



Funding the Statewide IEP Platform Using Federal Special Education Safety Net Dollars

2027-29 Biennium Operating Budget Decision Package

Agency: 350 Office of Superintendent of Public Instruction

Budget period: 2027-29

Budget level: PL

RECOMMENDATION SUMMARY

Washington's Special Education Safety Net supports school districts whose costs providing educational services to students with special education needs are exceptionally high. This safety net is funded largely through State dollars, but also through a small amount of federal dollars, resulting in an administrative burden on school districts that rely on these supports. The Office of Superintendent of Public Instruction (OSPI) requests the Legislature fund the safety net solely through state dollars and shift \$30 million in federal funds over the next two years toward meeting the Agency's statutory obligation to provide a statewide Individualized Education Program (IEP) platform to districts, students, and families at no cost.

FISCAL DETAIL

Operating Expenditures	FY 2028	FY 2029	FY 2030	FY 2031
Fund 001-1 (Program 026)	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
Total Expenditures	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
Biennial Totals	\$29,574,000		\$29,574,000	
Staffing	FY 2028	FY 2029	FY 2030	FY 2031
FTEs	0.0	0.0	0.0	0.0
Average Annual	0.0		0.0	
Object of Expenditure	FY 2028	FY 2029	FY 2030	FY 2031
Obj. N	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
Revenue	FY 2028	FY 2029	FY 2030	FY 2031
Total Revenue	\$0	\$0	\$0	\$0
Biennial Totals	\$29,574,000		\$29,574,000	

PACKAGE DESCRIPTION

Washington state operates a Special Education Safety Net program ([RCW 28A.150.392](#), [WAC 392-140-600](#) through [WAC 392-140-685](#)) to support school districts whose costs supporting students with special education needs are exceptionally high. The cost of providing special education services to students with disabilities can vary greatly with the individual student depending on the nature and severity of the disability. Students with disabilities may need access to specialized or supplemental learning options, therapeutic services, and additional, dedicated staff to support them throughout the day. Most of these services can be provided within the district, but there are some cases in which a district is not equipped to support a student's highly-specialized needs and the State must pay for costly services or residential programs to ensure the student can exercise their constitutional right to a K–12 education.

Special Education services are funded by a mix of State and Federal dollars, and the Safety Net is no exception. Because of this braided state and federal funding model, districts must comply with separate processes and legal requirements to access each portion of funding. The vast majority of a district's Special Education Safety Net funding comes from the state portion, with districts applying separately for a substantially smaller amount of federal funds.

Per [RCW 28A.155.275](#), Washington is also in the process of securing and implementing a statewide IEP platform to: improve consistency and quality in IEP development; reduce administrative burden on educators, and; support statewide data, program monitoring, and continuous improvement efforts. The platform must be made available at no cost to school districts, and OSPI's [Statewide IEP Feasibility Study](#) and related [Statewide IEP Legislative Report](#) estimate that annual development, implementation, and maintenance costs are expected to range from approximately \$15 million to \$20 million in the initial years.

This proposal outlines an opportunity for Washington state to better align Special Education Safety Net Reimbursement funding mechanisms with legislative intent and statewide priorities affirmed by recent legislation addressing both Special Education funding and the creation of a statewide IEP platform.

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

In the 2024–25 school year, a total of \$277.1 million was awarded to school districts through the Special Education Safety Net. Of that amount, approximately \$14.8 million (5.3%) was funded through federal IDEA Part B dollars. While federal funds remain an important component of the overall system, their proportion within Safety Net has remained relatively static in absolute terms and has declined as a percentage of total Safety Net funding, as state investment has increased.

At the same time, this smaller percentage of overall Safety Net funding carries a much higher administrative cost to districts than the much larger portion coming through state dollars.

