligibility requirements as determined by the safety net oversight committee.

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

Correct the title.

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