September 30, 2019

(X) Action Required
Due date: 3/13/2020 and 5/8/2020
(X) Informational

BULLETIN NO. 070-19  SPECIAL EDUCATION

TO:  Educational Service District Superintendents
School District Superintendents
School District Business Managers
Educational Service District Special Education Directors
School District Special Education Directors
Public Charter Schools
Tribal Compact Schools

FROM:  Chris Reykdal, Superintendent of Public Instruction

RE:  Special Education Safety Net Application for 2019–20

CONTACT:  Amber O’Donnell, Special Education Administrative Program Specialist
360-725-6075, amber.odonnell@k12.wa.us, TTY: 360-664-3631

PURPOSE

Safety Net funding is available to Local Education Agencies (LEAs) with a demonstrated capacity for special education funding in excess of state and federal funding otherwise available to the LEA. This bulletin provides application instructions for applying for special education Safety Net funding in the 2019–20 school year.

The Special Education State Oversight Committee makes Safety Net funding decisions pursuant to RCW 28A.150.392 and WAC 392-140-600 through WAC 392-140-685 based on the LEA’s application and information available to the Office of Superintendent of Public Instruction (OSPI). Once available, required forms and instructions are available for download on the Safety Net website.

ALLOCATED FUNDING

State Safety Net funding in the amount of $87,253,000 and Federal Safety Net funding $14,787,000 is available to the state for the 2019–20 school year. Any funding needed in excess of these amounts will be requested through a supplemental legislative request.

Information about prior year Safety Net applications and funding are available on OSPI’s Safety Net website.
STATE OVERSIGHT COMMITTEE APPLICATION DEADLINES AND MEETING DATES

<table>
<thead>
<tr>
<th>Deadline for Receipt of Application at OSPI</th>
<th>Type of Application</th>
<th>Oversight Committee Meeting Date</th>
<th>Meeting Location</th>
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<tbody>
<tr>
<td>March 13, 2020</td>
<td>High-Need Individuals (HNI)</td>
<td>June 17–18, 2020</td>
<td>TBD, check OSPI website</td>
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<tr>
<td>May 8, 2020</td>
<td>HNI (Updates Only) and Community Impact (CI)</td>
<td>June 17–18, 2020</td>
<td>TBD, check OSPI website</td>
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<td></td>
<td>Final Verification &amp; Award Meeting</td>
<td>August 12, 2020</td>
<td>TBD, check OSPI website</td>
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The State Oversight Committee approves or disapproves all Safety Net applications at the committee meetings. The Committee makes conditional awards in June and final awards in August. OSPI notifies applicants in writing of the determination of the committee after each meeting.

To observe the process, applicants may attend the State Oversight Committee meeting in person or via Zoom June 18 and/or August 12, 2020. Please let OSPI know if you plan to attend in person. The Zoom meetings will be available to all applicants. Each LEA, regardless of planned attendance at the meeting, will receive an emailed draft summary of applications submitted at the June and August meetings. LEAs will receive funding determinations by mailed letter after each meeting. After the letters are mailed, the applicant’s letter and back-up documentation will be uploaded to the secure file transfer protocol site.

Submit the majority of High-Need Individual applications by the March 13, 2020 deadline, except in the following circumstances. The May 8, 2020 High-Need Individuals submission deadline is only intended for:

- Students enrolling in the LEA after the March 13, 2020 submission deadline.
- Students with a significant change in services or placement.
- Students accessing Extended School Year (ESY) when the ESY decision is made after the March 13, 2020 submission date.

APPLICATION PROCESS

Demonstration of Capacity (Worksheet A)
Worksheet A is used to demonstrate if an applicant has capacity to receive additional funds via a Safety Net award. Demonstration of capacity on Worksheet A does not entitle an applicant to Safety Net funding. Worksheet A and related documentation must be submitted with both
High-Need Individual and Community Impact applications. See Worksheet A Line-by-Line Instructions for assistance when completing the Worksheet A.

Worksheet A compares expenditures and revenues associated with special education. If the expenditures exceed the revenues, the district will show demonstrated capacity on Worksheet A. Once the data are available, Worksheet A is pre-populated with:

- 2019–20 budgeted F-195 revenues and expenditures (generally available in December).
- Individuals with Disabilities Education Act (IDEA) federal flow-through allocations and carryover for Part B 611 and 619.
- The LEA’s federal restricted indirect rate plus one percent.

