

Updated Institutional Education Funding Model

Introduction

[Engrossed Second Substitute House Bill \(E2SHB\) 1646 \(2019\)](#) required the Office of Superintendent of Public Instruction (OSPI), in collaboration with Department of Children Youth and Families (DCYF), to create a comprehensive plan for the education of students in DCYF's Juvenile Rehabilitation (JR). In 2020, the legislature also passed [Engrossed Substitute House Bill \(ESHB\) 2116](#) which established the Task Force on Improving Institutional Education Programs and Outcomes. This task force will examine educational programs located in the DCYF Juvenile Rehabilitation Facilities and develop recommendations for improving the delivery of education services, and associated outcomes, for youth in these facilities.

In October 2020, OSPI submitted a report to meet the requirement of E2SHB 1646, while also complementing the considerations of the Institutional Education Task Force as it considers recommendations due December 15, 2020. In addition to providing a set of recommendations to the legislature, a small subset of the E2HB 1646 work group members met with the OSPI School Apportionment team and developed the following recommendations to bring equity to the institutional funding model. This is an update to the [OSPI 2016 Institutional Education Funding Report](#).

Background

Institutional education is part of basic education; the state is responsible for providing enrolled students across all six programs with a fully funded education. Washington state provides K–12 basic education services to incarcerated and previously incarcerated juveniles. The goal is to provide these students the opportunity to meet the same learning standards that all students in the state are expected to meet.

OSPI supports all nine Educational Service Districts (ESD) and 25 school districts that provide these services to six programs:

- Residential habilitation centers (RCHS) provide 24-hour-a-day care of children with disabilities. The student population includes those who are profoundly intellectually delayed, physically impaired, and/or who have severe behavior disorders.
- Long-term juvenile institutions (LTJI) provide 24-hour-a-day diagnosis, confinement, and rehabilitation of juveniles committed by the courts.



- Community facilities (CF), previously referred to as group homes are facilities operated by DCYF Juvenile Rehabilitation, which provide 24-hour-a-day services for adjudicated youth.
- County detention centers (CDC) provide 24-hour-a-day treatment and care for juveniles who have been placed under protective custody or have committed a criminal offense. This includes day reporting students who are court ordered to receive educational services at the county detention centers during the day, even though they reside at their home.
- Department of Corrections (DOC) provides 24-hour-a-day incarceration of adults and juveniles committed as adults. Institutional education funding is provided for the education of juveniles under the age of 18.
- County and city jails (AJL) provide 24-hour-a-day holding, detention, or incarceration of adults and juveniles committed as adults. Institutional education funding is provided for the education of juveniles under the age of 18.

Current Institutional Education Funding Components

Like the prototypical school funding formula for general education, the institutional education funding model uses student enrollment to allocate funds intended to pay for staff to deliver instruction, as well as non-staff related costs necessary to operate an institutional education program. Institutional education programs generate state basic education funding through nine factors.

Annual Average Full Time Equivalent Student Enrollment (AAFTE)

Students in institution schools are counted for funding in the same manner as all students in the state, on the designated “count day” each month. An enrolled institutional education student is one who on the count day has gone through the intake process and is expected to engage in educational activity at an institution sometime during the current school week. The count day for institutions is defined as the fourth school day of September and the first school day of October–July. The count day may coincide with the local resident school district’s monthly count day when the institution calendar aligns with the district school calendar. An individual student may only be counted once per month. If a district and institution have the same monthly count day and if a student is at both a district’s school and an institution on that day, the institution has priority and claims the student for that month.

Institutional education students are reported on OSPI Form E-672 on each of 11 monthly count days, September–July. The institution’s AAFTE is the average of the 11 months reported. An institution education allocation is based on the AAFTE.

Regionalization Factor

State allocation for Certificated Instruction Staff (CIS), Certificated Administrative Staff (CAS), and Classified Staff (CLS) salaries is adjusted for regional difference in the cost of hiring staff which is referred to as a regionalization factor. This factor is based on the residential property values of a district and has no correlation to the experience of the staff. Districts with housing costs (median residential value) that exceed the statewide average receive one of five regionalization factors (1.00, 1.06, 1.12, 1.18, and 1.24) multiplied to the average statewide salary allocation. Beginning with the 2019–20 school year, there is also a 0.04 experience factor with above average education and experience for their certificated staff included in this factor. As regionalization is not offered to Educational Service Districts (ESDs), ESDs that operate programs at CDC do not qualify for a regionalization factor and receive only the statewide salary allocations.

