Safety Net Quarterly Payments

Purpose

This document outlines the quarterly payment process for Safety Net applications and clarifies the responsibilities of local education agencies (LEAs) that elect to receive quarterly payments (RCW 28A.150.392(6)). LEAs that choose quarterly payments assume financial risk if projected eligibility, capacity, or costs are not ultimately met. Any LEA receiving quarterly payments must submit a full Safety Net application by the March submission deadline.

Background

During the 2025 legislative session, the state legislature determined that Safety Net payments must be made quarterly to qualifying local education agencies (LEAs) if certain criteria are met (SB 5263). Quarterly payments are slated to begin during the 2026–27 application cycle.

Who is Eligible for Quarterly Payments?

An LEA may be eligible to receive quarterly Safety Net payments if it meets one of the following pathways.

Pathway A: Prior-Year Funded Out-of-State Placements

The LEA may qualify for quarterly payments if all the following conditions are met:

- The student was in an authorized out-of-state placement as defined under RCW 28A.300.690.
- The LEA successfully applied for and received Safety Net for the student in the prior year.
- The placement remains unchanged from the prior year.
- The LEA continues to meet all Safety Net eligibility requirements.

Pathway B: Qualifying Districts under RCW 28A.300.065

- The LEA qualifies as a "second-class" district under RCW 28A.300.065, regardless of placement type or prior-year funding.

LEA Financial Risk and Award Adjustments

LEAs electing to receive quarterly Safety Net payments assume all financial risk associated with projected eligibility and costs. Quarterly payments are **advance payments based on projected eligibility and costs**, not final awards. **Failure to submit a full Safety Net application by the March deadline will result in recovery of all quarterly payments already distributed through monthly apportionment.**

Quarterly payments may be reduced or recovered if any of the following occur:

- The student placement changes or ends.

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- The LEA no longer meets capacity or eligibility requirements.
- Actual documented costs are lower than projected.
- A full Safety Net application is not submitted or is denied.

Annual Timeline Overview

1. **Late August–Early September** (after previous school year application cycle concludes)
   LEAs review prior-year Safety Net awards and placement circumstances to determine whether they may be eligible for quarterly payments in the upcoming school year. LEAs are responsible for initiating contact with OSPI regarding quarterly payment requests.
2. **By September 30**
   LEA completes the Quarterly Payment Request form to confirm eligibility and intent.
3. **By October 15**
   OSPI processes required filings (preliminary Worksheet A, cost estimations, prior-year award review).
4. **Mid-March**
   LEA submits full Safety Net application, including any student applications for whom the LEA is receiving quarterly payments.
5. **Quarterly Payments**
   Distributed November, February, May, August, with a true-up in August based on final Safety Net awards.

Quarterly Payment Process for Pathway A

This process applies to LEAs that received Safety Net funding in the previous year and are requesting quarterly payments for the same student(s) served in an out-of-state residential facility.

LEA-Initiated Request for Quarterly Payments

Timeline: By September 30th

LEAs must request quarterly Safety Net payments. By submitting a request, the LEA affirms that it meets eligibility criteria. LEAs that received Safety Net funding in the prior year, must meet the following conditions to be eligible for quarterly payments:

1. Out-of-state placements that meet the following criteria:
   a. Awarded in previous year;
   b. Placement unchanged; and,
   c. Student served by authorized out-of-state entity

When submitting its request, the LEA must submit a list of students for whom they are requesting quarterly payments and a preliminary Worksheet A. The prior year's award will be considered when calculating the quarterly payment. Where a student's placement began partway through the prior school year, the quarterly payment will not be limited to the prior-year award. Instead, the payment will be based on the full-year cost of the placement under the contract.

- Complete the Preliminary Worksheet A.
- Complete the student list template.
- Submit the Quarterly Payment Request.

OSPI Review and Calculation of Quarterly Awards

Timeline: By October 15th

Once the LEA submits confirmation, including the eligible student list, OSPI will:

1. Review the submitted worksheets and student information.
2. Determine the amount eligible for quarterly payments.
3. Divide the approved total into four equal amounts and send information to apportionment.
4. Notify the LEA of the quarterly payment amount.

Quarterly Payment Process for Pathway B

This process applies to LEAs that qualify under RCW 28A.300.065, regardless placement type or prior-year funding.

Prior-Year vs. New Applicants

- LEAs that received Safety Net funding in the prior year may request quarterly payments based on their prior-year application and award amounts.
- LEAs that did not apply for Safety Net funding in the prior year must submit an abbreviated application to establish eligibility and projected costs for quarterly payments.

LEA-Initiated Request for Quarterly Payments

Timeline: By September 30th

LEAs requesting quarterly Safety Net payments must notify OSPI of their intent. By submitting a request, the LEA affirms that it meets Pathway B eligibility criteria under RCW 28A.300.065.

Submission Requirements

- For LEAs with a prior-year Safety Net award:
  - Submit a list of students for whom quarterly payments are requested.
  - Complete a preliminary Worksheet A.
  - The prior year's award will be considered when calculating the quarterly payment.
- For LEAs without a prior-year Safety Net award:
  - Submit a list of students for whom quarterly payments are requested.

- [Provide estimated costs using the required template](#).
- [Complete a preliminary Worksheet A](#).

Once the LEA completes all requirements, submit the Quarterly Payment Request.

OSPI Review and Calculation of Quarterly Awards

Timeline: By October 15th

Once the LEA submits the request for quarterly payments, the Safety Net team will:

1. Review the submitted worksheets and student information.
2. Determine the amount eligible for quarterly payments.
    a. For prior-year applicants: prior year's award and estimation of current year costs will be considered.
    b. For new applicants: based on estimated costs and eligibility review.
3. Divide the approved total into four equal payments and submit to apportionment.
4. Notify the LEA of the quarterly payment amount.

Distribution of Quarterly Payments

Payments occur in November, February, May, and August and are distributed through monthly apportionment. The August payment serves as a final true-up, adjusting amounts based on final Safety Net awards to ensure total payments align with awarded funding.

Submission of Safety Net Application

LEAs receiving quarterly payments MUST submit a full Safety Net application by the March submission deadline. If an application is not submitted, the quarterly payments that have already been distributed will be recovered from the LEA via monthly apportionment.

Reporting Changes Affecting Quarterly Payments

LEAs must notify OSPI at safety.net@k12.wa.us as soon as possible when circumstances change that may affect quarterly payment eligibility or projected costs. Such changes may include:

- Student withdrawal or transfer to another district.
- Termination of placement.
- Change in placement setting.
- Significant increase or decrease in placement costs.
- Any other change affecting Safety Net eligibility.

Upon receipt of notification, OSPI will provide instructions regarding the method for reporting changes and any required documentation.

August “true-up” Payment

After the LEA submits annual Safety Net applications in March, OSPI:

- Reviews application documents submitted.
- Compares projected payments to actual award.
- Adjusts the August payment up or down as needed.

Need Assistance?

If you have questions about quarterly payments or need help, please contact the Safety Net team at safety.net@k12.wa.us or 360-725-6075.