



Special Education Safety Net Workgroup Recommendations (DRAFT – For Public Comment)

2018

Authorizing legislation: Senate Bill 2242, Sec. 408 (2017)
(<http://lawfilesexternal.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/Senate/5883-S.SL.pdf>)

Engrossed Second Substitute Senate Bill 6362 (2018)
(<http://lawfilesexternal.wa.gov/biennium/2017-18/Pdf/Bills/Senate%20Passed%20Legislature/6362-S2.PL.pdf>)

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Executive Summary

Engrossed House Bill 2242, Sec. 408 (2017) directed the Office of the Superintendent of Public Instruction (OSPI) to review the current Safety Net process and make recommendations of possible adjustments to improve the Safety Net process and to evaluate the appropriate funding level to meet the purpose of Safety Net.

Safety Net funding is available to districts and charter schools that demonstrate a need for special education funding in excess of state and federal funding available to the district. OSPI publishes an annual Safety Net bulletin and application forms.

Safety Net has been available in some form since the 1996–97 school year and the Special Education Safety Net Oversight Committee has awarded more than \$502 million in state and federal Safety Net funding since that time.

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Introduction

Engrossed House Bill 2242, Sec. 408 (2017) directed OSPI to review the current Safety Net process, make recommendations of possible adjustments to improve the Safety Net process, and to evaluate the appropriate funding level to meet the purpose of Safety Net. The bill required the superintendent to submit recommendations to the governor, and the legislative education and operating budget committees by November 1, 2018.

Additionally, in a letter dated August 29, 2017, the Education Funding Task Force requested the [special education cost] multiplier and the process districts use to account for special education expenses be examined and an interim report be submitted to the Legislature in January 2018.

In the Spring of 2018, Engrossed Second Substitute Senate Bill 6362 (2018) established December 1, 2018, as the date by which rules and procedures necessary to administer the special education funding and safety net award process, including revisions to community impact funding, shall be reviewed and revised.

The purpose of this report is to summarize the efforts of the Special Education Safety Net Legislative Workgroup between October, 2017 and July, 2018, as well as to describe the recommendations for changes.

Workgroup Formation

In September 2017, Superintendent Reykdal selected a [diverse workgroup of twenty-two \(22\) individuals](#) from throughout the state with knowledge of special education program delivery and funding to perform the requested study.

Workgroup Efforts

Date	Agenda	Materials presented
10/25/2017	Introduction to assignment, planning	RCW 28A.150.392 WAC 392-140-600—685 Historical Safety Net applications and awards data
11/30/2017	Review of other states' special education funding mechanisms and high need programs Brainstorm recommendations Discussion regarding possible other components of Safety Net, definition of	<i><u>State Funding for Students with Disabilities: All States All Data</u></i> (June 2015) Summary displaying fiscal range of individual high need applications

Date	Agenda	Materials presented
	<p>high need individual and threshold, and improvements to the Safety Net process</p> <p>Discussion regarding solicitation of recommendations from Local Education Agencies (LEAs)</p>	<p>Historical display of high need individual application threshold and basic education allocation</p> <p>Safety Net Survey Gizmo document</p>
12/1/17, 12/6/17, 12/15/17	Survey presented at regional special education directors meetings	Approximately 142 comments received
Dec. 2017 – April 2018	Reminder in the Monthly Update that the Survey was posted on the Special Education homepage	Safety Net Survey Gizmo document
11/16/17, 12/1/17, 12/6/17, 12/15/17, 1/17/18, 1/19/18, 1/25/18	Purpose of Legislative Work Group and Survey presented at regional Safety Net trainings	Safety Net Survey Gizmo document
2/15/18	Discussion regarding barriers experienced by those LEAs that do not access safety net funding, possible addition of a Catastrophic Factor, adjustment to the multiplier(s) that make a significant financial difference to LEAs, and impact to LEAs if safety net was entirely state funded instead of a combination of state and federal funding.	<p>Q and A Document from Questions on 11/30/17</p> <p>Legislative Interim Report EHB 2242, Sec. 408</p>
4/30/18	<p>Continued discussion regarding a state funded safety net program, impact to maintenance of effort and LEA's capacity for funding.</p> <p>Discussion as to the adequacy of safety net funding and plan of action if sufficient funding is not provided.</p>	None
6/13/18 – 6/14/18	<p>Review 2018-19 Safety Net applications for high needs students for trends (properly formulated IEPS and fiscal)</p> <p>Public comment period on Safety Net process</p>	<p>Applications and Workgroup recommendations on funding</p> <p>No public input received</p>