Staffing Ratios

Table 1 shows the 2020–21 allocation of staff-to-student ratios. The minimum enrollment for one CIS unit is one student for each institution type.

Table 1: Staff-to-Student Ratios for Institutional Education Programs, 2020–21

Institutional type	Certif. Instruct. Staff (CIS)	Certif. Admin Staff (CAS)	Classified Staff (CLS)
Residential Habilitation Centers	1 : 7.8	1 : 69.9	1 : 6
Long-Term Juvenile Institutions	1 : 9.3	1 : 78.7	1 : 64.5
Community Facilities	1 per facility	None	None
County Detention Centers	1 : 10	None	None
Department of Corrections	1 : 9.3	1 : 78.7	1 : 64.5
Adult Jails	1 : 9.3	1 : 78.7	1 : 64.5

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

220-School Day Funding for CIS

Institution education funding is provided for 220-school days because the students served are confined year-round. Because the state recognizes 180 days as the length of a school year, the allocation provided for CIS in institutional education programs is multiplied by a factor of 1.222 (220/180). This is the only area of the funding model that benefits from the 220-day factor. Institutions offering less than a 220-day program receive a reduction of their allocation.

Materials, Supplies, and Operating Costs (MSOC)

The funding formula includes an AAFTE allocation for MSOC. For each 1.0 AAFTE, the 2020–21 allocation for MSOC is \$466.64. Since the 2011–12 school year, the MSOC AAFTE allocation for institutional education programs has increased from \$322.58 to \$466.64, an increase of 44.7 percent. Because MSOC calculations for general education programs contain components not applicable for institutional education programs, it is not possible to compare the MSOC allocation for the two types of students.

Mentally Ill Offenders Unit (MIOU) Located Inside Long-Term Juvenile Institutions (LTJI)

MIOUs are the exception to allocations based on staff-to-student ratios. The units—established by DCYF’s Juvenile Rehabilitation (JR)—house students with severe mental health issues who cannot attend school in a typical institution setting. Two LTJI programs contain MIOU—Echo Glen School and Green Hill School. Each receives a lump sum MIOU allocation from the state. For the 2020–21 school year, the total funding allocated is \$125,160. Echo Glen School receives \$53,819 (43 percent of total) and Green Hill School \$71,341 (57 percent total). The allocation of funds is negotiated between OSPI and the facilities before the start of the school year, based on the proportion of students served in each facility during the previous school year.

Differentiated Instruction (DI) Funding

Beginning with the 2019–20 school year, additional funding was provided to institutional education programs for differentiated instruction to meet students’ unique educational needs. Those needs may include but are not limited to one-on-one instruction, enhanced access to counseling for social emotional needs of the student, and services to identify the proper level of instruction at the time of student entry into the facility. For the 2020–21 school year, the total DI allocation is \$2,046,000. These funds are allocated to RHC, LTJI, CF, and CDC facilities. DOC and AJL facilities do not receive these funds. For the 2020–21 school year, the allocation was proportionately distributed based on the March 2020 AAFTE.

Academic Records Support (ARS) Funding

Beginning with the 2019–20 school year, \$100,000 was provided to Echo Glen School to solely support one student records coordinator to manage the transmission of academic records. For 2020–21, the amount was expanded so that Green Hill School and Naselle Youth Camp receive \$100,000 each for one student records coordinator.

Professional Learning Days (PLD) Funding

Beginning with the 2018–19 school year, funding for PLD were provided for CIS units. For 2018–19, there was one day, for 2019–20, there were two days, and for 2020–21, there will be three days. Table 1 shows the 2020–21 allocation of staff-to-student ratios. The minimum enrollment for one CIS unit is one student for each institution type.

