

# SPECIAL EDUCATION FUNDING

## HOW DOES FUNDING FOR SPECIAL EDUCATION WORK IN WASHINGTON?

Districts receive both state and federal funding to provide educational services and supports to students with disabilities, with state funding providing the biggest portion of funding. There are several factors that determine how much special education funding a district receives, but the three factors that most impact the level of state funding for special education for school districts are:

- **Special Education Enrollment:** Each student regardless of disability or type of service received will generate the same amount of funding per student for a single district, but districts are capped at generating special education funding for a maximum of 13.5% of overall student enrollment.
  - For example, if a district has a special education enrollment of 15.0% they will only generate special education funding for 13.5% of students.
- **Two-tiered Funding Model:** Starting in 2020-21, a two-tiered funding model will go into effect that will provide different levels of funding depending on what portion of the school day a student receiving special education services spends in a general education setting. Students spending 80% or more of their time in a general education setting will generate a slightly higher funding amount than students spending less than 80% of their school time in a general education setting.
- **District Teacher Salary Funding:** The amount of funding each student generates differs by district and can vary by more than \$1,000 per student across the state. There are several factors that go into each district's per student funding amount, but the most significant is a district's state-funded teacher salary amount. The higher a district's state-funded teacher salary, the more special education funding per student they will generate.<sup>1</sup>



Students at Summit Atlas Public School

## SAFETY NET FUNDS

The state created another funding mechanism for special education to provide additional funding to districts with higher special education costs: the Safety Net Program. The Safety Net Program allows districts to apply for additional funds if they have high need individuals or for districts with high special education enrollments through the Community Impact provision.<sup>2</sup>

- **High Need Individuals:** In the process of districts fulfilling a student's individual IEP (individualized education program), districts sometimes spend significant amounts of money. In those situations, districts can apply to have some of the extraordinary cost paid for through this provision.
- **Community Impact:** Districts may only generate special education funding for up to 13.5% of their total student enrollment, but many districts have a special education enrollment above 13.5%. Districts with a special education enrollment greater than 13.5% that is because of community factors and assets outside the control of a district are able to apply for additional funding.

The Safety Net Program allocates about \$102 million per year in additional special education funding – \$87 million in state funding and \$15 million in federal funding, through an application process. The Safety Net awards are not intended to cover all additional costs a district incurs; rather to help make the additional costs less of a challenge. Around 7% of Safety Net applications are not approved because they were deemed to have not met the relevant criteria. Safety Net funding accounts for less than 5% of total special education funding.<sup>3</sup>

## FUNDING CHALLENGES

Many districts have reported that they are spending more to provide the program of special education to students than they are getting from state and federal sources. In 2016-17, districts spent \$1.4 billion on special education, which amounts to \$200 million more than what districts received in funding for special education from all sources.<sup>4</sup>

Despite special education being a part of basic education in Washington, which requires it to be paid for by the state, many districts are using local levy dollars to make up for the state funding shortfall in special education. Some districts have access to more local levy resources than others, meaning some districts are more able to make up for the special education funding shortfall while some resource-strapped districts have a more limited ability to fill in funding gaps from other sources.

## TRANSPARENCY

There is limited transparency in how special education funding is spent at the district and school level. This lack of clarity limits the ability to understand how the current system is functioning and how the resources are being deployed to best support student success.

A step towards better serving students is to better understand what in the current system is working well and what could benefit from additional attention.

# LOOKING AHEAD

## A funding system rooted in Equity

Every student with disabilities should receive ample and equitable funding sufficient to meet their individual learning needs. The special education funding system must be designed so that district size or access to local enrichment levies does not impact a district's ability to provide an education that meets the needs of the students. In 2020, League of Education Voters recommends:

- Establishing a funding system for students with disabilities that accounts for the full costs to districts of providing an educational experience that meets student needs.
- Ensuring that districts have the resources needed to provide the supports identified in every student's IEP.
- Providing district and school level funding and expenditure data in an accessible and transparent way to better understand how policies translate into practice.
- Supporting recommendations of OSPI's Safety Net workgroup, and advocating for allowing transportation costs to be reimbursed via Safety Net funding.

The way we serve students with disabilities — in other words how the money is spent — as well as funding adequacy, has contributed to the outcomes we see within the special education program (low graduation rates, disproportionately high discipline rates, and high dropout rates). To improve those outcomes we need to better understand how we are serving students.

<sup>1</sup> OSPI Special Education Funding In Washington State, <https://www.k12.wa.us/policy-funding/special-education-funding-and-finance/special-education-funding-washington-state>

<sup>2</sup> OSPI Applying for Safety Net Funding, <https://www.k12.wa.us/policy-funding/special-education-funding-and-finance/applying-safety-net-funding>

<sup>3</sup> 2019-21 OSPI Decision Package, Safety Net Funding, <https://www.k12.wa.us/sites/default/files/public/legisgov/2019documents/safety-net.pdf>

<sup>4</sup> 2019-21 OSPI Decision Package, Tiered Multiplier, <https://www.k12.wa.us/sites/default/files/public/legisgov/2019documents/ml-sped-multiplier.pdf>