Date	Agenda	Materials presented
6/20/18	Discussion on draft recommendations for Safety Net and State Special Education funding changes	Draft recommendations Draft changes to RCW and WACs

Recommendations for the Safety Net Process

The Legislature requested that the Workgroup consider and recommend to the superintendent of public instruction adjustments to improve the Safety Net process in the following areas:

- (a) Whether fiscal components in addition to or in place of the fiscal components of community impact and high need students should be considered by the State Special Education Oversight Committee when making safety net awards, including:
 - (i) Should an LEA be able to access the safety net when an LEA’s enrollment of students with disabilities exceeds the statutory limit of thirteen and five-tenths percent (13.5%);
 - (ii) Should the definition and the limitation on the amount provided for high need students be adjusted; and
 - (iii) Should an LEA have access to the safety net when it has disproportionate concentrations of students with higher than statewide average costs, but the students do not meet the threshold for high need awards; and
- (b) How the process can be improved, including how the superintendent can best provide technical assistance to LEAs that file incomplete applications, and how the timeline can be changed to provide sufficient time for an LEA to resubmit a complete application.

The superintendent of public instruction may consider other topics deemed relevant by the superintendent that achieve the goals above.

The Workgroup’s recommendations, after careful review and discussion, are as follows (and italicized):

- 1.) Purpose of Safety Net Funds:** Pursuant to RCW 28A.150.392, Safety Net funds are to be made available to LEAs “with demonstrated needs for special education funding beyond the amounts provided through the special education funding formula under RCW 28A-150.390.”

The Workgroup recommends that the purpose of the Safety Net remain the same, with this clarification: to reimburse LEAs for their expenditures in excess of all state and federal funding available for special education services to students with disabilities, per IEPs, as documented through IEPs and review of fiscal evidence. The Workgroup requests the use of the term “reimbursement” rather than the current term “award” to

reflect the nature of the process and impact on LEAs and modify throughout applicable RCW 28A.150.392 and WAC 392-140-600, 602, 605,616, 617, 626, 660, 675, and 685. (Consensus of the workgroup)

2.) Funds Used to Support Safety Net: Currently, Safety Net awards are provided through a combination of federal IDEA funds and state funds dedicated to the Safety Net Process (i.e., Operating Budget Supplemental, ESSB 6032, Section 507, Sections 7 and 11). This proviso currently allocates \$35,952,000 of state funds for fiscal year 2019 and requires \$29,574,000 of federal IDEA funds to Safety Net for the biennium. Using half of the biennial allocation, the total available for safety net reimbursement is \$50,739,000. The provision of federal IDEA funds carries with it a requirement for LEAs to expend at least three times the average per pupil expenditure (APPE), \$33,685, as a cost threshold prior to being able to receive federal Safety Net awards. The APPE threshold is currently lowered to 2.7 times APPE (\$30,316) through the use of state Safety Net funds. In the spring of 2018, there were requests from 121 LEAs and ESA 112 (with 27 district members), totaling \$71,239,947. There is no limitation to the number of high need individual applications an LEA may submit if the LEA demonstrates capacity, meets the threshold, and provides documentation of expenditures.

There is no existing plan to apportion funding to LEAs in a prorated manner if the allocated Safety Net funding is not adequate to address LEA need. In the event that allocated Safety Net funding is insufficient, OSPI would transfer existing appropriated special education funds to supplement the Safety Net funding, and then request a supplemental Safety Net award during the next legislative session to cover the needed amount. Until the 2017-18 school year, state funding for Safety Net has been sufficient and a transfer has not been necessary.

