



Fully Funding Equitable, High-Quality Services for All Students with Disabilities

2024 Supplemental Operating Budget Decision Package

Recommendation Summary

Across the state, many of Washington’s schools do not have the necessary resources to provide students with disabilities with the services to which they're legally entitled. At the same time, students with disabilities who are served outside of traditional K–12 public schools in authorized (nonpublic) agencies do not currently benefit from consistent state oversight. Washington has made recent policy shifts to support the inclusion of students receiving special education services in general education settings, but the financial support needed to implement these shifts with fidelity has not kept pace. The Office of Superintendent of Public Instruction (OSPI) requests that the Legislature remove the 15% cap on state special education funding, further invest in inclusionary practices, and fund state-level oversight of authorized nonpublic agencies serving our students.

Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$0	\$18,435,000	\$21,736,000	\$22,129,000
Opportunity Pathways – 17F	\$0	\$75,000	\$99,000	\$100,000
Total Expenditures	\$0	\$18,510,000	\$21,835,000	\$22,229,000
Biennial Totals	\$18,510,000		\$44,064,000	
Staffing	FY 2024	FY 2025	FY 2026	FY 2027
FTEs	0.0	2.9	2.9	2.5
Average Annual	1.5		2.7	
Revenue	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0
Biennial Totals	\$0		\$0	
Object of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027
Obj. A	\$0	\$283,000	\$283,000	\$240,000
Obj. B	\$0	\$143,000	\$143,000	\$120,000
Obj. C	\$0	\$5,529,000	\$4,938,000	\$4,938,000
Obj. E	\$0	\$19,000	\$19,000	\$17,000
Obj G	\$0	\$89,000	\$89,000	\$87,000
Obj. J	\$0	\$32,000	\$0	\$0
Obj. N	\$0	\$12,415,000	\$16,363,000	\$16,827,000

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

Fully Funding Special Education Services

Under state and federal law, all public-school students who qualify for special education services are entitled to those services at no cost to their families. School districts receive a combination of federal and state special education dollars to support students with Individualized Education Programs (IEPs). Special education funding is allocated in addition to, or in “excess” of, the full basic education allocation (BEA) available for each student. The result is that school districts have two primary sources of revenue to support services to students with IEPs, however the total district allocation of state special education dollars is capped at 15% of the resident K–21 full-time enrolled student body, regardless of how many students with disabilities are enrolled in a given school district. Data from July 2023 show that 107 of Washington’s 295 school districts have a population of students with IEPs that total more than 15% of their overall student population, meaning that those districts do not receive adequate funding to provide each of their students with disabilities with the services and supports to which they are entitled.

Continuing the Evidence-Based Inclusionary Practices Project (IPP)

Recognizing the need to drive inclusion in Washington schools, the Legislature provided OSPI with \$37 million over the past four years to train educators across the state in support of inclusionary practices. Data from the first three years of IPP training show that Washington is having success building inclusive educational cultures and systems. If current IPP funding is not maintained, Washington’s progress in inclusionary practices will falter, which will risk the state’s full return on its investments to date. Because of the IPP, Washington no longer ranks in the bottom 10 states on student inclusion.

Funding Legislatively Required Monitoring of Authorized Entities (Formerly Non-public Agencies)

The special education landscape goes beyond in-district classrooms, with some students with disabilities receiving services from authorized entities (formerly known as non-public entities) as agreed upon by their family and IEP team. In 2023, the Legislature passed Senate Bill 5315, which increased OSPI’s authority to monitor these authorized entities and required OSPI to devise a complaint reporting system and perform regular on-site inspections and reviews of staff qualifications to ensure student health and safety of all students served by these facilities. To be able to perform these critical inspections and safeguard the learning environments of these vulnerable students, OSPI needs the appropriate resources.

Exploring a Statewide IEP System

Finally, when it comes to special education services for individual students, nothing is more essential than a meaningful IEP. The President’s Commission on Special Education found that many parents/families, teachers, and educational administrators viewed IEPs as being “not actually designed or used for individualized education; instead, they are focused on legal protection and compliance with regulatory processes” (OSERS, 2002, pg. 16). The Commission went on to comment that “the original concept of IEPs as an instructional framework...has been lost to the greater need to document legal and procedural compliance” (pg. 16–17). While it may be difficult, collaborative problem-solving and decision-making focused on the student through the IEP process has the potential to create fundamental change in the ways that

teachers teach and students learn (Clark, 2000). Washington is far from alone in facing this particular challenge, and we can learn from other states' embrace of statewide IEP systems as a way to mitigate the current inconsistencies found across student IEPs.

What is your proposed solution?