Washington lawmakers have passed legislation to increase flexibility in reimbursement and better align that reimbursement with student needs as defined by state law. Meanwhile, to receive their share of federal dollars, districts must apply for a separate federal grant through a process that requires not only time, but additional documentation to: align spending with separate allowable uses of those funds, meet stricter eligibility thresholds for high-cost reimbursements, and comply with separate federal reporting and audit requirements.

Because this additional workload secures only 5.3% of a district's overall Safety Net funding, the administrative process is disproportionately burdensome, and the dollars themselves are less flexible than state dollars and are more complex to manage.

Districts will also soon be implementing a statewide online IEP platform required under [2025 Senate Bill 5263](#). The bill directs OSPI to select a vendor and oversee implementation, and outlines the purpose of this platform, which is to: (a) Provide a uniform, centralized platform for creating and managing individualized education programs; (b) Ensure compliance with federal and state special education requirements; (c) Improve the efficiency and effectiveness of individualized education program development and oversight; and (d) Improve educator collaboration and serve as an instructional tool designed to improve educational outcomes by aligning individualized supports and services with evidence based instructional practices.

In keeping with legislative intent, OSPI envisions a modern, inclusive, and data-driven statewide IEP system that prioritizes student outcomes and equitable access to rigorous learning. Unlike older and established systems that emphasize procedural compliance, this statewide system will be intentionally designed to center the educational benefit of students with disabilities, consistent with the mandates of the [Individuals with Disabilities Education Act \(IDEA\)](#) and Washington Administrative Code ([WAC 392-172A](#)). The statewide IEP system will provide meaningful, accessible, and user-centered interfaces for families, educators, and students to foster collaboration, transparency, and shared responsibility for student success. The system will serve as an integrated tool to strengthen instructional planning, monitor student progress, and ensure alignment between special education services, general education curriculum, and postsecondary readiness. Additionally, the move to an online system provides the opportunity to align requirements of the High School and Beyond Plan (HSBP) with post-school transition plans for students with disabilities.

To fund this universal platform, the Legislature appropriated a 0.6% state set-aside of special education funding which is insufficient to fully support and implement a statewide IEP platform. OSPI will be selecting a vendor for the statewide IEP project next summer, and while additional details about the platform and costs will be available at that time, the platform is expected to cost between \$53 million and \$90 million over the first seven years of implementation. These costs reflect the development of the platform and statewide implementation at the district level, and include licensing, professional learning for the platform's users, and technical support.

In addition to creating the statewide online IEP platform, the Legislature directed OSPI to carry out several additional statewide activities from the set-aside funding, including annually reviewing data to ensure there is not a disproportionate identification of students with disabilities and provide technical assistance to school districts. The funding from the set-aside is insufficient for the cost-intensive development stage of the online IEP platform.

What is your proposal?

OSPI proposes a shift in how federal special education safety net dollars are utilized. By using state dollars to “buy back” the federal share of safety net funding, Washington can dedicate those federal resources to support the statewide IEP platform. This eliminates up to 295 separate district applications to secure that funding, instead allowing OSPI to submit a single application each year, and frees districts from the burden of two separate sets of legal and administrative procedures and requirements, instead streamlining safety net funding compliance at the district level to state requirements only.

By reducing documentation burden and providing a common statewide platform, educators spend less time navigating multiple software systems and more time providing instruction and collaborating with families. This investment supports educator retention while improving service delivery. This simple change in funding streams is more efficient for both districts and the state and allows Washington to:

- Meet its obligation to provide a statewide IEP system;
- Reduce administrative burden for districts, increase flexibility and coherence in high-cost reimbursement under state authority; and
- Ensure that both state and federal funds are used in the most effective and strategic way possible.

This approach reflects a continued commitment to improving outcomes for students with disabilities while supporting the educators, families, and systems that serve them. Similar to statewide investments in financial systems, student information systems, and longitudinal education data, the statewide IEP platform represents foundational education infrastructure. It will support every school district, every educator serving students with disabilities, and approximately 150,000 Washington students receiving special education services. Aligning Safety Net funding provides a sustainable strategy to implement this legislative priority while simplifying administration and maximizing the impact of both state and federal investments.