Current Funding Model

Institutional education funding model is not codified in state law; it is found only in biennial appropriations acts. Section 510 provides the appropriations, as well as conditions and limitations. [Engrossed Second Substitute Bill \(ESSB\) 6168](#), the 2020–21 budget bill, establishes the problem clearly:

State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

The funded staffing ratios for educational programs for juveniles age 18 or less in department of corrections facilities shall remain the same as those provided in the 1997-99 biennium.

Table 2 shows staffing values, with the AAFTE as of June 2020 and staff-to-student ratios, by institution type.

Table 2: Staffing Values by Institution Type, 2019–20

Institutional type	AAFTE	CIS	CAS	CLS
RHC	59.47	1 : 7.8	1 : 69.9	1 : 6
LTJIJ	278.36	1 : 9.3	1 : 78.7	1 : 64.5
CF	45.40	1 per facility	None	None
CDC	459.98	1 : 10	None	None
DOC	0.09	1 : 9.3	1 : 78.7	1 : 64.5
AJL	2.70	1 : 9.3	1 : 78.7	1 : 64.5

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Current Funding

As of June 2020 AAFTE, for the 2019–20 school year, institutional education programs will receive about \$16 million in funding. Table 3 lists the funding sources.

Table 3: Total Funding for Institutional Education Programs, 2019–20

Type	Amount
Staffing	\$14,267,990
MSOC	\$388,560
MIOU	\$125,160
DI	\$1,066,000
ARS	\$100,000
PLD	\$95,047

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Using the projected enrollment provided by each program, for the 2020–21 school year, institutional education programs will receive about \$17.3 million in funding. Table 4 lists the funding sources.

Table 4: Total Funding for Institutional Education Programs, 2020–21

Type	Amount
Staffing	\$14,338,951
MSOC	\$391,875
MIOU	\$125,160
DI	\$2,046,000
ARS	\$300,000
PLD	\$143,436

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Carryover and Recovery of Institutional Education

State law allows institutional education programs to carry over as much as 10 percent of unspent allocation on the program to the next school year. If an institution is unable to spend at least 90 percent of its funds during the school year, then the difference between what they spent, and 90 percent of their state allocation is recovered by the state.

Since carryover/recovery calculations are not made until the close of a fiscal year, the most recent data available for purposes of analysis in this area is the 2018–19 school year. For 2018–19 school year, state institutional education programs were allocated \$14.8 million in state funds, of which approximately \$478,000 was recovered by the state. Adult Jails were the source of 57 percent of the recovered funds because all the three adult jail programs that reported student enrollment had less than 2.0 AAFTE.

The workgroup considered two recommendations to align institutional education program allocations with the guiding principles and the legal requirements of the programs:

- Implement a prototypical school funding model for institutional education programs, which governs staffing units for general education programs.
- Provide an allocation for the special education services.

Assumptions for Fiscal Calculations

The fiscal impact referenced throughout this report is based on 2019–20 AAFTE as of April 2020. The baseline of cost uses the current institutional education staffing with salary and benefit drivers and MSOC, MIOU, DI, PLD, and ARS allocations that are currently assumed in the state budget for the 2020–21 year.

Recommendations

The juvenile justice reforms enacted during the past decade have not been balanced by equal changes in education to the students affected. Those students must receive ample educational opportunities. OSPI and the workgroup recommend transitioning to a prototypical school funding model during the 2021–23 biennium and provide funding for the special education services.

Implementing the staffing allocation values recommended in this report would increase state investment in each of the institutional education programs for the 2021–22 school year as shown in Table 5.

Table 5: Increases in Institutional Education Programs Recommended by Workgroup

Recommendations	Prototypical	Special Education
Residential Habilitation Centers	\$1,022,867	\$485,465
Long-Term Juvenile Institutions	\$2,965,294	\$1,249,872
Community Facilities	\$587,464	\$216,658
County Detention Centers	\$10,292,213	\$2,398,947
Department of Corrections	-\$146,331	\$457
Adult Jails	-\$202,369	\$13,926
TOTAL	\$14,519,138	\$4,365,325

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Recommendation 1: Implement Prototypical Institutional Education Funding Formula

Staffing Units

For staff units, certain positions—such as nurses, social workers, custodians, student and staff safety, and parent involvement coordinators—are either provided by sources outside K–12 education or are provided by another staff type that is part of the allocation proposal; therefore, these positions are not part of the proposed new funding structure. Specific staff

units, along with what those units would generate using the 2019–20 AAFTE, are shown in Appendix A, Table 9. Teacher units include planning time.

