



## Fully Funding Special Education Services

### 2023–25 Biennial Operating Budget Decision Package

### Recommendation Summary

Funding that school districts receive for special education services is not well aligned with their expenditures, leaving some districts to rely on local levies to supplement their special education programs. School districts have a legal obligation to serve all students with disabilities in Washington, regardless of cost of services. The Office of Superintendent of Public Instruction (OSPI) requests that the Legislature remove the 13.5% cap on state special education funding and increase the special education tiered multiplier to fully cover the cost of special education services and sustain the state’s investment in inclusionary practices. The total cost of this request is \$971.9 million for the 2023–25 biennium.

### Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$410,508,000	\$556,511,000	\$600,297,000	\$650,604,000
Opportunities Pathway	\$2,063,000	\$2,797,000	\$3,017,000	\$3,270,000
<b>Total Expenditures</b>	<b>\$412,571,000</b>	<b>\$559,308,000</b>	<b>\$603,314,000</b>	<b>\$653,874,000</b>
<b>Biennial Totals</b>	<b>\$971,879,000</b>		<b>\$1,257,188,000</b>	
Staffing	FY 2024	FY 2025	FY 2026	FY 2027
FTEs	0.50	0.50	0.50	0.50
<b>Average Annual</b>	<b>0.50</b>		<b>0.50</b>	
Revenue	FY 2024	FY 2025	FY 2026	FY 2027
N/A	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Biennial Totals</b>	<b>\$0.0</b>		<b>\$0.0</b>	
Object of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027
Obj. A	\$38,000	\$38,000	\$38,000	\$38,000
Obj. B	\$21,000	\$21,000	\$21,000	\$21,000
Obj. C	\$4,935,000	\$4,935,000	\$4,935,000	\$4,935,000
Obj. E	\$3,000	\$3,000	\$3,000	\$3,000
Obj. G	\$3,000	\$3,000	\$3,000	\$3,000
Obj. N	\$407,571,000	\$554,308,000	\$598,314,000	\$648,874,000

## Package Description

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

Special education is specially designed instruction that addresses the unique needs of eligible students. Special education is provided by schools at no cost to families and includes the related services a student needs to benefit from their education. These services are determined as needed by the Individualized Education Program (IEP) team, and ensures the student receives a Free Appropriate Public Education (FAPE) and accesses and progresses in grade-level learning standards.

### ***Special Education Funding in Washington***

School districts receive a combination of federal and state special education funds annually. In the 2021–22 school year, federal funds accounted for about 12% of what districts received, with state funds accounting for the remaining 88%. The state special education formula has two parts. The first part is for calculating funding for students ages 3–5 who are not yet enrolled in kindergarten and are eligible for and receiving special education services. The second part applies to students ages 5–21 who are eligible for and receiving special education services and are enrolled in K–12.

Special education funding is in addition to, or in “excess” of, the full basic education allocation (BEA) available for any student. The result is that school districts have two primary sources of revenue to support special education services to students: basic education and special education. The allocation for students with disabilities is capped at 13.5% of the resident K–21 full-time enrollment. Over half of Washington’s 295 school districts have a population of students requiring IEPs that result in over 13.5% of their student population.

School districts, families, and educational partners continue to raise ongoing concerns about meeting special education needs, as the cost and demand for services increases, staffing shortages persist, and budgets are impacted by fluctuating student enrollment.

### ***Special Education Expenditures***

In 2021–22, over 147,000 Washington students ages 3–21 received special education services. District expenditures for special education and related services exceeded the federal and state special education funding received by over \$400 million (or nearly 18%). This gap requires school districts to cover over \$400 million of the excess costs of special education through local funding sources, including local levies.

### ***Statewide Expansion of the Inclusionary Practices Project (IPP)***

All students have a right to meaningfully participate in the general education setting, both academically and socially, to the fullest extent possible. Inclusion is realized when all students, regardless of their designation to receive special education services, are provided with targeted services, supports, and accommodations; allowing them to learn in the general education classroom, interact with peers, and engage the core curriculum.