The needs of LEAs vary, depending on the size, location, capacity, and individualized needs of enrolled student receiving special education services. In 2015-16, LEA's average special education per pupil costs ranged from \$1,842 to \$26,548 per student with an IEP, demonstrating that the use of a statewide APPE may not adequately address the costs for all LEAs. Inadequate Safety Net funding requires LEAs to absorb the extraordinary costs for some students with disabilities (which are required under IDEA) and community factors beyond their control. Given the planned increase in teacher salaries, long term, the impact in educational services to all students within the LEA will become greater.

The Workgroup recommends that the Safety Net process use only state funds, and that the \$14,787,000 of federal IDEA funds reserved each year remain with other IDEA funds, allocated to OSPI for administration, state-level activities, and flow-through to

LEAs according to the IDEA funding formula. (Consensus of the workgroup) This would serve several purposes:

- Provide additional IDEA funds to LEAs for ongoing reimbursement based upon LEA expenditure timeframes. Redistribution of these funds ranges from a few thousand dollars to several hundred thousand depending upon the size of the LEA.*
- Remove the federal requirement for a deduction of the threshold, which is based on a multiple of the APPE, from the cost of services prior to an LEA requesting high need Safety Net reimbursement. This federal requirement is currently being modified through the use of state Safety Net funds. The primary recommendation of the Workgroup is to establish a threshold when the LEA's special education expenditures exceed special education revenue, and the LEA demonstrates capacity for Safety Net reimbursement. Currently when an LEA submits an application for a high need student requiring a full day interpreter with the cost of the interpreter, related services, and specially designed instruction all quantified in a properly formulated IEP with a total cost to the LEA of \$49,500 and \$30,316 is automatically deducted from potential reimbursement per the set threshold.*
- Potentially reduce the number of Safety Net applications, with an increase of IDEA funding directly to the LEA, which results in decreased LEA staff time in preparing applications and reduced time for reviewing applications by OSPI staff and State Special Education Oversight Committee. IDEA funding is part of ongoing fiscal audits through the LEA, State Auditor's Office, and OSPI Washington Integrated System of Monitoring (WISM) monitoring.*
- Recognize the short and long term fiscal impact of the increased use of nonpublic agencies to support students with significant behaviors and the need for LEAs to have additional funding to develop internal capacity of staff and recruit specialized staff by providing competitive pay and supports.*

The Workgroup also recommends the following process be formally adopted in RCW and/or WAC in the event of a temporary under-funding of Safety Net as requests exceeded estimated participation. Options include, in order of Workgroup preference:

- Pro-ration to all LEAs with funding first being released to LEAs with two thousand pupils or fewer designated as districts of the second class" in RCW 28A.300.065 (2).*
- Pro-ration of all recommended funding to all LEAs equally. For example, should the Operating Budget allocation of state and federal funding equal only 70% of the recommended reimbursement as approved by the SNOC, each LEA would receive 70% of the LEA's recommended reimbursement approved by the SNOC.*
- Distribution of funding based on demonstrated capacity on Worksheet A expressed as a percentage of the LEA's total special education program*

expenditures with funding going to those LEAs with the unfunded highest percentage first.

3.) Definition of a High Need Student Application: Pursuant to WAC 392-140-616, the current definition of a high need student application requires that the applicant “convincingly demonstrate to a majority of the State Special Education Oversight Committee members” that the IEP is properly formulated consistent with WAC 392-14-609, costs are associated with the provision of direct special education and related services identified in the IEP and quantifiable by the Committee, the costs exceed the threshold set by OSPI, and the threshold is prorated for students not served by the applicant on all nine enrollment count dates. Current practice is to prorate applications for inaccurate amounts (e.g., requests do not correspond with billing receipts) or services that should be billed to other programs (e.g., transportation or school nursing). Additionally, prorating occurs for contracted billing adjustments, if the LEA has a contract that allows reductions for cancelling services within a specified time period due to unanticipated circumstances (e.g., inclement weather, utility failure, and illness).

The Workgroup recommends that the High Need Student Application definition be amended to modify the “properly formulated IEP” language, which is addressed in detail in #4 below. The Workgroup also recommends that current OSPI practices for fiscal adjustment be continued, with the exception of changes to the prorating of costs for nonattendance by the student. In the case of a student not attending regularly, the committee requests that the State Special Education Oversight Committee request evidence of action from the LEA in compliance with [RCW 28A.225.020](#) prior to prorating reimbursement.

