

PERFORMANCE AUDIT

Report Highlights



Office of the
Washington
State Auditor
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Special Education Services: Comparing student needs to district funding and service provisions

Washington follows federal and state criteria to identify students eligible for special education services. This multi-step identification process helps school districts decide whether children should receive special education services, and also comes with deadlines that school districts must meet as they complete these processes.

Washington is working on making changes that will require districts to take a more proactive approach for identifying students for special education. Disproportionality in special education is a key concern of federal and state officials. In 2023-24, Washington served more than 140,000 students needing special education services, and most school districts needed help paying for it.

In 2024, the Legislature passed HB 2180, requiring the Office of the Washington State Auditor to compare the prevalence of disabilities in student populations to the funding available to evaluate students and provide them with special education services. It also directed the State Auditor to determine whether any populations are under evaluated or underserved. This audit examined whether any populations are under identified for special education and the funding available for related services.

Washington does not appear to under identify any particular population for special education

We estimate that Washington identified close to its expected number of special education students. Our statistical models estimated typical numbers of eligible students, even though the actual number is unknown. Our analysis showed Washington school district special education rates were slightly lower relative to districts in other states, though statistically similar to 18 states in the middle. Analysis of other special education data did not show any particular populations under identified for special education. There were few indications of any race or ethnicity being under identified statewide, with very few differences in the outcomes of special education evaluations and little evidence to suggest that any particular disability was underserved by school districts. Some factors are associated with lower special education rates, but they are not unique to Washington. Misidentifying students for special education is a greater district and stakeholder concern than under identifying, and our selection of Washington school districts generally followed correct processes related to identifying students for special education.

Washington school districts still face challenges when identifying and serving special education students

Unreliable referral data and tracking means Washington cannot ensure compliance with state law or accurately assess identification. In addition, a widely used special education data system compounded analytical challenges. The Legislature required the Office of Superintendent of Public Instruction (OSPI) to develop a new system which could relieve this problem provided it is designed with user needs in mind. Staffing issues in key positions can limit effective identification. Several practices could help address challenges that districts face in conducting effective identification processes.

Historically inadequate funding for special education may be set to improve with new legislation

Washington school districts have consistently spent more on special education than they received in state and federal funding. Washington funds its school districts through a complex set of calculations that include an additional set of formulas expressly to pay special education expenses. Until recently, funding for special education was also limited by an enrollment cap. Districts that exceed that cap would not receive additional funding for these services unless they apply for and receive “safety-net” funds later. In the 2022-23 school year, districts spent at least 26% more for each student than they received. However, legislation enacted in 2025 increased special education funding and removed the enrollment cap.

State Auditor’s Conclusions

This performance audit includes groundbreaking analysis, estimating the prevalence of disabilities in Washington’s student population and comparing that estimated prevalence to the funding available to assist school districts in educating these students. In the best tradition of rigorous inquiry, our findings provide a new, more accurate understanding that can help our state better address the needs of all our students.

The Legislature requested this performance audit due in part to concerns that the limited funding available for special education services may lead to under identification of students in need. Fortunately, we found Washington schools identified the number of special education students we would expect, based on a statistical model we built for this audit. Moreover, there were few indications of any race or ethnicity being under identified statewide, with very few differences in the outcomes of special education evaluations and little evidence to suggest that any particular disability was underserved by school districts. However, we also identified obstacles to identifying and serving special education students. Districts spent at least 26% more for each student than they received through the state’s funding model – a hardship that may be addressed by changes made in the most recent legislative session. Looking forward, collecting accurate data in this field remains a challenge. We made a series of recommendations to the Office of Superintendent of Public Instruction, which is developing a new statewide data system for special education. With more accurate data, the state can better ensure compliance with the law and better assess the identification of special education students.

Recommendations

We made a series of recommendations to the Office of Superintendent of Public Instruction to address issues with referral definitions and the collection of referral data. We also made recommendations to help ensure the new statewide special education system meets school district needs.