

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5263 2S SB	<b>Title:</b> Special education funding
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## Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI		914,541,000		1,074,009,000		1,113,939,000
Local Gov. Other						
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Children, Youth, and Families	.0	51,857,000	51,857,000	51,857,000	.0	53,332,000	53,332,000	53,332,000	.0	53,332,000	53,332,000	53,332,000
Superintendent of Public Instruction	.6	910,381,000	914,703,000	914,703,000	.5	1,068,901,000	1,074,133,000	1,074,133,000	.5	1,108,626,000	1,114,063,000	1,114,063,000
<b>Total \$</b>	<b>0.6</b>	<b>962,238,000</b>	<b>966,560,000</b>	<b>966,560,000</b>	<b>0.5</b>	<b>1,122,233,000</b>	<b>1,127,465,000</b>	<b>1,127,465,000</b>	<b>0.5</b>	<b>1,161,958,000</b>	<b>1,167,395,000</b>	<b>1,167,395,000</b>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI			914,541,000			1,074,009,000			1,113,939,000
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

**Prepared by:** Shea Hamilton, OFM

**Phone:**  
(360) 229-4774

**Date Published:**  
Final 3/11/2025

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5263 2S SB	<b>Title:</b> Special education funding	<b>Agency:</b> 307-Department of Children, Youth, and Families
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
<b>Account</b>					
General Fund-State      001-1	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000
<b>Total \$</b>	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000

### 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: Kayla Hammer	Phone: 360-786-7400	Date: 03/03/2025
Agency Preparation: Ashley McEntyre	Phone: 2533064501	Date: 03/07/2025
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 03/07/2025
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 03/07/2025

## 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.*

Second Substitute Senate Bill 5263 amends RCWs 28A.150.390, 28A.150.392, 43.216.580, and 28A.150.560 to change the special education cost multiplier rate.

Section 2(2)(a) is amended to increase the special education cost multiplier rate from 1.2 to 1.32 for three, four, and five year olds not yet enrolled in kindergarten who are eligible for and receiving special education.

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Substitute Senate Bill 5263 amends RCWs 28A.150.390, 28A.150.392, 43.216.580, and 28A.150.560 to change the special education cost multiplier rate.

Section 2(2)(a) is amended to increase the special education cost multiplier rate from 1.2 to 1.6381 for three, four, and five year olds not yet enrolled in kindergarten who are eligible for and receiving special education.

Section 4(2)(a) is amended to change the early support for infants and toddlers program funding rate multiplier from 1.15 to the multiplier used in RCW 28A.150.390 (2) (a).

### 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.*

NONE

### 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.*

The Department of Children, Youth, and Families estimates \$51,857,000 (\$51,857,000 General Fund State) in the 2025-2027 Biennial Budget.

Section 4(2)(a)

This section of the bill increases the Early Support for Infants and Toddlers (ESIT) program funding rate multiplier from 1.15 to 1.32.

Total costs are \$51,857,000.

CLIENT SERVICE CONTRACTS:

The DCYF ESIT program currently contracts with 24 ESIT provider agencies and 4 county lead agencies with 19 ESIT provider agency subcontracts.

The assumed cost of ESIT contracts is calculated by multiplying the forecasted ESIT caseload, provided by the caseload forecast council, times the Special Education Basic Education Allocation (BEA) rate times the multiplier. Per the February 2025 ESIT Forecast, the ESIT caseload is assumed to be 13,611 in FY26 and 14,102 in FY27. The current SpEd BEA rate is assumed to be \$10,887 in FY26 and \$11,123 in FY27.