4.) Safety Net Application Process: As per WAC 392-140-695, LEAs apply for Safety Net funds through an annual application process using Form SPI 1381 according to the schedule published in the annual OSPI Safety Net Bulletin. LEAs may apply for high needs student(s) and/or community impact factor(s), and must have billed for federal Medicaid for eligible services prior to requesting Safety Net awards. Worksheets A and C are used to calculate capacity of the LEA (e.g., maximum amount of reimbursement eligibility) and ensure that the IEPs are “properly formulated”. WAC 392-140-609 requires “properly formulated IEPs” and must contain all required state and federal elements of an IEP, as per an [OSPI-developed review checklist of up to 32 items](#), depending upon the age of the student. LEAs report dedicating a significant amount of staff time to preparing applications and reviewing IEPs prior to submission to OSPI.

The Workgroup recommends that the Safety Net application process be amended and streamlined in the following ways, to reduce the impact on staff preparation and increase applications from LEAs with limited staff capacity:

- Permit Safety Net reimbursement to LEAs with demonstrated capacity for funding and approved applications, regardless if the LEA's enrollment of students with disabilities exceeds the statutory limit of thirteen and five-tenths percent.*
- Transition from a paper application to an electronic process, using a secure file transfer protocol which allows submission, review, tracking, and approval decisions by LEAs and OSPI. This process should begin during the 2018-19 school year and will require additional funding support for implementation by 2020-2021.*
- Allow LEAs to either submit verification of Medicaid billing or receive a deduction calculated by OSPI based on reimbursement potential of services provided by a qualified biller. This will allow flexibility for LEAs deciding not to pursue Medicaid reimbursement due to lack of staff capacity to process Medicaid claims or staff meeting the federal and state licensure and certification requirements imposed by the Health Care Authority. Implementation of this recommendation would require a revision to RCW 28A.150.392 (2) (d), WAC 392-140-626 (1), and WAC 392-140-675 (1).*
- Add to the current two categories of Safety Net (i.e., High Need Student(s) and Community Impact Factor(s)) additional categories (i.e., High Need Student(s) for students with disabilities served in residential schools as defined in RCW 28A.190.020, programs for juveniles under the department of corrections as described in RCW 2A.193, and programs for juveniles operated in adult jails operated by a city or county as described in RCW 28A.194.)*
- Add language that permits the inclusion of the portion of a supplemental contracts on Worksheet A-Demonstration of Need, if the supplemental contract stipulates direct special education or related services to students with disabilities. It is the responsibility of the LEA to provide evidence of the applicable supplemental contract within the application. Salaries and benefits exceeding the average certificated instructional staff salary used for the state basic education allocations must be accounted for via supplemental contracts. Supplemental contracts must be issued for additional time, additional responsibilities, or for incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. RCW 28.400.200 (4).*
- Modify current language requiring a "properly formulated IEP" to include a review of a sample of IEPs for each LEA that has not had IEPs reviewed through the WISM process within the last two years or any unresolved audit issues related to special education that are material in material to the application. Areas of review to be determined by OSPI and published in the annual Safety Net Bulletin. Sample sizes will be determined based on data collected by OSPI demonstrating LEA compliance history and statewide areas of needed improvement.*

- *Modify Community Impact application language in WAC 392-140-617 to:

 - *Clarify that it pertains to the extraordinary costs associated with the communities that draw a larger number of students with disabilities in need of special education services “to the LEA, based on current unique attributes of that LEA that are not related to LEA philosophy, staffing decisions, or service delivery choices.”*
 - *Clarify, as required in EHB 2242 (408), that Safety Net Community Impact applications cannot be submitted if the LEA is receiving state special education funding for each student (i.e., the LEA is under the 13.5% funding index) and the LEA demonstrates capacity for Safety Net reimbursement. Instead the high needs student application process will be used.*
 - *Clarify the factors that can or cannot be submitted under the Safety Net Community Impact in the areas of “demographic, environmental, sociological, or other factor(s)” that cause the LEA’s “special education enrollment to be disproportional by category of disability or the overall number of students identified as eligible for special education.”*
 - *Clarify that all LEAs receiving Part B IDEA funds and demonstrating capacity for funding or with an unmet need for special education funding are eligible to apply for Safety Net reimbursement.**
- *Add new section to WAC to define Standards for Safety Net High need student(s) applications for students served in residential schools, programs for juveniles under the department of corrections, and programs for juveniles operated under city and county jails, as newly required under E2SSB 6362, Section 106 (2) (g) (2018) legislation.*

