

# K-12 SPECIAL EDUCATION STUDY

## FIRST INTERIM REPORT

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REPORT 00-6

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## REPORT DIGEST

OCTOBER 11, 2000

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STATE OF WASHINGTON

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## LEGISLATIVE MANDATE

This interim study was mandated in Engrossed House Bill 2487 from the 2000 Legislative Session. According to that mandate, the study shall focus on:

- A review of the findings of the Special Education Program audit summary reports prepared by the State Auditor;
- The adequacy of the excess cost definition for the Special Education Program adopted by the Superintendent of Public Instruction;
- The ability to determine individual school districts' safety net funding need in light of differing accounting methods in use by school districts; and
- The ability to uniformly determine individual school districts' safety net funding need in light of differing service delivery practices.

Two interim reports are required. The first must be submitted to the legislature by November 20, 2000, and the second by November 20, 2001. The final report must be submitted to the legislature no later than June 30, 2002.

## PURPOSE OF THE REPORT

Since the major research and analysis for this study will occur over the next year and a half, the primary purpose of the First Interim Report is to provide background and context for the work to come. The Scope and Objectives for the study are included in Appendix 1.

## SUMMARY

Our initial review of the State Auditor's reports and the safety net process was focused on understanding the specific issues that are the subject of the study mandate. Our findings from this initial review include:

- The State Auditor has reported inconsistencies within and among school districts in documenting the need for special education, the relationship between the Individualized Education Program (IEP) and the evaluation of the student, and whether the program provided specially designed instruction.

Limitations related to the number of files reviewed and districts audited, however, prevent generalizing these findings in most cases to those districts reviewed, and further prevent generalizing from any of these cases to the state as a whole. The State Auditor's summary reports, appropriately, did not attempt to generalize findings from the individual files or school districts reviewed.

- There have been questions as to whether the new excess cost methodology, adopted by the Office of Superintendent of Public Instruction (OSPI) for safety net applicants, requires the full use of basic education funds for special education students. This is a matter that is still unsettled. It is clear, however, that while the new methodology provides a more consistent approach to reporting costs, it will not resolve the issue of how funding need relates to differing service delivery practices.

## SUMMARY (Continued)

- Due to differing accounting methodologies and service delivery practices, it has been difficult for the Safety Net Committee to verify districts' need for safety net funds and/or to demonstrate that a need does not exist.
  - Districts *not* applying for safety net funding are *not* required to use a consistent excess cost methodology. Therefore, the total amount of special education expenditures in Washington State is unknown.
  - Under state law, special education students are also *basic* education students, and the districts in which they are enrolled receive full special *and* basic education funding for them. The legislature intends for districts to use these basic education apportionment funds to help cover the costs of educating special education students. However, because of the varying excess cost accounting practices used, it is not possible to accurately determine to what extent school districts are using these basic education funds for their special education students.
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