DCYF assumes increasing the ESIT program funding rate multiplier from 1.15 to 1.32 would lead to a 14.78% increase in overall client service contract costs. The assumed cost increase would be \$25,191,000 in FY26 and \$26,666,000 in FY27.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000
<b>Total \$</b>			25,191,000	26,666,000	51,857,000	53,332,000	53,332,000

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000

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

NONE

**III. D - Expenditures By Program (optional)**

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Early Learning (030)	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000
<b>Total \$</b>	25,191,000	26,666,000	51,857,000	53,332,000	53,332,000

**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

**Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5263 2S SB	<b>Title:</b> Special education funding	<b>Agency:</b> 350-Superintendent of Public Instruction
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.5	0.6	0.5	0.5
<b>Account</b>					
General Fund-State 001-1	391,965,000	518,416,000	910,381,000	1,068,901,000	1,108,626,000
WA Opportunity Pathways Account-State 17F-1	1,815,000	2,507,000	4,322,000	5,232,000	5,437,000
<b>Total \$</b>	<b>393,780,000</b>	<b>520,923,000</b>	<b>914,703,000</b>	<b>1,074,133,000</b>	<b>1,114,063,000</b>

### 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: Kayla Hammer	Phone: 360-786-7400	Date: 03/03/2025
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 03/10/2025
Agency Approval: Shawn Lewis	Phone: (360) 725-6019	Date: 03/10/2025
OFM Review: Shea Hamilton	Phone: (360) 229-4774	Date: 03/11/2025

## 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.*

This bill:

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2) Amended excess cost allocation

(a) Changes the multiplier for eligible students ages three, up to five years old not yet enrolled in kindergarten to 1.32.

(b) District's annual average enrollment multiplied by either the district's base allocation per full-time equivalent or the state average, whichever is greater.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(7) Amended

High-need student eligibility for safety net awards to 1.75 times the average per-pupil expenditure.

Substitute bill:

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2)(b) Eligible students receiving special education multiplier is changed to 1.32 regardless of time spent in general education settings.

Removes language that set a 16% enrollment cap for special education students

(3) NEW

OSPI may reserve amounts up to .005 of the funding generated under Section 2 and outlined in Section 5.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(2)(f) strikes the language that the safety net committee shall consider extraordinary costs associated with communities that draw a larger number of families with children in need services to include consideration of proximity to group homes, military bases, and regional hospitals. Language is also struck that safety net awards under subsection (2)(f) shall be adjusted to reflect amounts awarded under subsection (2)(e).

(3) Amended

Adjusts language so that OSPI shall adopt rules and procedures as necessary to administer special education funding and the safety net award process without a deadline.

(6) Amended

Beginning in 2025-26 school year, safety net awards will be distributed to school districts on a quarterly basis if

(a) The award is provided for a high cost student receiving services from an authorized entity located outside the state of Washington

(b) The district applied for and received a safety net award for the high-cost student in prior school year and had no placement changes

(c) The district meets all other award requirements

Section 7 RCW 28A.150.560 and 2023 c 417 s 6:

(2) Amended to add that the proration and allocation of general apportionment funding to the special education program may not be based on an individual district's LRE percentage and instead use a uniform percentage for proration and allocation.

Original Bill:

Section 1 NEW

Emphasizes that students receiving special education are entitled to a free and appropriate education per federal law and



state statute. The section also denotes special education as an integral part of the state's statutory program of basic education and the state's paramount constitutional duty.

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2) Amended

(a) Changes the multiplier for eligible students ages three, up to five years old not yet enrolled in kindergarten from 1.2 to 1.6381.

(b) Amended

Removes language references tiered multipliers for 2020-21 and 2023-24 school years.

General education setting for less than 80 percent of the day was 1.12.

General education setting for less than 80 percent of the day was 1.06.

Eligible students receiving special education multiplier is 1.5289 regardless of time spent in general education settings.

(3) Amended

(b) Removed the section that explains that special education funding is not dependent on the serving districts reporting but rather the resident district numbers. Also, how students from a nonhigh district or attending through an interdistrict agreement should be treated.

(c) Removed the section addressing how the enrollment percentage is calculated and that it does not include Age 3-5 or institutional education enrollment.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(6) Amended

Updated the high-need student eligibility for safety net awards 2 times the average per-pupil expenditures, for school districts with fewer than 1,000 full-time equivalent students and 2.2 times the average per-pupil expenditures for school districts with 1,000 or more full-time equivalent students to 1.5 times the average per-pupil expenditure as defined in Title 20 U.S.C. Sec. 7801 starting in the 2025-26 school year.