Washington state made progress in funding special education during the 2023 Legislative Session. There is now an opportunity to make targeted investments to increase accountability and maximize each dollar invested in special education to ensure students have the best outcome possible.

The Office of Superintendent of Public Instruction (OSPI) requests that the Legislature invest in the following four priorities:

- Remove the 15% cap on special education funding and allow school districts to generate full state funding for the services they are legally obligated to provide to all students receiving special education services.
- Fully fund the Inclusionary Practices Project (IPP) to continue the work of this proven professional development and technical assistance network that is quickly moving our state forward in both inclusion and preventing overidentification of students with disabilities.
- Fund the legislatively required monitoring of authorized entities (formerly nonpublic agencies), which will ensure OSPI can fully comply with legislative requirements related to on-site inspections.
- Fund a feasibility study for OSPI to explore a statewide IEP system that would provide a consistent, integrated system to benefit students with disabilities, their families, educators, and schools.

What are you purchasing and how does it solve the problem?

Fully Funding Special Education Services

This proposal removes the 15% cap on state special education funds, allowing school districts to access full special education funding for all students with IEPs. Currently, there are 107 school districts across the state where the number of students receiving special education services exceeds 15% of the student population.

Continuing the Evidence-Based Inclusionary Practices Project (IPP)

While the Legislature made some progress on the Inclusionary Practices Project (IPP) in the 2023 Legislative Session, OSPI continues to seek full funding of the work. This proposal would add an additional \$5 million per year for ongoing access to high-quality technical assistance providers in support of inclusionary practices, ensuring schools and districts across the state have equitable access to these benefits. Along with increasing inclusion, this is a cost-effective way to help prevent issues related to disproportionate identification of students for special education services.

Funding Legislatively Required Monitoring of Authorized Entities (Formerly Non-public Agencies)

Funding is required for OSPI to comply with legislatively directed work under Senate Bill 5315 (2023) which was only partially funded during the 2023 Legislative Session. Funding would be

used for staff time and travel expenses for on-site inspection to authorized agencies both inside and outside the state and would allow OSPI to meet the requirements in this new law.

Exploring a Statewide IEP System

Funding would support OSPI in contracting with an external entity to conduct a feasibility study on a statewide IEP system that would provide a consistent, integrated system to benefit students with disabilities, their families, educators, and schools. This system would have compliance mechanisms built in and would provide opportunities for educators, families, and students to focus on results and interact with the IEP in the way it was intended, as an instructional framework.

What alternatives did you explore and why was this option chosen?

Continuation of the 15% funding cap would mean that at least 107 school districts will continue to be unable to generate state special education funding for all of their students who receive special education services. This continued overreliance on local revenues to meet state and federal obligations for serving students with disabilities means districts have less opportunity to leverage local funds to provide access for preventative and emergent supports for all students.

Not fully funding the Inclusionary Practices Project or the oversight of authorized agencies would jeopardize the success that has been achieved around inclusivity and the appropriate monitoring of authorized agencies.

Performance Measures

Performance outcomes:

This proposal will reduce the existing burden on school districts above the current 15% funding cap to utilize their local levies to cover the excess costs of special education, allowing districts to use local revenues to support preventative and emergent supports.

Funding the legislatively mandated oversight of authorized agencies will ensure appropriate oversight of and accountability for the authorized agencies that serve students with disabilities. For the Inclusionary Practices Project, full funding will allow this professional learning to reach more teachers, administrators, and school board members. In the 2022–23 school year, nearly half of the 10,000 individual touch points were with general education teachers.

Funding this proposal will result in improved instruction for students with disabilities and increase the number of students who are inclusively accessing the full program of basic education, as demonstrated through the Least Restrictive Environment (LRE) data for the state and by district.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal removes the existing 15% funding cap, expanding on 2023 legislation that increased the cap from 13.5%.

The proposal also expands the current funding for the Inclusionary Practices Project to \$10 million per year which has received \$37 million in total over the prior two biennia.

Detailed assumptions and calculations:

To calculate the cost of removing the 15% funding cap, district level special education basic education rates were projected using state allocated current year average salary and benefits inflated by Implicit Price Deflator (IPD) and projected increases to state allocations of Physical, Social, and Emotional Support (PSES) Staff continuing with the implementation of school year 2023–24 as expanded with House Bill 1664 (2022) with enrollment held constant as of July 2023 apportionment in school year 2022–23.

The estimated impact per fiscal year is as follows:

- Fiscal year 2025: \$12,415,000
- Fiscal year 2026: \$16,363,000
- Fiscal year 2027: \$16,827,000

Funds will also be used to continue contracting with professional development providers to continue job-embedded coaching supports and ongoing technical assistance. OSPI estimates the cost to be \$4,938,000 per year, beginning in fiscal year 2025, based on existing contracts to perform this work.