How is your proposal impacting equity in the state?

Please describe in detail how this proposal is likely to benefit communities and populations who have historically been excluded by governmental decisions. Include both demographic and geographic information about communities.

Students with disabilities have been historically marginalized, and while recent legislative and district-level efforts to increase both fiscal and educational supports for these students,

integrating research-driven strategies into classrooms across the state, students with disabilities continue to experience some of the lowest four-year graduation rates.

Describe how your agency engaged with communities and populations, particularly those who have been historically excluded and marginalized by governmental decisions?

OSPI maintains ongoing engagement with the special education community through multiple standing channels, including the Special Education Advisory Council (SEAC), regular consultation with the regional educational service districts and district-level special education directors, and coordination with tribal education offices and tribal compact schools. OSPI also engages directly with statewide parent and family advocacy organizations supporting students with disabilities and gathers input through public comment periods associated with related rulemaking and legislative implementation efforts.

In developing this proposal, OSPI drew on this ongoing stakeholder infrastructure, as well as feedback gathered through the Statewide IEP Feasibility Study process, to understand the administrative and fiscal challenges districts face under the current Safety Net funding structure, particularly for smaller and under-resourced districts with limited grants and compliance capacity.

What input did your agency receive and how was it incorporated into your proposal?

Through these engagement channels, OSPI has consistently heard from districts, particularly smaller and rural districts, that the dual federal and state application processes for Safety Net funding create a disproportionate administrative burden relative to the share of funding secured through the federal process. This feedback directly informed the proposal's approach of consolidating the federal application at the state level to reduce district-level compliance burden, while redirecting freed-up federal capacity toward a statewide IEP platform.

Explain why and how these equity impacts will be addressed, i.e., consider communities or populations excluded or disproportionately impacted by the proposal.

This proposal addresses equity impacts primarily through two mechanisms: reducing administrative burden on under-resourced districts, and directing freed-up resources toward a platform explicitly designed to improve access for historically underserved families and students.

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

Through this proposal Washington state will “buy back” the portion of special educator safety net dollars that come from the Federal government - \$14.8 million – and direct that federal funding to be used in the procurement and implementation of a statewide online IEP platform.

OSPI estimates that implementation of this platform will cost between \$12 million and \$28 million in the first two years, depending on vendor selection and scope, with costs totaling

between \$53 million and \$90 million across the first seven years of development and implementation.

This approach provides a dedicated funding source to support the statewide IEP platform while simultaneously lessening state and district administrative burden by bringing Washington's special education safety net to operate fully under state authority and policy (RCW 28A.150.392; WAC 392-140-600 through 392-140-685).

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

OSPI has considered the current funding strategy to support the implementation of the statewide IEP platform using the 0.6% set-aside dollars and has found that amount to be insufficient for the projected costs. As this platform is required by state law, there is no option not to implement it, so these costs will be incurred regardless of the funding strategy.

What resources does the agency already have that are dedicated to this purpose?

Currently, OSPI has the 0.6% set-aside of special education funding as defined in state law to fund this work. However, these dollars will not be sufficient to implement the platform and meet the state's statutory obligation.

ASSUMPTIONS AND CALCULATIONS

Expansion, reduction, elimination or alteration of a current program or service:

This proposal represents an alteration of the current funding model for the state's Special Education Safety Net.

OSPI received biennial federal appropriation authority of \$29,574,000 (\$14,787,000 per year) in both the 2023-25 and 2025-27 Operating Budgets. This is part of the federal IDEA grant and must be used solely for safety net awards.