To support more inclusive schools in Washington, the Legislature provided OSPI with \$25 million in the 2019–21 biennium and \$12 million in the 2021–23 biennium to provide educators across the state with professional development opportunities in support of inclusionary practices. [Data from the first two years of the Inclusionary Practices Project \(IPP\)](#) show Washington is successfully building inclusive educational cultures and systems. It is not the time to let up on this incredible work. When the IPP began in 2019, Washington was one of the 10 **least inclusive** states in the nation, and while Washington has made great strides in the last two years, we remain in the bottom half of national rankings.

Least Restrictive Environment (LRE) data are a measure of the percentage of a school day a student with a disability spends in general education settings. While there are multiple measures included in LRE calculation, for the purposes of the Inclusive Practices Project, data analyses focused on the following three tiers:

- LRE 1: Placed in general education for 80–100% of the school day
- LRE 2: Placed in general education for 40–79% of the school day
- LRE 3: Placed in general education for 0–39% of the school day

**Table 1: Percentage of a School Day a Student with a Disability Spends in a General Education Setting**

Least Restrictive Environment (LRE)	Data Group	2018 Baseline	2021 Data	% Change from 2018 Baseline
LRE 1 (80–100% in general education)	Statewide Placement Data	56.6%	<b>62.4%</b>	<b>5.8%</b>
	IPP Pilot Districts (n=100)	44.2%	<b>59.2%</b>	<b>15.0%</b>
LRE 2 (40–79% in general education)	Statewide Placement Data	29.2%	<b>24.3%</b>	<b>- 4.9%</b>
	IPP Pilot Districts (n=100)	46.2%	<b>30.1%</b>	<b>- 16.1%</b>
LRE 3 (0–39% in general education)	Statewide Placement Data	12.8%	<b>11.7%</b>	<b>- 1.2%</b>
	IPP Pilot Districts (n=100)	11.7%	<b>9.4%</b>	<b>- 2.3%</b>

*Note: Progress is shown by an increase in LRE 1 and a decrease to LRE 2 and LRE 3.*

### What is your proposed solution?

This proposal continues to address the remaining funding gap between what is provided by the state, the federal Individuals with Disabilities Education Act (IDEA) funds, and the amount still needed by the school district to provide FAPE.

This proposal does this by:

- 1) removing the arbitrary 13.5% cap, and
- 2) increasing the special education tiered multiplier to move the state closer to a funding model that more closely reflects the actual costs of service delivery.

These increased funds will strengthen Washington’s school districts’ ability to provide critical supports for students with disabilities, their families, and their educators.

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

This proposal removes the 13.5% cap on state special education funds and increases the tiered multiplier from 1.0075 and 0.9950 to 1.337 and 1.325 in fiscal year (FY) 2024, with annual adjustments year to year to minimize the gap in special education funding. The preschool multiplier, currently 1.15, will increase by 2% to 1.175 in school year 2023–24 and to 1.20 in school year 2026–27 to keep up with rising costs.

*Table 2: Proposed Increases to the Tiered Special Education Multiplier*

	Current	FY 2024	FY 2025	FY 2026	FY 2027
<b>K12 Multiplier LRE 1</b>	1.0075	1.337	1.3484	1.3569	1.3611
<b>K12 Multiplier LRE 2-3</b>	0.9950	1.325	1.3359	1.3444	1.3486
<b>3-PreK</b>	1.1500	1.175	1.1800	1.1900	1.2000

These adjustments would close the existing 18% funding gap for special education services and remove the burden on school districts to utilize local funding sources for the excess costs of special education.

In addition to removing the burden on districts to leverage local funding sources for the excess costs of special education, this proposal supports \$5 million per year for ongoing equitable access to high-quality technical assistance providers in support of inclusionary practices and data-informed decision-making to improve outcomes for students with disabilities. Scaling and maintaining the inclusionary practices professional development network is a cost-effective way to help prevent issues related to the disproportionate or overidentification of students for special education, and will help ensure that all districts, schools, and families have equitable access to high-quality technical assistance that supports their unique needs.