5.) State Special Education Oversight Committee and Application Review Process:

Currently OSPI staff and State Special Education Oversight Committee members review (and cross-review) each individual application, to confirm calculations and IDEA compliance. Reviewing each application and subsequent paperwork consumes 30 to 50 minutes of OSPI staff time per application. In 2018, there were 3,016 applications which took 2,600 hours of OSPI staff time and 400 hours from the State Special Education Oversight Committee’s subsequent reviews. Membership of the Committee is defined in WAC 392-140-640, which allows flexibility in the membership and terms. During scheduled meetings, members discuss the result of the reviews of each application by LEA, and recommend awards based upon the application, fiscal verification, and findings of IEP noncompliance. At this time, LEAs with IEPs found to not be properly formulated are not awarded any Safety Net reimbursement for those IEP(s).

The Workgroup recommends that the application review process be amended and streamlined in the following ways, to reduce the amount of time volunteer State Special Education Oversight Committee members spend reviewing applications:

- *Revise the order of Safety Net application reviews so that high need student applications are reviewed first, followed by community impact applications, in compliance with current RCW. This process will ensure that in the event of a funding shortfall, reimbursement costs for high needs students receive priority.*
- *Revise WAC 392-140-646 to modify the funding recommendations from the State Special Education Oversight Committee to include: Recommendation for conditional approval, recommendation for adjustment on amount and conditional approval, recommendation for disapproval, and recommendation for correction with conditional pro-rated funding to address findings of noncompliance. The final option allows for pro-rating of reimbursement for IEPs with findings of noncompliance, which will allow State Special Education Oversight Committee members to potentially provide a partial reimbursement for the portion of the delivered services aligned with a portion of the IEP.*

6.) Safety Net Decisions and Funding to LEAs: WAC 392-140-656 describes the process for LEA appeals of a Committee decision (i.e., request for review and reconsideration) and provides a comprehensive list of acceptable reasons for which LEAs may appeal timelines, and requirement that only the original application be reviewed during an appeal.

The Workgroup recommends that the Safety Net decisions and funding to LEAs process be amended and streamlined in the following ways:

- *Allow the State Special Education Oversight Committee to review the submission of additional documentation, if specifically requested by the Committee during the initial review and included in the OSPI conditional decision letter. This should be limited to unique circumstances, and should not be an expectation from LEAs, to ensure that complete applications are submitted during the initial review. This flexibility will allow for the Committee to make case-by-case decisions based upon their expertise.*
- *After a second review by the Committee, the Committee will provide final recommendations for funding to the State Special Education Oversight Committee Manager. All decisions will be reviewed and those approved will be processed by OSPI Safety Net staff. Any decision to deny funding to an LEA in whole will be reviewed by the Superintendent or the Superintendent's designee prior to being finalized.*

The Workgroup recommends that OSPI staff consider methods to request Safety Net applications from LEAs earlier in the school year to allow for the 20 day request and reconsideration process be extended from 20 to 30 days.

7.) OSPI Technical Assistance for Safety Net Process: Currently, the 2.0 FTE allocated by the legislature for OSPI Safety Net support provide presentations on application requirements and common mistakes statewide to LEA and ESD special education directors and business officials, as well as an annual [Bulletin](#). Additionally, one-on-one technical assistance is provided to LEA staff upon request, either in person or by phone. Detailed technical assistance documents are also available on the [OSPI website, Safety Net page](#).

