

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do pass the A-engrossed bill

Vote: 9-0-0

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.:

Prepared By: Steve Meyer, Economist

Meeting Dates: 5/4, 5/29

WHAT THE BILL DOES: Increases the amount of State School Fund revenue allocated for high cost disability students (costs above \$30,000 per disability student) from \$12 million to \$18 million per year in the school equalization formula. Takes effect July 1, 2007.

ISSUES DISCUSSED:

Funding 100% of costs above \$30,000 per high cost disability student

Shift in school district revenue to fund at \$18 million per year

Uncertainty of number and cost for high cost disability students

EFFECT OF COMMITTEE AMENDMENTS: None.

BACKGROUND:

The high cost disabilities grant in the school equalization formula has an annual limit of \$12 million. This limit was adopted in 2003. The grant is for special education student costs that exceed a threshold of \$30,000 per student. If eligible costs exceed the limit, grants are proportionally reduced to stay within the \$12 million limit. Grants in 2005-06 were about 78% of costs. Increasing the high cost disability grant total will reduce the general purpose grant for all districts in the school equalization formula by an equal statewide amount. The general purpose grant is distributed almost equally per weighted student.

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This summary has not been adopted or officially endorsed by action of the committee.