Section 4: This act takes effect September 1, 2025

## 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.*

None

## 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.*

This bill:

Section 2 using multiplier of 1.32 for students ages three through five year olds, for grade K through age 21, as well as grade K though age 21, and removing enrollment cap for 2025-26 is an estimated increase of \$428,888,000.

(2)(b) OSPI used 2023-24 enrollment with estimated Special Education Rate increases to salary, benefits and materials, supplies and operating costs to calculate the rates for each district to future years. Using the greater of state average Special Ed Rate or district Special Ed Rate to calculate an increase of \$33,854,000 for 2025-26 school year.

Section 3 OSPI is using 2023-24 school year Safety Net awards change to 1.75 times to calculate the estimated increase of \$45,231,000 for the 2025-26 school year.

OSPI costs:

A one-time cost of \$12,000 for additional maintenance contractor costs to program the Special Education Average Rate calculations.

Substitute bill:

Section 2 using new multiplier of 1.32 for grade K through age 21 and removing enrollment cap for 2025-26 is an estimated increase of \$481,148,000.

Section 3 will require a change to OSPI rules, OSPI estimates \$21,000 of staff time for the required rule changes in FY26. Additionally, OSPI estimates the change in application process will require an estimated 0.5 staff time, \$67,000 in FY26 and ongoing for approximately \$62,000 per fiscal year.

Section 7 OSPI assumes the proration and allocation of general apportionment funding allocated to the special education program by 30 percent.

Original Bill:

Section 2 OSPI uses caseload forecast enrollment to estimating an increase of \$884,240,000 with the increased multipliers and enrollment cap removal for 2025-26 school year. See attached table for further school year and fiscal year details.

Section 3 OSPI is using 2023-24 school year Safety Net awards to calculate the estimated increase of \$70,382,000 for the 2025-26 school year. OSPI is unable to reasonably estimate any assumed increase to the number of individual student applications that would potentially occur with a lower threshold nor any potential savings to safety net to the state due to the removal of the enrollment CAP or higher multipliers.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	391,965,000	518,416,000	910,381,000	1,068,901,000	1,108,626,000
17F-1	WA Opportunity Pathways Account	State	1,815,000	2,507,000	4,322,000	5,232,000	5,437,000
<b>Total \$</b>			<b>393,780,000</b>	<b>520,923,000</b>	<b>914,703,000</b>	<b>1,074,133,000</b>	<b>1,114,063,000</b>

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.5	0.6	0.5	0.5
A-Salaries and Wages	46,000	36,000	82,000	72,000	72,000
B-Employee Benefits	27,000	20,000	47,000	40,000	40,000
C-Professional Service Contracts	12,000		12,000		
E-Goods and Other Services	4,000	3,000	7,000	6,000	6,000
G-Travel	4,000	3,000	7,000	6,000	6,000
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>393,780,000</b>	<b>520,923,000</b>	<b>914,703,000</b>	<b>1,074,133,000</b>	<b>1,114,063,000</b>

**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 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Assistant 3	54,204	0.0		0.0		
Assistant Superintendent	161,385	0.0		0.0		
Executive Assistant - Confidential Secretary	71,799	0.5	0.5	0.5	0.5	0.5
Program Supervisor	96,990	0.1		0.0		
Rules Coordinator	111,156	0.0		0.0		
<b>Total FTEs</b>		0.6	0.5	0.6	0.5	0.5

**III. D - Expenditures By Program (optional)**

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
State Office Administration (010)	100,000	62,000	162,000	124,000	124,000
Special Education (026)	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
<b>Total \$</b>	393,780,000	520,923,000	914,703,000	1,074,133,000	1,114,063,000

**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

None

**Part V: New Rule Making Required**

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

Section 3(6) will require rulemaking changes to accommodate the new quarterly safety net award distribution schedule.