The Workgroup recommends that the:

- *Annual Safety Net survey be amended to collect LEA input on specific activities that could be improved to assist LEAs with completing accurate and complete applications.*
- *Data from the previous Safety Net process, including final decisions of noncompliance and fiscal adjustments be summarized and provided to LEAs in advance of the next process within the Safety Net bulletin and provided to LEAs at the end of that school year to use in preparing for summer and fall staff training.*
- *OSPI staff request from LEAs identified missing documentation prior to State Special Education Oversight Committee reviews, if identified during an initial review.*

8.) Revision to the Special Education Funding Multiplier of .9309%: The special education cost multiplier was established in 1995 and increased in 2018 from .9309% to .9609%. The per pupil special education allocation is determined by multiplying the LEA's base education allocation (BEA) per full-time equivalent student times .9609 and subtracting the LEA's federal funds integration rate per student. This information is captured on Report 1220. This allocates an increase of \$21,180,000 of state funds for the excess cost of providing special education and related services to Washington's IDEA-eligible students with disabilities. However, half of Washington LEAs still report they are under-funded for the special education services they are required to provide. This requires LEAs to absorb the extraordinary costs for some students with disabilities (which are required under IDEA) and use basic education funding or provide additional documentation to request partial reimbursement (due to the three times APPE threshold) from Safety Net annually.

Long term, this impacts educational services to all students within the LEA and the basic education services provided, as well as requires that LEA special education

staff time be redirected from providing direct support to students to completing reimbursement documentation from Safety Net.

The Workgroup recommends that a study group be convened to evaluate the State Excess Costs Methodology implemented pursuant to section 501 (1) (k), chapter 372, Laws of 2006.

9.) Recommended Revisions for RCW 28A.150.392:

- Sec. 1 (a)
 - Replace “awards” with “reimbursement”
 - Replace “districts” with “any local education agency (LEA) that receives Part B funding”
- Sec. 1 (b)
 - Remove section, as IDEA does not provide “discretionary” funds, and an annual budget is submitted to the U.S. Department of Education specifying how all IDEA funds will be used
- Sec. 2
 - Replace “awarded” with “recommended” which is intended to change the process from the committee awarding, to the committee recommending awards to OSPI, with a final decision from OSPI
- Sec. 2 (a)
 - Replaces “award” with “recommend”
 - Replace “districts” with “any LEA that receives Part B funding”
 - Add clarification to “all available revenues from state [special education] funding formulas”
- Sec. 2 (c)
 - Replace “awards” with “reimbursement”
- Sec. 2 (d)
 - Replace “districts” with “any LEA that receives Part B funding”
 - Replace “awards” with “reimbursement”
 - Add new subsection (g)
 - Replace “district’s” with “LEA’s”
- Sec. 2 (e)
 - Replace “special education students” with “students with disabilities under IDEA”
 - Replace “awards” with “reimbursement”
- Sec. 2 (f)
 - Replace “awards” with “reimbursement”
- Sec. 2 (g)

- Replace “awards” with “reimbursement”
 - Remove the “properly formulated”
 - Replace language regarding the APPE with “the threshold that requests must exceed shall be established by the office of the superintendent of public instruction in consultation with the office of financial management and the fiscal committees of the legislature, and published in the annual *Safety Net Bulletin*.”
 - (1) Replace language regarding the APPE with “the threshold that requests must exceed ...”
- WAC 392-140-60110
- Replace “school district or charter school” with “LEA”
- Add new subsection here “(WAC 392-140-XXXX
 - Definition—High need student served in residential schools, programs for juveniles under the department of corrections, and programs for juveniles operated under city and county jails. For purposes of special education safety net reimbursement, high need student means a student eligible for special education services served in residential schools as defined in RCW 28A.190.020, programs for juveniles under the department of corrections, and programs for juveniles operated under city and county jails whose Individualized Education Program (IEP) costs (as calculated on worksheet C) exceed the threshold established by the office of the superintendent of public instruction in consultation with the office of financial management and the fiscal committees of the legislature, and published in the annual *Safety Net Bulletin*.
- Add new subsection here “(WAC 392-140-XXX)
 - Definition—Capacity for funding. For the purpose of state special education safety net funding, potential capacity for funding exists when an applicant’s net special education expenditures exceed total resource available demonstrate a fiscal capacity in excess of all available revenue to the applicant for special education, including state and federal revenue, program income generated by such state and/or federally funded special education programs, and all carryover of state and federal special education revenue. LEAs with demonstrated capacity and approved applications may access Safety Net reimbursement regardless of if the LEA’s enrollment of students with disabilities exceeds the statutory limit of thirteen and five-tenths percent. Beginning in 2019-2020, applicants must either submit verification Medicaid billing, or receive a deduction calculated by OSPI annually to compensate

for the district's decision not to pursue Medicaid reimbursement.

