
Appropriations Committee

HB 1267

Brief Description: Adjusting funded special education enrollment.

Sponsors: Representatives Couture, Pollet, Leavitt, Schmidt, Nance, Kloba and Simmons.

Brief Summary of Bill

- Removes the enrollment limit for special education funding for school districts if they have fewer than 2,500 students, received community impact safety net awards, or have at least 10 percent of enrollment with a military parent.
- Increases the enrollment limit for remaining school districts over four years until the 2028-29 school year, when the limit is removed.
- Requires the Office of the Superintendent of Public Instruction to determine if school districts overidentify students or overprovide services, and establish corrective action plans.
- Requires the State Auditor to audit school districts' compliance with corrective action plans, with potential adjustments to excess cost allocations for noncompliance.

Hearing Date: 1/30/25

Staff: James Mackison (786-7104).

Background:

Special Education Excess Cost Funding and Enrollment Limits.

The state allocates funding for a program of special education for students with disabilities using an excess cost formula. For eligible students in kindergarten through age 21 (K-21), the formula

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multiplies a school district's base allocation by an excess cost multiplier up to an enrollment limit of 16 percent of a school district's full-time student enrollment. K-21 students receiving special education generate funding through both the base allocation and excess cost formulas.

School districts receive a tiered excess cost multiplier based on inclusion in a general education setting for K-21 special education students. A multiplier of 1.12 is provided for special education students that spend at least 80 percent of the school day in a general education setting. For students in a general education setting less than 80 percent of the time, districts receive a 1.06 multiplier.

Safety Net Funding.

Beyond allocations from excess cost multipliers, the Office of the Superintendent of Public Instruction (OSPI) may provide safety net funding if a school district has one or more high-need individual students, or is in a community impacted by large numbers of families with children eligible for special education, such as communities with group homes, regional hospitals, or military bases. In the 2023-24 school year, 18 school districts received community impact awards.

State Monitoring of Special Education.

The OSPI monitors school district and public school special education programs. Monitoring includes reviewing special education budgets, and reporting and evaluating compliance with the requirements of the Individual with Disabilities Education Act (IDEA), including compliance related to disproportionate identification or discipline. The State Auditor (Auditor) regularly audits school districts' financial statements, enrollment reporting, and compliance with federal programs, including IDEA.

Summary of Bill:

School districts are no longer subject to a funded enrollment limit if:

- they enroll fewer than 2,500 full-time equivalent students;
- they received community impact safety net awards in the prior school year; or
- at least 10 percent of their students have a military parent.

For all other school districts, the 16 percent enrollment limit is gradually increased as follows:

- in the 2025-26 school year, to 16.5 percent;
- in the 2026-27 and 2027-28 school years, to 17 percent; and
- beginning in the 2027-28 school year, the enrollment limit is removed.

In its monitoring of special education programs, the OSPI must determine if school districts and charter schools are overidentifying students as eligible for special education, or overproviding services beyond what is required in individualized education programs. The OSPI must establish a corrective action plan with any school district or charter school they determine to be overidentifying or overproviding, and inform the Auditor of the plan.

The Auditor must audit a school district with an enrollment percentage greater than 16 percent for compliance with corrective action plans in the school year following a determination and report findings to OSPI. If the Auditor finds that corrective actions have not been implemented in a timely manner, then the OSPI must adjust the excess cost allocation down to a funded enrollment percentage of 16 percent.

Appropriation: None.

Fiscal Note: Requested on January 14, 2025.

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