The cost of the feasibility study for the statewide IEP system is \$591,000 in fiscal year 2025. This will fund a contract with an external entity to perform the study as well as OSPI staff time to oversee and manage the project. This estimate is based on two prior feasibility studies conducted for similar sized projects.

Workforce assumptions:

To scale and sustain the gains realized through the Inclusionary Practices Project, this proposal assumes a 0.50 full-time equivalent (FTE) program specialist to provide administrative coordination efforts with contracted partners, local educational agencies (LEAs), and regional educational service districts (ESDs). The estimated cost to fund this position is \$81,000 in fiscal year 2025 and \$76,000 annually thereafter.

To conduct the oversight of authorized agencies, this proposal assumes 2.0 FTE program supervisors to coordinate and administer oversight of the 37 authorized agencies located in the state and the 55 outside of the state. These site visits are required by the Legislature to ensure that facilities, staffing levels, and procedural safeguards are sufficient to provide a safe and appropriate learning environment. OSPI estimates the cost of the 2.0 FTE program supervisors to be \$340,000 in fiscal year 2025 and \$317,000 annually thereafter. An additional \$71,000 per year is requested to address travel costs. There are approximately 35–50 annual on-site visits that must be conducted between renewals and new applications. Half of the on-site visits are to out of state authorized agencies.

Staff time is also requested to manage and administer the contracted statewide IEP feasibility study. The cost for 0.35 FTE is \$74,000 in fiscal year 2025 and \$70,000 in fiscal year 2026.

How our Proposal Impacts Equity in the State

At the forefront of every program, policy, and decision, OSPI actively focuses on ensuring all students have access to the instruction and support they need to succeed in our schools. OSPI regularly engages with a wide array of partners and stakeholders to continuously connect with students, families, and community representatives as partners in decision-making.

Continued overreliance on local revenues to meet state and federal obligations for serving students with disabilities means school districts have less opportunity to leverage local funds to provide access for preventative and emergent supports for all students. This is an issue of equity, because not all school districts have equal access to local funds, which means that some of Washington's students who are furthest from educational justice have less opportunity to access preventive and emergent supports.

The Inclusionary Practices Project seeks to end systemic social injustices caused by ableist systems that define students receiving special services as "other" or "less than" by providing educators with professional learning on how to provide inclusive, individualized instruction to students with a wide range of needs and abilities. At their core, inclusive practices center equity, recognize the strengths and cultural assets of diversity, work to remove structural and other barriers to access, and examine intersectionality and ways students and families can be marginalized in our education system.

As Washington becomes more proficient in data-based decision-making and the provision of early interventions for all students as part of a multi-tiered system of supports (MTSS) framework, schools and districts are better positioned to guard against overidentification and other issues related to disproportionality. The MTSS framework demonstrates how special education services are integrated into each tier so that general education and special education instruction and supports are aligned. This improves services for students with disabilities and creates a framework of schoolwide interventions and supports which lessens the reliance on student referrals for special education.

Finally, building a statewide IEP system is aligned with our statewide priorities to create greater cohesion across our system and a more meaningful IEP. This includes a system that has compliance mechanisms built in and provides opportunities for educators, families, and students to focus on results and interact with the IEP in the way it was intended, as an instructional framework. This will improve student outcomes and support equity in the state.

Strategic and Performance Outcomes

Strategic framework:

This request supports the Governor's Results Washington goals related to K–12 education by aiming to increase the percentage of students who graduate from high school, reducing opportunity gaps for students, increasing the number of students with disabilities who are primarily served in classrooms with their peers, and increasing the percentage of students with IEPs who graduate from high school within five years.

OSPI supports and empowers students, educators, families, and communities through equitable access to high-quality curriculum, instruction, and supports. This request makes progress toward the agency's vision to have all students ready for post-secondary pathways, careers, and civic engagement and makes progress toward Superintendent Reykdal's Strategic Goal #4, which focuses on supporting school districts through consistent, timely, and meaningful funding and supports the center the needs of students.

Other Collateral Connections

Intergovernmental:

None.

Stakeholder response:

This request has been supported by students and families. In addition, advocates for students with disabilities will be interested in any proposed changes to funding.

Legal or administrative mandates:

RCW 28A.150.560 requires that OSPI provide a report to the Legislature with an allocation and cost accounting methodology by January 1, 2024. OSPI will provide recommendations for an updated funding model in this report.

Changes from current law:

This proposal will require changes to statutory language related to the special education funding cap in RCW 28A.150.390.

State workforce impacts:

None.

State facilities impacts:

None.

Puget Sound recovery:

N/A

Other Documents

Information Technology (IT) Addendum:

Yes.