Research and data show that job-embedded professional development and coaching are critical to changing practice in educational systems and scaling and sustaining change. High-quality technical assistance providers support districts, students, and families through a multi-tiered system of support (MTSS) framework. Utilizing high-quality technical assistance and coaching allows students to benefit from nurturing educational environments and gain access to instruction and supports that are culturally and linguistically responsive, universally designed, and differentiated to meet their unique needs.

As Washington becomes more proficient in data-based decision-making and the provision of early interventions for all students as part of a 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 receiving special education and creates a framework of schoolwide interventions and supports lessening the reliance on student referrals for special education.

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

Continued overreliance on local revenues to meet district 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.

Another option would be to set a higher cap above 13.5%, but not remove it completely. This will result in continued reliance on local revenues for the excess costs of special education that districts are already expending to meet their obligations to serve students with disabilities.

## Performance Measures

### Performance outcomes:

This proposal will alleviate the existing burden on school districts to utilize local levies to cover the excess costs of special education, providing additional funds for districts to utilize local revenues to support preventative and emergent supports including, but not limited to:

- Special education teacher recruitment, training, and retention efforts.
- Early intervention for young children with disabilities.
- Addressing increasing and urgent social-emotional and mental health needs.
- Necessary discipline reforms, including eliminating the use of isolation and restraint.
- Employment training and transition supports to support a seamless school to post-school transition.
- Inclusionary practices to support students with disabilities with meaningful access and integration for children ages 3–21 and throughout a multi-tiered system of supports (MTSS).

Funding this proposal will result in improved instruction and increased graduation rates for Washington students with disabilities and increase the number of students who are fully and 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 would increase the tiered multiplier from 1.0075 and 0.9950 to 1.337 and 1.325 in fiscal year 2024, with annual adjustments year to year to minimize the gap in special education funding. The preschool multiplier, currently 1.15, will increase by 2% to 1.175 in school year 2023–24 and to 1.20 in school year 2026–27 to keep up with rising costs.

This proposal would also scale and sustain the state-funded professional development and job-embedded coaching provided through the Inclusionary Practices Project, which was provided \$25 million for the 2019–21 biennium and \$12 million for the 2021–23 biennium. This request is for \$10 million for the 2023–25 biennium, ongoing, in order to scale and sustain this work.

### Detailed assumptions and calculations:

District level special education basic education rates (SpEd BEA rates) were projected using state allocated current year average salary and benefits inflated by the Implicit Price Deflator (IPD) and projected increases to state allocations of physical, social, and emotional support staff (PSES) beginning in school year 2022–23 as expanded with House Bill 1664 (2022) with enrollment held constant.

Safety Net reimbursement assumes a conservative 7.5% increase year over year. This is lower than historical increases in previous years due to the anticipated savings in high-cost Safety Net because of the increased spending added to the multiplier. This proposal factors in an annual savings to Safety Net Community Impact reimbursement in the amount of \$3.2 million. Revenues from IDEA B (budget sections 611 and 619) increased by 2% annually from current year based on historical trends.

Funds will also be used to continue contracting with professional development providers to continue job-embedded coaching supports and ongoing technical assistance. The estimated contract costs are \$4,935,000 per year.

**Table 3: PK–12 Special Education Funding Without a K–12 Percent Cap and with an Increased Tiered Multiplier (by School Year [SY])**