Floor funding is provided to RHC, CF, and LTJ that provides one teacher if the enrollment falls below class size. Additionally, teacher substitute funding is provided to RHC, CF, and LTJ.

Mentally Ill Offenders Unit, Differentiated Instruction, and Academic Records Support Funding

Current law does provide funds to MIOU, DI, and ARS through an appropriation, not through a staff allocation model. The workgroup recommends with the adoption of a prototypical model with the recommended staffing unit allocation, the set-aside for MIOU, DI, and ARS should be eliminated.

Materials, Supplies and Operating Costs

The prototypical school funding formula allocates MSOC through eight categories:

- Technology
- Utilities and insurance
- Curriculum and textbooks
- Other supplies
- Library materials
- Professional development
- Facilities maintenance
- Security and central office

The funding structure of institutional education programs shifts much of the non-staffing costs out of the K–12 system. The net effect lowers MSOC for the programs, compared to general education programs. While utilities, insurance and facilities maintenance are typically included, the programs themselves also typically pay for technology, curriculum, library and other supplies, professional development, and districtwide support. In addition, the technology costs are not averaged over the school buildings and rooms as in a typical school district; instead, they are intertwined between the facility technology connections and the district connections.

This recommendation proposes aligning institutional education MSOC with the MSOC provided in the prototypical model—excluding costs for utilities/insurance, facilities maintenance, and security and central office.

Current law provides institutional education programs with an allocation intended to pay for MSOC of \$466.64 per AAFTE. This recommendation increases MSOC to \$804.49 per AAFTE.

Residential Habilitation Centers

RHC programs are established by DSHS or DCYF for the care and treatment of persons whose mental and/or physical deficiencies require exceptional needs ([RCW 28A.190.020](#)). Case management by a district school psychologist is essential to ensure compliance with all applicable state and federal disability regulations and the development and implementation of

each student's individual education plan (IEP). All these students have highly significant intellectual, health, and/or social emotional disabilities necessitating their residence in a state facility providing 24-hour care.

The workgroup proposes a prototypical program size of 8.00 and a class size of 8.00. Using the 2019–20 RHC AAFTE of 59.35, implementing this would increase state costs by about \$1 million, from \$2.5 million to \$3.5 million.

Long-Term Juvenile Institutions

For LTJI, the workgroup proposes a prototypical program size of 100.00 and a class size of 9.00. Using the 2019–20 LTJI AAFTE of 286.95, implementing this would increase state costs by \$3 million, from \$6.2 million to \$9.2 million.

The acuity of the needs of students who attend institutional schools, combined with the high percentage requiring special services, requires an adjustment to the current funding formula. The 286.95 AAFTE students currently attending LTJI programs in Washington have significant academic challenges, are disproportionately likely to require special education services, and are more likely than not to have a mental health diagnosis.

Community Facilities

For CF, the workgroup proposes a prototypical program size of 7.00 and a class size of 7.00. Using the 2019–20 CF AAFTE of 41.76, implementing this would increase state costs by \$600,000, from \$1 million to \$1.6 million.

These types of institutions operate in a similar fashion as a one-room schoolhouse with a maximum of 15 residents at a time. Only students receiving educational services within the home qualify for state institutional education funding. Residents who leave the home to receive educational services through another model such as a local high schools or community colleges do not generate institutional education funding.

The proposed funding increase would reduce class size and allocated CLS staff to perform the combined functions related to para educator services and/or processing intakes and withdrawal of students throughout the year.

County Detention Centers

For CDC, the workgroup proposes a prototypical program size of 25.00 and a class size of 10.00. Using the 2019–20 CDC AAFTE of 446.03, implementing this would increase state costs by \$10.3 million, from \$7.3 million to \$17.6 million.

