



PROPOSED STUDY QUESTIONS

Performance Audit of Special Education Funding, Accounting, and Service Delivery

State of Washington Joint Legislative Audit and Review Committee

September 2023

Study mandated in 2023 legislative session and by JLARC work plan

The 2023 Legislature directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate:

- The process for identifying, evaluating, and serving students with disabilities.
- Funding for special education.
- Accounting for the use of basic and special education allocations.
- How Washington's funding approach compares to other states. ([ESHB 1436](#))

Although the Governor vetoed the study, JLARC members voted to include it in the Committee's 2023-25 biennial work plan.

Special education provides instruction and services to students with disabilities

Special education is instruction and services specially designed to allow students with disabilities to access their education.

School districts and charter schools ("school districts") must identify students who may be eligible for services. Then, they must evaluate the student, determine if they are eligible, and decide what services will be provided to meet the student's needs. Students must be served in the least restrictive education setting appropriate to their needs.

The Office of Superintendent of Public Instruction (OSPI) reports that almost 167,000 students received special education services during the 2022-23 school year.

OSPI allocates funds to school districts for special education

The Legislature appropriated \$3.56 billion in state funds for special education in the 2023-25 biennium. School districts receive state funding for special education in two ways:

1. **Portion of the basic education allocation.** School districts receive funds to support each student's basic education. This is called the basic education allocation (BEA). A portion of the BEA is redirected to serve students with disabilities.
2. **Special education allocation.** OSPI uses a statutory funding formula to determine the additional funds each district receives to support special education. The state revises the formula periodically, most recently in 2023. The formula includes multiple factors, including the number of students, education setting, and how the district's special education enrollment compares to a statewide index. The formula uses specific terms for these factors, such as student multiplier and enrollment cap. School districts that demonstrate a need for additional money can also apply for safety net funding.

Some school districts also receive non-state funds for special education. School districts account for how they spend all funds and report the information to OSPI.

This study will address the following questions

Study questions define the scope of the audit, based on the study mandate in ESHB 1436 Section 2(2b-2e) and Section 2(2g-2h). They reflect preliminary outreach, research, and analysis of potential racial equity considerations per RCW 44.28.076.





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Identifying, evaluating, and serving students with disabilities

1. What processes are used to identify, evaluate, and serve students with disabilities?
 - a. What factors, including funding, affect identification, evaluation timelines, and the education settings where students with disabilities are served?
 - b. To what extent do evaluation timelines and the settings where students are served vary by district, disability, and demographics, including race or ethnicity?
2. Are the school districts and state following best practices to serve students in inclusive education settings?

Special education funding

1. How does each component of the state funding formula influence the amount of funding districts receive for special education?
 - a. Does the funding formula equitably distribute state funding across districts?
 - b. What non-state funds are used to provide special education services?
2. How have recent changes to the funding formula affected the state funding districts receive?
 - a. What factors might be considered when adjusting the funding formula in the future?
3. How does Washington's funding approach compare to other states?
 - a. How do the state funding formula components compare to those used in other states?
 - b. What role do enrollment caps play in other states' funding formulas?

Special education accounting and reporting

1. What processes are used to ensure school districts appropriately account for and report the use of basic and special education allocations?
 - a. What portion of basic education allocations are directed to special education?
2. What changes has OSPI made since JLARC's 2006 [Special Education Excess Cost Accounting and Reporting Requirements](#) report?

Study timeframe

Preliminary Report: November 2024

Proposed Final Report: January 2025

Study team

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JLARC Study Process