	<b>SY 2023–24 Projected</b>	<b>SY 2024–25 Projected</b>	<b>SY 2025–26 Projected</b>	<b>SY 2026–27 Projected</b>
<b>K–12 Multiplier LRE 1</b>	1.3373	1.3484	1.3569	1.3611
<b>K–12 Multiplier All Other LRE</b>	1.3248	1.3359	1.3444	1.3486
<b>PK Multiplier</b>	1.1750	1.1800	1.1900	1.2000
<b>PK–12 Federal Special Ed Funds</b>	\$248,025,173	\$252,689,936	\$257,447,995	\$262,301,215
<b>PK–12 State Special Ed Funds</b>	\$2,474,657,830	\$2,597,016,169	\$2,725,533,969	\$2,860,520,938
<b>PK–12 Special Ed Expenditures</b>	\$2,722,683,003	\$2,849,706,105	\$2,982,981,963	\$3,122,822,152
<b>PK–12 Difference/Gap</b>	\$0	\$0	\$0	\$0
<b>K–12 Funding Added by Removing the Cap and Increasing the K–12 Multipliers</b>	\$523,758,036	\$557,069,170	\$595,023,169	\$632,785,323
<b>PK Funding Added by Increasing the PK Multiplier</b>	\$3,592,356	\$5,065,222	\$13,794,288	\$27,717,740
<b>Funding to Scale &amp; Sustain PK–12 Inclusionary Practices</b>	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
<b>Total PK–12 Funding Added (School Year)</b>	<b>\$532,350,393</b>	<b>\$567,134,392</b>	<b>\$613,817,457</b>	<b>\$665,503,063</b>
<b>Total PK–12 Funding Added (Fiscal Year)</b>	<b>\$412,571,000</b>	<b>\$559,308,000</b>	<b>\$603,314,000</b>	<b>\$653,874,000</b>

## 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 \$59,000 per year. The estimated non-compensation costs associated with the position is \$6,000 per year.

## How is your proposal impacting 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. OSPI facilitates and participates in a significant range of committees and workgroups, regularly engaging with a variety of stakeholders to ensure voices are heard and ideas are incorporated.

Continued overreliance on local revenues to meet district obligations for serving students with disabilities means districts have less opportunities 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 development on how to provide inclusive, individualized instruction to students with a wide range of needs and abilities. The success of the IPP project has resulted in a statistically significant change in access to general education for students with disabilities in Washington state – an increase of over 6% statewide and over 15% for IPP pilot districts for students accessing general education for 80–100% of the school day. At their core, inclusive practices center equity, recognize the strengths and cultural assets of diversity, work to remove structural and barriers to access, and examine intersectionality and ways students and families can be multiply marginalized in our education system.

There is a disproportional identification of Black, Indigenous, and students of color to more restrictive and less inclusive educational placements. Providing full funding for special education allows districts and schools across the state to have access to the resources they need to reimagine the ways they are providing special education services, including job embedded professional development around inclusive practices within an MTSS framework. The combination of fully funding special education and job embedded coaching will prevent overidentification and address issues of disproportionality, as well as aid educators in the work of naming, problematizing, and reimagining dysfunctional education ecologies. Moving Washington toward a more robust and self-sustaining system of inclusion from early learning through high school and beyond, is going to take continued time, commitment, and coordinated effort across all levels of the education system.



## Strategic and Performance Outcomes

### Strategic framework:

This request supports the Results Washington goals related to K–12 education by increasing the percentage of students who graduate from high school, reducing opportunity gaps for students, increasing the number of students who score proficient or better on statewide assessments, increasing the number of students with Individualized Education Programs (IEP) inside regular education classrooms, and increasing the percentage of youth 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 vision to have all students ready for post-secondary pathways, careers, and civic engagement and makes progress toward OSPI's Strategic Goal #4, which focuses on supporting school districts through consistent, timely, and meaningful funding and supports the center the needs of students.

Funding this request will improve instruction and graduation rates by continuing, through the tiered multiplier, to incentivize school districts to serve students with disabilities in the least restrictive environments possible and provide the necessary supports for districts to do so.

## Other Collateral Connections

### Intergovernmental:

N/A

### Stakeholder response:

This request has been supported by students and families, the Washington Association of School Administrators, the Washington State School Directors' Association, and the Association of Washington School Principals. In addition, advocates for students with disabilities will be interested in any proposed changes to funding.

### Legal or administrative mandates:

N/A

### Changes from current law:

This proposal will require changes to statutory language authorizing the special education cost multiplier in RCW 28A.150.390.

### State workforce impacts:

None.



State facilities impacts:

None.

Puget Sound recovery:

None.

## **Other Documents**

Reference documents:

N/A