The components required to be submitted with the Worksheet A for both the High-Need Individual and Community Impact Safety Net applications are:

- Worksheet A.
- The most recent completed monthly detailed expenditure reports for the special education programs showing the budgeted and actual year-to-date expenditures. The reports must sub-total at three separate levels:
  1. Object (i.e., 21-27-5)
  2. Activity (i.e., 21-27)
  3. Program (i.e., 21)
- Reconciliation worksheet. This new worksheet compares anticipated year-to-date program expenditures entered on Lines 1, 2, 3, and 4 of Worksheet A and anticipated expenditures on Line 5 with Line F. If Line F is less than Line 5, provide an explanation/reconciliation. If no explanation/reconciliation is provided, Line F will be used as annual estimated expenditures in the calculation of maximum capacity for safety net funding.
- Special education enrollment exception reports for the 2019–20 school year.

High-Need Individual Applications

LEAs requesting Safety Net funding on behalf of eligible, resident high-need students. Costs eligible for consideration in a Safety Net award must be associated with providing direct special education and related services identified in IEP(s) for the period of funding requested.

- The annualized threshold for a High-Need application is based on a multiple of the statewide average per pupil amount established by the OSPI in consultation with the Office of Financial Management (OFM) and the fiscal committees of the legislature. The **2019–20 application threshold is $29,707.** The multiplier used to calculate the threshold was reduced from 2.7 to 2.3 for the 2019–20 school year through legislation.
- Applicants are required to submit all IEPs in effect for the 2019–20 school year for each High-Need Individual application to validate and quantify reimbursable special education services for the period of the funding requested. Information referred to in
IEPs should also be included, such as Emergency Response Protocols (ERPs) and Behavior Intervention Plans (BIPs).

- It is the responsibility of the LEA to ensure that each application is complete when submitted. OSPI staff may contact the LEA to request missing documentation. The State Oversight Committee may also request additional documentation during the review process.
- Students with disabilities served in residential schools, programs for juveniles under the Department of Corrections, and programs operated under city and county jails are also eligible to receive Safety Net funding.

Items Required for Each High Need Individual Application

- Worksheet C (including Staff Costs, Other Staff Costs, and Personal Service Contractor Cost Worksheets, if applicable).
- Medicaid Reimbursement Calculator, if applicable. This calculator is now built into the Worksheet C templates.
- Billing Percentage Calculator for Contracted 1:1 Providers, if applicable. This calculator is now built into the Worksheet C templates.
- Transportation Cost Calculator, if applicable.
- Student's complete current IEP(s) in effect for the 2019–20 school year. If more than one IEP is in effect for 2019–20, submit the previous IEP(s).
- Purchase Orders, contracts, and invoices for any expenditure claimed for contracted staff and/or purchased materials for students as required and quantified on the IEP.

Allowable Costs

The following are costs that are eligible for Safety Net funding. This list is not exhaustive.

- Direct services to student quantified in the IEP.
  - Quantified special education teachers
  - Quantified paraeducators
  - Quantified interpreters
  - Quantified nurses
  - Quantified related service providers (in district and contracted). Providers could be:
    - speech language pathologists (SLPs)
    - occupational therapists (OTs)
    - physical therapists (PTs)
    - vision teachers (VIs)
    - teachers of the deaf (TOD)
    - orientation and mobility (O&M)
    - counselors
- Transportation, if specified in the student's IEP, for:
Student transportation to a residential placement.
- Student transportation to an out of district placement. Include the transportation cost calculator with the submission. Applicants can only receive this funding if transportation reimbursement rate is less than 100%.
- Student transportation for ESY. Include the transportation cost calculator with the submission.

- Braille translation if specified in IEP.
- Supplies and equipment if specified in the IEP. Include purchase orders (POs) and invoices for supplies with the submission.
- Out of district placement costs. IEP should specify the placement. Include POs, contracts, and invoices for these costs with the submission.
- ESY (extended school year) – if claiming, include the ESY IEP with the submission.

Unallowable Costs
The following are costs that are not eligible for Safety Net funding. This list is not exhaustive.

- Construction costs
- Costs not coded to a special education program (21, 24, 26, 29)
- Consultant costs (not direct service to the student)
- Teacher training
- Parent travel to a residential placement
- Provider travel to and from work (bus paras traveling with student are allowable)

IEP Reviews
OSPI recognizes the importance of compliance with federal and state requirements. However, compliance monitoring is not limited to the Safety Net process and is a general supervision responsibility that is also reviewed through Washington Integrated System of Monitoring (WISM) monitoring, dispute resolution, and fiscal reviews by the State Auditor’s Office.