OSPI also received the following state appropriations in the 2023-25 and 2025-27 biennia for safety net awards:

2023-25 Biennium:

- FY24 \$151,047,000
- FY25 \$205,498,000

2025-27 Biennium:

- FY26 \$261,935,000
- FY27 \$320,785,000

Detailed assumptions and calculations:

OSPI requests \$14,787,000 of state funding in FY28, and annually thereafter, to be used for Special Education safety net awards. These state dollars would replace the biennial federal appropriation of \$29,574,000 (\$14,787,000 per year) and free up these federal dollars to be used for the Statewide IEP platform.

Workforce assumptions:

Shifting the safety net appropriation from federal to state dollars would not require additional FTE.

Historical funding:

Fiscal Year 2028

- FTE = 0.0 FTE
- Total Funds = \$311,722,000
- Near General Fund = \$296,935,000
- Other Funds = \$14,787,000

Fiscal Year 2029

- FTE = 0.0 FTE
- Total Funds = \$311,722,000
- Near General Fund = \$296,935,000
- Other Funds = \$14,787,000

STRATEGIC AND PERFORMANCE OUTCOMES

Strategic framework:

Governor Ferguson's Priorities

This request supports one of Governor Ferguson's strategic goals.

Goal 1 – Education

Strengthening K-12 education in the state of Washington, which includes plans to invest a higher percentage of the total budget in K-12 education to ensure a strong start for Washington's younger residents. This priority references the Washington State Constitution, which declares that "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, colors, caste, or sex."

OSPI Strategic Goals

This proposal directly supports all four of [OSPI's strategic goals](#), with primary alignment to the agency's commitment to "eliminating opportunity gaps and supporting students furthest from educational justice."

Goal 1: Equitable Access to Strong Foundations

Implementation of a universal, high-quality IEP platform protects and increases opportunities and outcomes for students with disabilities and their families, preparing them to maximize their K–12 journeys and for postsecondary success.

Goal 2: Rigorous Learner-Centered Options in Every Community

Implementation of a universal, high-quality IEP platform protects and increases opportunities and outcomes for students with disabilities and their families, preparing them to maximize their K–12 journeys and for postsecondary success.

Goal 3: A Diverse, Inclusive, and Highly Skilled Workforce

Implementation of a universal, high-quality IEP platform standardizes student, family, and educator experiences working with IEPs, and leads to consistent, up-to-date training of educators across grade levels and subject-matter endorsements, reaching every educator in the state.

Goal 4: A Committed, Unified, and Customer-Focused OSPI

Funneling Federal safety net dollars into implementation of a universal, high-quality IEP platform simplifies administrative work for school districts securing and reporting on Special Education Safety Net dollars.

Prior Legislative Commitments

2025 Senate Bill 5263, RCW 28A.155.275

This proposal supports implementation of a universal, high-quality IEP platform as directed by [2025 Senate Bill 5263](#).

Performance outcomes:

If funded, this proposal will allow school districts to shift administrative attention from an overly complex special education safety net system operating under two separate authorities and allow them to turn instead to other important work of the district, including other administrative work and direct services to students, including students with disabilities. Given the current fiscal climate, anything that supports increased efficiency by eliminating unnecessary complexities from the K–12 administrative landscape works to move the state in the right direction.

OTHER COLLATERAL CONNECTIONS

Intergovernmental:

If funded, this proposal will have a positive impact on school districts.

Stakeholder impacts:

OSPI has a long list of partners, including districts, families, and potential vendors working toward securing a high-quality statewide IEP platform.

Legal or administrative mandates:

The Legislature directed OSPI to provide a statewide IEP platform at no cost to LEAs through 2025 Senate Bill 5263 (see RCW 28A.155.275). OSPI's [Statewide IEP Feasibility Study](#) and related [Statewide IEP Legislative Report](#) estimates that annual development, implementation, and maintenance costs are expected to range from approximately \$15 million to \$20 million in the initial years.

Changes from current law:

None.

State workforce impacts:

None.

State facilities impacts:

None.

Puget Sound recovery:

N/A

Governor's salmon strategy:

N/A

OTHER SUPPORTING MATERIALS

Information technology (IT):

N/A