

REVENUE: Revenue Statement Issued

FISCAL: No Fiscal Impact

Action: Do pass with amendments; be printed engrossed.

Vote: 4-0-1

Yeas: Burdick, Monroe, Starr, Deckert

Nays:

Exc.: G. George

Prepared By: Steve Meyer, Economist

Meeting Dates: 2/6, 2/14, 3/6

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

Incentive to control disability costs

Disability students increasing if 11% of ADM limit raised

EFFECT OF COMMITTEE AMENDMENTS: Deletes increasing the percent of disability students that are eligible for an extra 1 weight from a maximum of 11% of students to 12.5% of students without a waiver from the Department of Education.

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 prorated to stay within the \$12 million limit. Grants in 2005-06 were about 78% of costs.

The school formula extra weight of one for students with disabilities (IEP) has been limited to 11% of students (ADM) since the passage of the school equalization formula in 1991. At the time the state average for students with disabilities was about 11% of ADM. The average now is about 13%. Districts that have a higher percent of students with disabilities can request approval of additional extra weights through a waiver process.

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