Application review will consist of a review of a sample of IEPs submitted by the LEA. If your LEA had a WISM review in the past two years, results from that review will be used. If your LEA has not had a WISM review in the past two years, a sample of IEPs from your current submission will be selected for review by the State Oversight Committee. IEP reviews will focus on the following areas of the current IEP developed by a team of required members:

- Measurable Annual Goals (MAGs)
- Summary of Service (matrix), with individual services listed
- Signed Emergency Response Protocols (ERP)
- Behavior Intervention Plans (BIP)
- Overall transition components, including Courses of Study and Postsecondary Goals, as well as the High School and Beyond Plan (HSBP)
In September of this school year, LEAs were notified that iGrants form package 442 is available to use for correction of issues of identified non-compliance. IEPs that were submitted for safety net reimbursement in 2018–19 and were not funded due to noncompliance issues are listed on Page 2 – Student Specific Corrections of iGrants Form Package 442. Should the LEA wish to submit the IEP for safety net reimbursement in 2019–20, the IEP must be corrected by the district and verified by the ESD prior to submission. All non-compliant IEPs will be prorated from the date of 442 correction, if not corrected and verified prior to the beginning of the 2019–20 school year.

**Sampling Method**
For LEAs that have not had a WISM review in the past two years, the IEP review sample size is based on the number of applications submitted. Forty percent of applications submitted will be sampled if an applicant submits at least five applications. If five or fewer applications are submitted, all applications will include an IEP review.

**Medicaid Adjustments**
Per WAC 392-140-602, beginning in 2019–20, applicants must either submit verification of Medicaid billing for each high need student application, if applicable, or receive a deduction. If an LEA is billing for Medicaid, they should continue to calculate Medicaid adjustments for students who are Medicaid eligible by using the Medicaid Reimbursement Calculator. If an LEA is not billing for Medicaid, awards will be reduced by taking 70 percent of the average Medicaid award for a Medicaid eligible child. The average Medicaid award will be calculated using the Medicaid report provided to OSPI by the Health Care Authority (HCA).

If an LEA is in the process of implementing Medicaid billing, OSPI will provide a form to be completed by the LEA informing OSPI of its progress with implementing Medicaid billing. The form should be submitted with the Safety Net application. A district in the process of setting up Medicaid billing will not receive deductions on the Safety Net application, providing that they are making progress.

**May 8 Deadline**
LEAs submitting updates on the May 8 deadline should submit updated Worksheet Cs and any back-up documentation need to support the adjustment including:
- An updated Worksheet C
- The student’s new IEP or IEP amendment
- Any POs, contracts or invoices applicable to the to the adjusted amount

If submitting an application for a student enrolling after the March 13, 2020 deadline, submit information listed on page 4 of this bulletin.

The applicant should also submit a Certification and Individuals Summary that only includes the applications included in the update request.
Community Impact Applications
Community Impact applications are for disproportional and extraordinary costs associated with 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 the LEA that are not related to LEA philosophy, staffing decisions, or service delivery choices. Applications cannot include students for whom the LEA is receiving state special education funding or Safety Net High Cost Individual funds. A Community Impact application consists of a complete Worksheet A packet, Form SPI 1381-Community Impact application, and a Certification Form. Include Statewide Student Identifier (SSID) numbers for students associated with the Community Impact factor(s). OSPI must be able to verify the students included using OSPI’s Comprehensive Education Data and Research System (CEDARS). See Community Impact instructions for more information.

Certification and Summary of Applications
The Certification form must be completed for both High-Need Individual and Community Impact Safety Net funding. This form details the LEAs requests and outlines the conditions associated with Safety Net funding. The Superintendent, Business Manager, and Special Education Director of the LEA must sign the certification.

The Summary of Applications is only submitted with an LEA’s High-Need Individual application. This form lists the students the LEA is applying for (by SSID), and the amount requested for the student’s application. The total amount listed on this form should be included as the request amount on the Certification Form.

SUBMISSION PROCESS
Applications are submitted through the OSPI Special Education Division Secure File Transfer Protocol (SFTP) site. There are many versions of this type of software, but OSPI recommends CoreFTP. Work with your LEA’s IT department to install this software. A CoreFTP user guide is available on the OSPI website.

If you do not have login credentials for the SFTP site, or if your LEA needs an accommodation to this submission method contact safety.net@k12.wa.us or 360-725-6075 at least three days prior to the deadline.

CONDITIONS ASSOCIATED WITH FUNDING FOR SAFETY NET
State and federal Safety Net funding is not an entitlement. Safety Net funding is an annual grant application. Safety Net funding in prior years does not guarantee future eligibility. The following are conditions associated with Safety Net funding:

- Capacity for funding is based on legitimate actual expenditures and all available revenues included on Worksheet A, which determines maximum funding capacity; however, maximum funding capacity does not entitle an LEA to Safety Net funding.
• Safety Net funding is only for direct special education and related services validated and quantified in an IEP, and/or quantifiable community impact factor(s).
• Safety Net award may be less than the amount of capacity demonstrated on Worksheet A, but in no case may exceed that amount.
• Funding is only provided for resident students (as defined by state law).
• Safety Net funding is only available for the excess cost of educating students with disabilities with an IEP, as required by RCW 28A.150.392, 34 CFR § 300.16, and WAC 392-172A-01075.

