Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Appropriations Committee

HB 1310

Brief Description: Concerning special education funding.

Sponsors: Representatives Pollet, Couture, Reeves, Rude, Callan, Davis, Ryu, Rule, Klicker, Alvarado, Street, Waters, Simmons, Berry, Griffey, Reed, Paul, Salahuddin, Low, Macri, Bergquist, Nance, Doglio, Timmons and Scott; by request of Superintendent of Public Instruction.

Brief Summary of Bill

- Increases special education excess cost multipliers to: (1) 1.5289 for kindergarten through age 21 students who spend at least 80 percent of the school day in a general education setting; (2) 1.447 for those who spend less than 80 percent of the school day in a general education setting; and (3) 1.6381 for pre-kindergarten students.
- Revises the special education safety net, including reducing the threshold for high-need individuals to access the safety net to 1.5 times the average per pupil expenditure.
- Allows the Superintendent of Public Instruction to reserve up to 0.005 of excess cost allocations to use for certain statewide special education activities.
- Requires changes to accounting methodologies for the proration and allocation of special education students' general apportionment allocations for special education.

Hearing Date: 1/30/25

Staff: James Mackison (786-7104).

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.

Background:

Special Education Excess Cost Multipliers and Enrollment.
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 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.

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.

Prior to kindergarten, students ages 3 to 5 (Pre-K) receiving special education services receive a multiplier of 1.2. These students are not subject to the 16 percent enrollment funding limit.

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 (HNI) 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. For HNI awards, the school district's expenditures for the student must exceed an expenditure threshold. Currently, the threshold for a student in any district to access state safety net funds is 2.2 times the statewide average per pupil expenditure (APPE) for school districts with more than 1,000 full-time equivalent students, and 2.0 times the APPE for school districts with fewer than 1,000 full-time equivalent students. Most safety net awards come from state funding and cover HNI costs, while community impact awards comprise a smaller portion of the safety net. Safety net awards are distributed annually in August of each school year.

As part of its duties related to special education, the OSPI may authorize out-of-state entities to contract with a school district to provide a program of special education for students with disabilities. Students receiving services out-of-state are eligible for safety net awards if they reach the expenditure threshold.

General Apportionment Funding Used for Special Education.
The K-21 students receiving special education services generate funding through both general apportionment, also referred to as the basic education allocation (BEA), and excess cost formulas. The OSPI is required to develop an allocation and cost accounting methodology to ensure general apportionment funding is prorated and allocated to a student's special education program and accounted for before calculating special education excess cost when services are provided outside of the general education setting. A portion of the BEA amount based on the least restrictive environment (LRE) percentage of time a student is outside a general education

setting is redirected from general apportionment and dedicated to special education purposes by the OSPI.

The formulas for special education also apply to charter schools and tribal schools in state-tribal education compacts.

Summary of Bill:

Special Education Excess Cost Multipliers and Enrollment.
Excess cost multipliers for special education are increased as follows:

- from 1.12 to 1.5289 for K-21 students spending 80 percent or more of the school day in a general education setting;
- from 1.06 to 1.447 for K-21 students spending less than 80 percent of the school day in a general education setting; and
- from 1.2 to 1.6381 for pre-kindergarten students.

The 16 percent enrollment limit is removed.

Statewide Special Education Activities.
The Superintendent of Public Instruction (SPI) is required to engage in statewide activities to support special education students. Up to 0.005 of the allocations from excess cost multipliers can be reserved be the SPI for statewide activities.

Statewide activities must include an annual review of data, including the percentage of students receiving special education services, to ensure there is not a disproportionate identification of students, and technical assistance to school districts with disproportionate data.

Optionally, the SPI may provide professional development in inclusionary practices to local education agencies, schools, and community partners, and maintain common templates and resources, including a statewide tool for individualized education programs.

The SPI must report annually to the Legislature on the statewide activities funded using the reserved excess cost allocations by December 1 of each year. The 2025 and 2026 reports must include an update on the impact of removing the cap on the special education enrollment percentage and safety net needs.

Safety Net.
The HNI threshold to access the special education safety net is reduced to 1.5 times the APPE for all school districts.

Awards for communities impacted by large numbers of families with children eligible for special education are removed from the safety net.

Safety net awards are distributed quarterly, rather than annually, if the award meets the following

criteria:

- The award is for an HNI receiving special education services from an approved nonpublic agency outside the state.
- The student received an HNI award in the previous year and their placement has not since changed.
- All other safety net award eligibility requirements are met.

General Apportionment Funding Directed to Special Education.
The proration of general apportionment funding allocated to the special education program may no longer be based on an individual district's LRE percentage. A uniform percentage of general apportionment funding for special education students may be adopted by the SPI for proration and allocation.

Appropriation: None.

Fiscal Note: Available.

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