Each of the 21 CDC programs in the state will experience an increase in their allocation through the implementation of these proposed staffing values because the current allocation model does not provide for certificated administrative or classified staff. From 2016–17 through the 2018–19 school years, the annual average combined total of duplicated enrollment from the CDC programs was 32,937. This represents individual intake and withdrawal processes in a school year. Because each student's intake and outtake must be

processed, the need for administrative help—classified staff—is essential. The annual average unduplicated headcount of individuals served in the CDC system over that same time period was 6,849.

The current average CDC AAFTE allocation is \$16,469. Under this proposal, the CDC AAFTE allocation would increase to \$39,544, which includes the 1.222 multiplier to CIS allocations for delivering a 220-day program.

Regardless of their offenses, the students need quality educational services. From that standpoint, the role of the state is to get the students on track to graduate from high school. The requirements of CDC programs, given the state’s role, are comparable to those of small high schools.

Department of Corrections

For CDC, the workgroup proposes a prototypical program size of 25.00 and a class size of 10.00. Using the 2019–20 CDC AAFTE of 446.03, implementing this would increase state costs by \$10.3 million, from \$7.3 million to \$17.6 million. The number of youth sentenced to DOC has been drastically reduced since the passage of [Engrossed Second Substitute Senate Bill \(E2SSB\) 6160 \(2018\)](#) and [Engrossed Second Substitute House Bill \(E2SHB\) 1646 \(2019\)](#).

Adult Jails

For AJL, the workgroup proposes a prototypical program size of 25.00 and a class size of 10.00. The 2019–20 school year, the AJL AAFTE enrollment was 2.73 where only two AJL received funding—Benton County Jail and Lewis County Jail.

Implementing these staffing allocation values would decrease funding by about \$202,000. This proposed allocation change would align with the fact that each school year, the majority of AJL funds are recovered through the annual carryover/recovery calculations.

Recommendation 2: Provide Special Education Allocation

The workgroup’s second recommendation involves finding a solution to fund the special education services that are required to be provided by the institutional education facility, but which is not currently funded. Currently, students at an institution on the monthly count day are claimed on Form E-672. This count generates institutional education funding only. Any student who has been identified as eligible for special education services pursuant to an IEP and who have received services prior to the monthly count day cannot be claimed on Form P-223H to generate the additional special education funding.

Special education services are required by the Individuals with Disabilities Education Act (IDEA) and the corresponding Washington state RCWs and WACs. Institutional education programs do not have an exemption from any of the requirements in these federal and state statutes. Institutional education programs do not receive the state special education allocation because it was the legislative intention that the institutional education state allocation would fund all educational services for students in these programs, including special education services.

The workgroup proposes allocating additional funding to cover the cost to provide the required special education services. The proposed method would be to fund 13.5 percent of each facility's AAFTE at 1.0075 percent of the per pupil allocation. The total amount to fund this allocation is \$4.4 million.

Important Note Regarding Categorical Program Funding

While not specifically a recommendation, the workgroup feels it is important to request that students enrolled in these programs continue to be eligible for certain categorical program funds. Institutional education programs receive transitional bilingual services (TBIP) and exited TBIP services funding for the students who are eligible to be claimed. The student AAFTE from these programs does not contribute to a school district's AAFTE for the purposes of generating Learning Assistance Program or highly capable program allocations. This practice should continue in the prototypical school funding model proposed in this report.

Acknowledgements

This report was a product of contributions made by the following participants. OSPI would like to thank them for their time and effort on this project.

Table 6: Institutional Education Funding Workgroup Members

Last	First	Title	Organization
Allen	Jeff	Director of Youth Services	OESD 114
Chaplin	Dave	Principal, Stanton Academy, Yakima JDC, Ridgeview Community Facility	Yakima SD
Collyer	Lee	Program Supervisor Special Education Outcomes	OSPI
Dahl	Steve	Assistant Director of Special Programs and Services	NWESD 189
Daniels	Ada	Program Supervisor of Institutional Education and Title I, Part D N&D	OSPI
Dennis	Arthur	Director of Prevention & Reengagement Programs	PSESD 121
Ellis-Manning	Terry	Counselor, Remann Hall	Tacoma SD
Flood	Gary	Principal, Naselle Youth Camp	Naselle-Grays River SD
Gallo	Glenna	Assistant Superintendent of Special Education	OSPI
Gardner	Larry	Principal, SAC Day Reporting/Martin Hall	NEWESD 101
Johnson	Kevin	Director of School Programs	ESD 112
Johnson	Roy	ALE Principal, Okanogan Detention Center	Okanogan SD
Kelly	T.J.	Chief Financial Officer	OSPI
Lee	LaShae	Principal, Echo Glen School	Issaquah SD
Lowe	Haley	Director of Student Support	OSPI
Matakas	Michelle	Director of Apportionment	OSPI
McLean	Becky	Program Supervisor of Enrollment and Reporting	OSPI
Mueller	Martin	Assistant Superintendent of Student Engagement and Support	OSPI
Shaw	Sullivan	Assistant Principal, Interagency Academy	Seattle Public Schools