FINAL APPLICATION DETERMINATIONS

The Legislature requires that OSPI make funding determinations for Safety Net awards in August of each year. The state portion of the LEA’s Safety Net award will be distributed through August apportionment; the federal portion of Safety Net award are drawn using iGrants Form Package 269. iGrants Form Package 269 will not be available until August 2019.

SPECIAL EDUCATION PROGRAM AUDITS

All Safety Net applicants are subject to audit by the State Auditor’s Office (SAO) at the request of the State Oversight Committee. The special education program auditors may review and verify data submitted in Safety Net applications, including certifications made by LEAs. Program audits may consider whether IEPs are properly formulated, verify student enrollment data, available revenue, and legitimate actual expenditures. The results of the auditor’s reviews may be considered by the oversight committee in determining, adjusting, or recovering Safety Net funding.

ADJUSTMENT AND RECOVERY

All Safety Net funding is subject to adjustment and recovery pursuant to WAC 392-140-630, 392-140-675, and 392-140-685, including situations where the student leaves the LEA or has a change in services. Audits by the SAO may also affect Safety Net eligibility and funding. After the end of each school year, state special education revenue (Account 4121) that is not expended in the state special education program (Program 21) is subject to recovery by OSPI through the School Apportionment and Financial Service Office.

TRAINING/TECHNICAL ASSISTANCE

Regional trainings, tutorials, and webinars will be scheduled at each Educational Service District (ESD) and provided by OSPI staff. For training dates, see the OSPI’s Safety Net website. If you would like to request additional training opportunities or Technical Assistance for LEA-specific questions, contact Amber O’Donnell at amber.odonnell@k12.wa.us.
SURVEY

Per RCW 28A.150.392, OSPI must annually survey LEAs about their satisfaction with the Safety Net process. The survey is also used to consider feedback from LEAs to improve the Safety Net process. The 2018–19 Safety Net Survey Legislative Report will be available in December 2019. Once available, the report will be posted to OSPI’s Reports to the Legislature web page.

2019–20 MEMBERS OF THE SPECIAL EDUCATION STATE OVERSIGHT COMMITTEE

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<tr>
<td>Glenna Gallo, Manager</td>
<td>Assistant Superintendent, Special Education, OSPI</td>
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<tr>
<td>Jennifer Acuna</td>
<td>Director of Special Services, ESD 114</td>
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<tr>
<td>Brian Aiken</td>
<td>Business and Fiscal Services Director, Ellensburg School District</td>
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<tr>
<td>Jeff Brown</td>
<td>Special Programs Director, Burlington-Edison School District</td>
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<tr>
<td>Kathryn Coleman</td>
<td>Director of Student Services, Vashon Island School District</td>
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<tr>
<td>Franklin Day</td>
<td>Director of Student Support Services, Cheney School District</td>
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<tr>
<td>Janice Gaare</td>
<td>Director of Student Services, Oak Harbor School District</td>
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<tr>
<td>Cody Gardiner</td>
<td>Director of Special Services, Sunnyside School District</td>
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<tr>
<td>Gavin Hottman</td>
<td>Chief Financial Officer, ESD 112</td>
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<tr>
<td>Tammie Jensen-Tabor</td>
<td>Executive Director of Special Education, Centralia School District</td>
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<tr>
<td>Ivy Kardes</td>
<td>Special Education Coordinator, Griffin School District</td>
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<tr>
<td>Connie Kliewer</td>
<td>Special Education Services Director, ESD 101</td>
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<tr>
<td>Erika Kmieciak</td>
<td>Assistant State Auditor, State Auditor’s Office (Non-voting)</td>
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<tr>
<td>Annie Lamberto</td>
<td>Special Populations Coordinator, Washington Education Association</td>
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<tr>
<td>Doug Matson</td>
<td>Deputy Superintendent, West Valley School District (Spokane)</td>
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<tr>
<td>Nancy Meeks</td>
<td>Director of Student Services, Snoqualmie Valley School District</td>
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<tr>
<td>Lisa Muchlinski</td>
<td>Special Services, Kennewick School District</td>
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<td>Corine Pennington</td>
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<tr>
<td>Dwight Remick</td>
<td>Business Manager, Cascade School District</td>
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<tr>
<td>Jennifer Traufer</td>
<td>Executive Director of Student Support, Renton School District</td>
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<tr>
<td>Kyle Weakley</td>
<td>Assistant Superintendent, Quillayute Valley School District</td>
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INFORMATION AND ASSISTANCE

For more information about Safety Net, visit the OSPI Safety Net website. Questions regarding this bulletin should be directed to Amber O’Donnell, Special Education Administrative Program Specialist, at 360-725-6075 or email safety.net@k12.wa.us. The OSPI TTY number is 360-664-3631.

This bulletin is also available on the Bulletins and Memos page of the OSPI website.