

# SENATE BILL REPORT

## SB 5263

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As of January 22, 2025

**Title:** An act relating to special education funding.

**Brief Description:** Concerning special education funding.

**Sponsors:** Senators Pedersen, Braun, Bateman, Chapman, Conway, Dhingra, Frame, Krishnadasan, Lias, Nobles, Orwall, Salomon, Shewmake, Stanford, Valdez and Wilson, C..

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/22/25.

### Brief Summary of Bill

- Increases the special education funding multipliers to 1.6381 for Pre-K students and 1.5289 for K-12 students.
- Eliminates multiplier tiers that provide different levels of funding based on time spent in a general education setting.
- Removes the 16 percent special education enrollment funding cap.
- Decreases the special education safety net eligibility threshold for all school districts to 1.5 times the average per-pupil expenditure.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Staff:** Alex Fairfortune (786-7416)

**Background:** Special Education Funding Multipliers. 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 16 percent of a district's students. This formula multiplies the district's base allocation for students enrolled in K-12 special education by an excess

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cost multiplier of either:

- 1.12 for students receiving special education and reported to be in the general education setting for 80 percent or more of the school day; or
- 1.06 for students receiving special education and reported to be in the general education setting for less than 80 percent of the school day.

Pre-K students receiving special education services, including three-, four-, and five-year-olds not yet enrolled in kindergarten, are funded based on a multiplier of 1.2. These students are excluded from the 16 percent enrollment funding cap.

Safety Net Funding. Beyond these allocations, the Safety Net Oversight Committee (Committee), appointed by the Superintendent of Public Instruction, may award 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 it is maximizing its eligibility for all related state and federal revenues. The Committee may award safety net funding to applicants for high-need individuals and for community characteristics that draw a large number of students eligible for special education. A high-need individual is eligible for a safety net award if the student's individualized education program costs exceed 2.2 times the average per-pupil expenditure. If the school district has fewer than 1000 students this threshold is reduced to two times the average per-pupil expenditure.

**Summary of Bill:** Special Education Funding Multipliers. The special education multipliers set in statute are increased and the tiered structure based on education setting is removed. The new multipliers are as follows:

- 1.6381 for Pre-K students receiving special education services, including three-, four-, and five-year-olds not yet enrolled in kindergarten; and
- 1.5289 for K-12 students receiving special education.

The 16 percent enrollment funding cap is removed.

Safety Net Funding. The safety net eligibility threshold is reduced for all school districts to 1.5 times the average per-pupil expenditure.

**Appropriation:** None.

**Fiscal Note:** Requested on January 14, 2025.

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

**Effective Date:** The bill takes effect on September 1, 2025.

**Staff Summary of Public Testimony:** PRO: State and federal law requires school districts to provide special education services to kids in public schools that have disabilities—in what world can we say that is not basic education? All 295 school districts are saying there

is not enough funding to cover actual costs. Under the current funding policy, the state gives more money for kids with lower needs and less money for students that have higher needs. This was well intentioned but some students need to be in a contained classroom outside of the general education setting. The priorities, in order, should be: (1) get rid of the enrollment cap as it is not sensible, (2) lower the safety net threshold, and (3) put whatever we can afford into the multiplier as a step in the right direction. Special education funding gaps are significant and redirecting the resources used to fill those gaps could benefit all students. By removing the cap and replacing the tiered model, the bill will more accurately reflect the reality of serving students. Including components of Senator Wellman's special education funding bill, SB 5307, would be highly beneficial, including quarterly distribution of safety net awards and the inclusion and disproportionality language.

OTHER: The bill language should be amended to include language from HB 1357 which increases the multiplier for ESIT children aged zero to three. Thirty-nine percent of children exiting early support do not require more services, which is a long term savings for the state. Early intervention should be included as an amendment to the bill as parents need help addressing the needs of their children.

**Persons Testifying:** PRO: Senator Jamie Pedersen, Prime Sponsor; Dr. Shelley Redinger, Richland School District; Traci Pierce, Kennewick School District; Preston Dwoskin ; Samantha Fogg, SCPTSA, Co-President; Lance Goodpaster, Superintendent, Franklin Pierce School District; Krestin Bahr, Superintendent, Peninsula School District; Jeff Chamberlin, Superintendent, University Place School District; Mary Templeton, Lake Stevens School District; Heather Tow-Yick, Issaquah School District; Ben Ferney, Cheney Public Schools; Brianna Rose, Parent of a SpEd student.

OTHER: Mike Stewart, Boyer Children's Clinic; Sunny Luke, Client parent.

**Persons Signed In To Testify But Not Testifying:** PRO: Dr. Kelly Aramaki, Superintendent, Bellevue Public Schools; Dr. Concie Pedroza, Superintendent, Tukwila School District; Dr. Dani Pfeiffer, Superintendent, Federal Way School District; Dr. Ivan Duran, Superintendent, Highline School District; Dr. Brent Jones, Superintendent, Seattle Public Schools; Clifford Traisman, Northshore School District (and Seattle, Highline, Bellevue Public Schools); Michelle Whitney, Pasco School District; Tricia Lubach, Executive Director, Washington State School Directors' Association; Joel Aune, Executive Director, Washington Association of School Administrators; Melissa Stone, Secretary, Washington State PTA; Lindsey Yocum, Lake Washington School District; Shane Backlund, ESD 105 Schools Coalition; Larry Delaney, Washington Education Association; Lori Helmy Helmy, Volunteer advocate; Sarah Milici, Parent advocate; Kathryn Salveson, Ed.S., NCSP, WSASP; Holly Wehner; Patrick Murphy, Olympia School District; Ryan Arnold; Rob Bryant, Federal Way Public Schools; Emily Carmichael; Rivkah Thomson; Kayla Lindley.