Special Education 2S SB 5263							
School Year	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
PreK Multiplier	1.2000	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
Tier 1 Multiplier	1.1200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
All Other Multiplier	1.0600	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
Enrollment CAP	16%	None	None	None	None	None	None
Multiplier Increase	\$ -	\$ 403,813,000	\$ 418,372,000	\$ 426,784,000	\$ 433,961,000	\$ 443,073,000	\$ 452,377,000
Eliminate Enrollment CAP	\$ -	\$ 25,075,000	\$ 26,002,000	\$ 26,526,000	\$ 26,973,000	\$ 27,540,000	\$ 28,119,000
State Avg. or District Special Ed BEA Rate	\$ -	\$ 33,854,000	\$ 34,999,000	\$ 36,187,000	\$ 37,377,000	\$ 38,162,000	\$ 38,964,000
Safety Net	\$ -	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000
<b>Total School Year</b>	<b>\$ -</b>	<b>\$ 507,973,000</b>	<b>\$ 524,604,000</b>	<b>\$ 534,728,000</b>	<b>\$ 543,542,000</b>	<b>\$ 554,006,000</b>	<b>\$ 564,691,000</b>
State Fiscal Year	2025	2026	2027	2028	2029	2030	2031
Multiplier Increase	\$ -	\$ 312,955,000	\$ 415,096,000	\$ 424,891,000	\$ 432,347,000	\$ 441,023,000	\$ 450,283,000
Eliminate Enrollment CAP	\$ -	\$ 19,434,000	\$ 25,793,000	\$ 26,408,000	\$ 26,873,000	\$ 27,412,000	\$ 27,989,000
State Avg. or District Special Ed BEA Rate	\$ -	\$ 26,237,000	\$ 34,741,000	\$ 35,919,000	\$ 37,109,000	\$ 37,986,000	\$ 38,784,000
Safety Net	\$ -	\$ 35,054,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000
Rule Making FTE Section 3	\$ -	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs for Section 3	\$ -	\$ 67,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000
Apportionment Update Section 2	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Fiscal Year</b>	<b>\$ -</b>	<b>\$ 393,780,000</b>	<b>\$ 520,923,000</b>	<b>\$ 532,511,000</b>	<b>\$ 541,622,000</b>	<b>\$ 551,714,000</b>	<b>\$ 562,349,000</b>
Biennium	2023-2025	2025-2027		2027-2029		2029-2031	
<b>Total Biennium</b>	<b>\$ -</b>	<b>\$ 914,703,000</b>		<b>\$ 1,074,133,000</b>		<b>\$ 1,114,063,000</b>	

State Fiscal Year Funding	2025	2026	2027	2028	2029	2030	2031
001-1 GF Total School Dist and Tribal	\$ -	\$ 391,965,000	\$ 518,416,000	\$ 529,918,000	\$ 538,983,000	\$ 549,023,000	\$ 559,603,000
17F Opp Pathway Charter	\$ -	\$ 1,815,000	\$ 2,507,000	\$ 2,593,000	\$ 2,639,000	\$ 2,691,000	\$ 2,746,000
<b>Total Fiscal Year</b>	<b>\$ -</b>	<b>\$ 393,780,000</b>	<b>\$ 520,923,000</b>	<b>\$ 532,511,000</b>	<b>\$ 541,622,000</b>	<b>\$ 551,714,000</b>	<b>\$ 562,349,000</b>
Biennium	2023-2025	2025-2027		2027-2029		2029-2031	
<b>Total Biennium</b>	<b>\$ -</b>	<b>\$ 914,703,000</b>		<b>\$ 1,074,133,000</b>		<b>\$ 1,114,063,000</b>	

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5263 2S SB	<b>Title:</b> Special education funding	<b>Agency:</b> SDF-School District Fiscal Note - SPI
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
School District Local-Private/Local NEW-7	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
<b>Total \$</b>	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000

### Estimated Operating Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
School District Local-Private/Local NEW-7	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
<b>Total \$</b>	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000

### 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: Kayla Hammer	Phone: 360-786-7400	Date: 03/03/2025
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 03/10/2025
Agency Approval: Shawn Lewis	Phone: 360 725-6019	Date: 03/10/2025
OFM Review: Shea Hamilton	Phone: (360) 229-4774	Date: 03/11/2025

## 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.*

This bill:

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2) Amended excess cost allocation

(a) Changes the multiplier for eligible students ages three, up to five years old not yet enrolled in kindergarten to 1.32.

