

Multiple Agency Fiscal Note Summary

Bill Number: 5315 SB	Title: Nonpublic agencies operating special education programs for students with disabilities
-----------------------------	--

Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	1.9	0	0	994,000	1.3	0	0	536,000	1.3	0	0	536,000
Total \$	1.9	0	0	994,000	1.3	0	0	536,000	1.3	0	0	536,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary
------------------------------------	---------------------------------	---------------------------------------

Individual State Agency Fiscal Note

Bill Number: 5315 SB	Title: Nonpublic agencies operating special education programs for students with disabilities	Agency: 350-Superintendent of Public Instruction
-----------------------------	--	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	1.3	1.9	1.3	1.3
Account					
All Other Funds-State 000-1	726,000	268,000	994,000	536,000	536,000
Total \$	726,000	268,000	994,000	536,000	536,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Alex Fairfortune	Phone: 360-786-7416	Date: 01/11/2023
Agency Preparation: Jami Marcott	Phone: (360) 725-6230	Date: 01/28/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/28/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/30/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(6)

RCW 28A.155.090 and 2007 c 115 s 11 are amended to include the following:

OSPI shall establish standards for approval, monitoring, and investigating school district contracts with nonpublic agencies operating special education programs. Standards shall ensure that any student served by a nonpublic agency has the same rights and protections as they would if they were served by a school district.

Section 2

RCW 28A.155.060 and 2007 c 115 s 6 are amended

(1) Language is added allowing school districts to contract with nonpublic agencies, approved by OSPI, to operate special education programs. Approval standards must conform with those of special education programs in common schools. For the purpose of this section, a nonpublic agency means a private or out-of-state agency that contracts with a school district to provide a program of special education for students with disabilities

(2) OSPI must create a master contract to govern the placement of students receiving special education services with nonpublic agencies. The contract must include the following:

- a. A description of the administrative and financial agreements between the school district and the nonpublic agency;
- b. A list of each qualified staff member providing special education services and copy of their qualifying credentials;
- c. A description of the financial safeguards in place to track revenues and expenditures;
- d. A description of the nonpublic agency's responsibilities and process for data collection and reporting
- e. Acknowledgment that the nonpublic agency must comply with all emergency response protocols and isolation and restraint procedures provided in each Individualized Education Program (IEP);
- f. Acknowledgment that the nonpublic agency must notify the school district and OSPI of any program, staffing, or facility changes that may affect the agency's ability to provide services.
- g. Acknowledgment that the nonpublic agency must comply with all state and federal laws

(3) OSPI and the school district must conduct a joint on-site visit of the nonpublic agency before approving a contract, and annually thereafter. The site visit must ensure that facilities, staffing, and procedural safeguards are sufficient to provide a safe and appropriate learning environment for all students served.

(4) OSPI may approve such contract for up to three years. OSPI may suspend, revoke, or refuse to renew said contract if the nonpublic agency:

- a. Fails to comply with all contract requirements;
- b. Violates the rights of eligible students; or
- c. Refuses to implement corrective actions ordered by OSPI

(5) OSP, in consultation with school districts and other state agencies, must create rules for the master contract.

Section 3

RCW 28A.155.210 and 2013 c 202 s 3 are amended

Language is added to ensure that if a student is served by a nonpublic agency, the student's IEP must specify any additional procedures required to ensure the nonpublic agency fully complies with RCW 28A.600.485.

Section 4

(1)(d) A definition is added that states School means a public school as defined in RCW 28A.150.010 or a nonpublic agency that contracts with a school district as authorized under RCW 28A.155.060.

(7)(b) Language is added that allows OSPI to use the data collected in this subsection to determine if a nonpublic agency is in compliance with all contract obligations and approval standards.

Section 5

A new section is added to chapter RCW 28A.155.

(1) Beginning December 1, 2023, OPSI must report annually regarding student placements at nonpublic agencies. The report must be posted on OSPI's website

(2) The required report data in subsection (1) must be disaggregated by nonpublic agency when it is possible to do so without disclosing a student's personally identifiable information.

Section 6

RCW 28A.310.515 and 2021 c 38 s 4 are amended

(3) Language is added allowing ESDs to provide classroom training on the subjects listed in subsection (2) to nonpublic agencies located in Washington that contract with school districts to provide a platform of special education to students.

Section 7

This new section requires this act to take effect immediately.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No impact to cash receipts

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

OSPI will require a 1.25 FTE, Program Supervisor, to accomplish the work identified in this bill. The cost is \$203,000 in FY27 and \$189,000 annually thereafter. The work includes the following sections:

Section 1(6)

OSPI shall establish standards for approval, monitoring, and investigating school district contracts with nonpublic agencies operating special education programs. OSPI estimates 100 hours of staff time in FY24 to complete this work.

Section 2

Subsections (2), (4), and ((5) define OSPI's role in creating, executing, and monitoring a master contract. These roles include coming up with financial safeguards to track revenue and expenditures associated with NPA placed students and ensure that funds are being spent for the provision of special education services for those students. OSPI assumes these safeguards would include programming changes to the school district financial reporting system. This effort would include 80 hours of IT contractor time plus time from a staff member from the school apportionment and financial services group at OSPI to test those changes. These costs total approximately \$39,000 and would be incurred in FY 24. Subsection (3) requires OSPI and the school district must conduct a joint on-site visit of the nonpublic agency before approving a contract, and annually thereafter.

Section 5

Beginning December 1, 2023, OPSI must report annually regarding student placements at nonpublic agencies. The report must be posted on OSPI's website. The required report data in subsection (1) must be disaggregated by nonpublic agency when it is possible to do so without disclosing a student's personally identifiable information.

Section 5

OSPI does not have a database that tracks all reporting requirements identified in section 5. OSPI would need to develop a system that can track individual student data on a monthly basis, by each nonpublic agency. There are currently 89 nonpublic agencies operating special education programs.

Development of the system would cost an estimated \$150,000 in FY24 based on costs to develop similar applications. An additional \$70,000 annually would be required for enhancements/maintenance. OSPI staff costs include project management, data gathering and testing, and annual maintenance and support. This would include the following positions in FY24 only:

- Technical Coordinator, 0.6 FTE, \$109,000
- Application Developer, 0.6 FTE, \$109,000
- Database Administrator, 0.1 FTE, \$20,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
000-1	All Other Funds	State	726,000	268,000	994,000	536,000	536,000
Total \$			726,000	268,000	994,000	536,000	536,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	1.3	1.9	1.3	1.3
A-Salaries and Wages	251,000	113,000	364,000	226,000	226,000
B-Employee Benefits	131,000	60,000	191,000	120,000	120,000
C-Professional Service Contracts	281,000	79,000	360,000	158,000	158,000
E-Goods and Other Services	17,000	8,000	25,000	16,000	16,000
G-Travel	17,000	8,000	25,000	16,000	16,000
J-Capital Outlays	29,000		29,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	726,000	268,000	994,000	536,000	536,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Application Developer	103,000	0.6		0.3		
Database Administrator	105,000	0.1		0.1		
Program Supervisor	91,000	1.3	1.3	1.3	1.3	1.3
Technical Coordinator	103,000	0.6		0.3		
Total FTEs		2.6	1.3	1.9	1.3	1.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No impact to the capital budget

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.