- WAC 392-140-602
 - (1) Replace “awards” with “reimbursement”
 - (2) Replace “awards” with “reimbursement”
 - (4) Replace “awards” with “reimbursement”
 - (5) Add language that the “tribal compact schools are eligible to apply for special education safety net reimbursement.”
- WAC 392-140-605
 - Replace “awards” with “reimbursement”
 - (1) Add “tribal compact schools”
 - (1a-d and 2a) revise language to include newly legislated category (e.g., served in residential schools...”
 - (2a) Replace “awards” with “reimbursement”
 - (2d) Replace “award” with “notification of funding”
 - (2d) Amends requirement to bill Medicaid and provides an option for the LEA to “understand that any reimbursement amount will receive a deduction calculated by OSPI annually to compensate for the LEA’s decision not to pursue Medicaid reimbursement.”
 - (2e) Replace “is making” to “must make” and add “in an efficient manner” which replaces the previous (2f)
 - Remove (2g) which references federal funds
 - (2i) Replace “awards” with “reimbursement”
 - (2i) add “with the exception of supplemental contracts which provide direct special education and related services to students per an IEP”
 - Remove “properly formulated”
 - (3) Replace “awards” with “reimbursement”
- WAC 392-140-609
 - Remove “properly formulated”
 - Modify current language requiring a “properly formulated IEP” to require “a review of a sample of IEPs for each LEA (if the LEA has not had IEPs reviewed through the Washington Integrated System of Monitoring (WISM) process within the last two years) in areas to be determined by OSPI and published in the annual *Safety Net Bulletin*. Areas to be reviewed and sample sizes will be determined based on data collected by OSPI demonstrating LEA compliance history and statewide areas of needed improvement.”
- WAC 392-140-616
 - Replace “awards” with “reimbursement”

- Replace “special education student” with “student with an IEP”
 - (1) Replace “properly formulated” language with “The IEP demonstrates compliance with federal and state procedural requirements, in the OSPI-selected applicable reviewed areas”
 - (2) Replace “properly formulated” with “implementation of an IEP”
 - (3a) Remove “WAC 392-140-60105” and add “in consultation with the office of financial management and the fiscal committees of the legislature”
 - (4) add “tribal compact schools”
- WAC 392-140-617
 - Replace “awards” with “reimbursement”
 - Replace “families” with “students”
 - (1 and 2) Add “tribal compact school”
- WAC 392-140-626
 - Replace “awards” with “reimbursement”
 - (2) Replace “awards” with “reimbursement”
 - (5) Add “any information specifically requested by the committee on a case-by-case basis during the initial review (and included within the OSPI letter) and provided by the applicant within the requested timeline will be considered during final Safety Net application reviews. There is no obligation for the committee to request additional information and the presumption is on the LEA to submit a complete initial application.”
 - (6) Replace “awards” with “reimbursement”
 - (7) Replace “awards” with “reimbursement”
- WAC 392-140-630
 - Replace “awards” with “reimbursement”
- Add new WAC (WAC 392-140-635)
 - “WAC 392-140-634 Special education safety net—Special education program review—Purpose, procedures. Special education program review (as per WAC 392-172A-07010) reports by staff of the office of superintendent of public instruction special education division will be reviewed by the state safety net oversight committee. The results of the program review may be considered by the oversight committee in determining, adjusting, or recovering safety net reimbursement.”
- WAC 392-140-640
 - Replace “school districts and ESDs” with “LEAs who are knowledgeable of special education programs and funding”