(b) District's annual average enrollment multiplied by either the district's base allocation per full-time equivalent or the state average, whichever is greater.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(7) Amended

High-need student eligibility for safety net awards to 1.75 times the average per-pupil expenditure.

Substitute bill:

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2) Amended excess cost allocation

(a) Changes the multiplier for eligible students ages three, up to five years old not yet enrolled in kindergarten to 1.32.

(b) District's annual average enrollment multiplied by either the district's base allocation per full-time equivalent or the state average, whichever is greater.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(7) Amended

High-need student eligibility for safety net awards to 1.5 times the average per-pupil expenditure.

Substitute bill:

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2)(b) Eligible students receiving special education multiplier is changed to 1.32 regardless of time spent in general education settings.

Removes language that set a 16% enrollment cap for special education students

(3) NEW

OSPI may reserve amounts up to .005 of the funding generated under Section 2 and outlined in Section 5.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(2)(f) strikes the language that the safety net committee shall consider extraordinary costs associated with communities that draw a larger number of families with children in need services to include consideration of proximity to group homes, military bases, and regional hospitals. Language is also struck that safety net awards under subsection (2)(f) shall be adjusted to reflect amounts awarded under subsection (2)(e).

(3) Amended

Adjusts language so that OSPI shall adopt rules and procedures as necessary to administer special education funding and the safety net award process without a deadline.

(6) Amended

Beginning in 2025-26 school year, safety net awards will be distributed to school districts on a quarterly basis if

(a) The award is provided for a high cost student receiving services from an authorized entity located outside the state of Washington

(b) The district applied for and received a safety net award for the high-cost student in prior school year and had no

placement changes

(c) The district meets all other award requirements

Section 7 RCW 28A.150.560 and 2023 c 417 s 6:

(2) Amended to add that the proration and allocation of general apportionment funding to the special education program may not be based on an individual district's LRE percentage and instead use a uniform percentage for proration and allocation.

Original Bill:

Section 1 NEW

Emphasizes that students receiving special education are entitled to a free and appropriate education per federal law and state statute. The section also denotes special education as an integral part of the state's statutory program of basic education and the state's paramount constitutional duty.

Section 2: Amends RCW 28A.150.390 and 2024 c 229 s 1

(2) Amended

(a) Changes the multiplier for eligible students ages three, up to five years old not yet enrolled in kindergarten from 1.2 to 1.6381.

(b) Amended

Removes language references tiered multipliers for 2020-21 and 2023-24 school years.

General education setting for less than 80 percent of the day was 1.12.

General education setting for less than 80 percent of the day was 1.06.

Eligible students receiving special education multiplier is 1.5289 regardless of time spent in general education settings.

(3) Amended

(b) Removed the section that explains that special education funding is not dependent on the serving districts reporting but rather the resident district numbers. Also, how students from a nonhigh district or attending through an interdistrict agreement should be treated.

(c) Removed the section addressing how the enrollment percentage is calculated and that it does not include Age 3-5 or institutional education enrollment.

Section 3: Amends RCW 28A.150.392 and 224 c 127 s 2

(6) Amended

Updated the high-need student eligibility for safety net awards 2 times the average per-pupil expenditures, for school districts with fewer than 1,000 full-time equivalent students and 2.2 times the average per-pupil expenditures for school districts with 1,000 or more full-time equivalent students to 1.5 times the average per-pupil expenditure as defined in Title 20 U.S.C. Sec. 7801 starting in the 2025-26 school year.

Section 4: This act takes effect September 1, 2025

## 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.*

Cash revenue equals state expenditures less rule making, application process FTEs and apportionment system update.