Source: Office of Superintendent of Public Instruction, Meeting Attendance, September 2020.

Appendices

Appendix A: Proposed Staffing Values Programs

The table below shows the proposed prototypical program and class sizes, along with what the proposed staff units would generate given the 2019–20 AAFTE as of April 2020.

Table 7: Proposed Prototypical Model and Staff Units

Facility Type	Prototypical Program Size	Class Size	Teachers	Principals	Teacher Librarians	Counselors	Psychologist	TA	Office Support
RHC	8	8	1.20	0.15	0	0.25	1.00	1.00	0.15
RHC using 2019-20 AAFTE (59.35)	8	8	11.553	1.113	0	1.855	7.419	7.419	1.113
LTJI	100	9	16.67	1.59	0.75	1.00	1.00	6.76	2.59
LTJI using 2019-20 AAFTE (286.95)	100	9	38.260	4.557	2.152	2.870	2.870	19.398	7.174
CF	7	7	1.20	0.10	0	0	0.20	0	0.20
CF using 2019-20 AAFTE (41.76)	7	7	9.658	0.597	0	0	1.193	0	1.193
CDC	25	10	3.00	0.50	0	1.00	0.20	3.00	1.00
CDC using 2019-20 AAFTE (446.03)	25	10	57.060	8.921	0	17.841	3.568	53.524	17.841
DOC	25	10	3.00	0.50	0	1.00	0.20	3.00	1.00
DOC using 2019-20 AAFTE (0.09)	25	10	0.011	0.002	0	0.004	0.001	0.011	0.004
AJ	25	10	3.00	0.50	0	1.00	0.20	3.00	1.00
AJ using 2019-20 AAFTE (0.09)	25	10	0.328	0.055	0	0.109	1.022	0.328	0.109

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Appendix B: Proposed Special Education Allocation

The table below shows the proposed special education allocation for each institution type. The enrollment used to calculate this allocation uses the 2019–20 AAFTE as of April 2020.

Table 8: Proposed Special Education Allocation by Institution Type

Institution Type	Special Education Allocation
Residential Habilitation Centers	\$485,465
Long-Term Juvenile Institutions	\$1,249,872
Community Facilities	\$216,658
County Detention Centers	\$2,398,947
Department of Corrections	\$457
Adult Jails	\$13,926
TOTAL	\$4,365,325

Source: Office of Superintendent of Public Instruction, School Apportionment and Financial Services, September 2020.

Appendix C: Abbreviations

Table 11: List of Abbreviations

Abbreviation	Term
AAFTE	Annual Average Full-Time Equivalent Enrollment
AJL	County and City Jails
ARS	Academic Records Support
CAS	Certificated Administrative Staff
CDC	County Detention Centers
CF	Community Facilities
CIS	Certificated Instructional Staff
CLS	Classified Staff
DCYF	Department of Children Youth and Families
DI	Differentiated Instruction
DOC	Department of Corrections
ESD	Educational Service District
FTE	Full-Time Equivalent
IEP	Individual Education Plan
JR	Juvenile Rehabilitation
LTJI	Long Term Juvenile Institutions
MIOU	Mentally Ill Offender Units
MSOC	Materials, Supplies, and Operating Costs
OSPI	Office of Superintendent of Public Instruction
PLD	Professional Learning Days
RCW	Revised Code of Washington
RHC	Residential Habilitation Centers
TBIP	Transitional Bilingual Instructional Program