- (1) Replace “state director” with “assistant superintendent”
 - (2) Replace appointment by “state oversight committee manager” with “superintendent of public instruction or designee”
 - (3) Add “or schools”
- WAC 392-140-643
 - (1) Add “electronic”
 - (1) Remove “for completeness by the state safety net oversight commit manager or designee”
 - (1) Remove “incomplete applications will not be considered by the committee”
 - (2) Add “electronic”
 - Remove (4)
 - (5) Add “during meetings as scheduled and published by the office of the superintendent of public instruction in the annual safety net bulletin”
 - (6) Add “before making a final recommendation. There is no requirement for the committee to request clarifying information, in the event is not provided by the applicant.”
 - (9-11) Replace “discussion” and “decision” with “recommendation”
 - (12) Replace “award” with “reimbursement”
- WAC 392-140-646
 - (1a-d) adjust recommendation language
 - (4) Replace “award” with “reimbursement”
- WAC 392-140-650
 - Clarify types of LEAs who may withdraw
- WAC 392-140-656
 - Remove (2)
 - Add (4) “After a second review by the committee, the committee will provide final recommendations for LEA application reimbursement decisions to the Safety Net Oversight Committee Manager. All decisions will be reviewed by the Manager and those approved will be processed by OSPI Safety Net staff. Any decision to deny funding to an LEA in whole will be reviewed by the Superintendent or the Superintendent’s designee prior to being finalized.”
- WAC 392-140-660
 - Replace “award” with “reimbursement”
 - Remove (2)
- WAC 392-140-675
 - Replace “award” with “reimbursement”

- Remove (1) Medicaid language
 - (2a-b) Replace “award” with “reimbursement”
- WAC 392-140-685
 - Replace “award” with “reimbursement”

Next Steps

Future workgroup meetings and/or presentations for public input:

“Finalize” draft recommendations to share with public on website – end of June

Share draft recommendations and request public input from: (July 12- August 7, 2018)

- OSPI website
- Washington Association of School Business Officials
- Washington Association of School Administrators
- LEA Superintendents, Business Officials, and Special Education Directors
- ESD Superintendents, Business Officials, and Special Education Directors
- Educators (WEA and PSE)
- Legislators and Legislative staff
- Parents of Students with Disabilities
- Advocates for Students with Disabilities
- Special Education Advisory Council (SEAC)

Sometime in last two weeks of August through poll – Meeting of Workgroup to approve final recommendations and review tiered multiplier changes (2 hour to review public input and approve final recommendations by zoom)

September 1, 2018 – Delivery of recommendations to Superintendent Reykdal

Special Education Safety Net Legislative Workgroup

Task: Review current Safety Net process, make recommendations on possible adjustments to improve the process, evaluate appropriate funding level to meet the purpose, examine the special education cost multiplier, and process districts use to account for special education expenses. (EHB 2242, Sec. 408 & Education Funding Task Force)

Workgroup Facilitator: Greg Abell

Jennifer Acuna	ESD 114 Director of Special Services
Paula Bailey	Central Kitsap S D Director of Business Services
Roz Bethmann	Parent Training & Information Director
Jey Buno	Evergreen S D Executive Director Special Services and Federal Programs
Sarah Butcher	Special Education Advisory Committee (SEAC)
Becky Clifford	Everett S D Executive Director Special Services
Gary Cohn	Everett S D Superintendent
Shannon Criss	Boistfort S D Superintendent
Franklin Day	Spokane S D Associate Director Special Education
Glenna Gallo	OSPI Assistant Superintendent of Special Education
Carol Gray	Vancouver S D Budget and Grants Manager
TJ Kelly	OSPI School Apportionment & Financial Services Director
Paula Kitzke	Charter School Commission Deputy Director
Nicole Klein	OSPI Health Services Program Supervisor
Sherry Krainick	Special Education Advisory Council (SEAC)
Ann McPartlon	Tacoma S D Special Education Teacher
Mary Mertz	ESD 112 Executive Director ESA & Specialized Services
Mary Ellen Parrish	OSPI Special Education Program Supervisor
Corine Pennington	Puyallup S D Chief Financial Officer
Cindy Rockholt	OSPI Assistant Superintendent Educator Growth & Development
Chris Willis	Orting S D Executive Director for Special Services and Intervention
Mike Woods	OSPI Budget & Fiscal Services Director