## 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 assumes local education agencies will expend all revenue received in full less rule making, changes in application process and apportionment system update. See State note for further details.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
NEW-7	School District Local	Private/Local	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
<b>Total \$</b>			393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	393,680,000	520,861,000	914,541,000	1,074,009,000	1,113,939,000

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

NONE

**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



None

## **Part V: New Rule Making Required**

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

Special Education 2S SB 5263							
School Year	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
PreK Multiplier	1.2000	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
Tier 1 Multiplier	1.1200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
All Other Multiplier	1.0600	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200
Enrollment CAP	16%	None	None	None	None	None	None
Multiplier Increase	\$ -	\$ 403,813,000	\$ 418,372,000	\$ 426,784,000	\$ 433,961,000	\$ 443,073,000	\$ 452,377,000
Eliminate Enrollment CAP	\$ -	\$ 25,075,000	\$ 26,002,000	\$ 26,526,000	\$ 26,973,000	\$ 27,540,000	\$ 28,119,000
State Avg. or District Special Ed BEA Rate	\$ -	\$ 33,854,000	\$ 34,999,000	\$ 36,187,000	\$ 37,377,000	\$ 38,162,000	\$ 38,964,000
Safety Net	\$ -	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000
<b>Total School Year</b>	<b>\$ -</b>	<b>\$ 507,973,000</b>	<b>\$ 524,604,000</b>	<b>\$ 534,728,000</b>	<b>\$ 543,542,000</b>	<b>\$ 554,006,000</b>	<b>\$ 564,691,000</b>
State Fiscal Year	2025	2026	2027	2028	2029	2030	2031
Multiplier Increase	\$ -	\$ 312,955,000	\$ 415,096,000	\$ 424,891,000	\$ 432,347,000	\$ 441,023,000	\$ 450,283,000
Eliminate Enrollment CAP	\$ -	\$ 19,434,000	\$ 25,793,000	\$ 26,408,000	\$ 26,873,000	\$ 27,412,000	\$ 27,989,000
State or District Special Ed BEA Rate	\$ -	\$ 26,237,000	\$ 34,741,000	\$ 35,919,000	\$ 37,109,000	\$ 37,986,000	\$ 38,784,000
Safety Net	\$ -	\$ 35,054,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000	\$ 45,231,000
<b>Total Fiscal Year</b>	<b>\$ -</b>	<b>\$ 393,680,000</b>	<b>\$ 520,861,000</b>	<b>\$ 532,449,000</b>	<b>\$ 541,560,000</b>	<b>\$ 551,652,000</b>	<b>\$ 562,287,000</b>
Biennium	2023-2025	2025-2027		2027-2029		2029-2031	
<b>Total Biennium</b>	<b>\$ -</b>	<b>\$ 914,541,000</b>		<b>\$ 1,074,009,000</b>		<b>\$ 1,113,939,000</b>	

State Fiscal Year Funding	2025	2026	2027	2028	2029	2030	2031
001-1 GF Total School Dist and Tribal	\$ -	\$ 391,865,000	\$ 518,354,000	\$ 529,856,000	\$ 538,921,000	\$ 548,961,000	\$ 559,541,000
17F Opp Pathway Charter	\$ -	\$ 1,815,000	\$ 2,507,000	\$ 2,593,000	\$ 2,639,000	\$ 2,691,000	\$ 2,746,000
<b>Total Fiscal Year</b>	<b>\$ -</b>	<b>\$ 393,680,000</b>	<b>\$ 520,861,000</b>	<b>\$ 532,449,000</b>	<b>\$ 541,560,000</b>	<b>\$ 551,652,000</b>	<b>\$ 562,287,000</b>
Biennium	2023-2025	2025-2027		2027-2029		2029-2031	
<b>Total Biennium</b>	<b>\$ -</b>	<b>\$ 914,541,000</b>		<b>\$ 1,074,009,000</b>		<b>\$ 1,113,939,000</b>	