

**Testimony on HB 2927 and HB 2883
Forest Grove School District**

Thank you for this opportunity to submit testimony on increasing high-cost disability funding from the State School Fund.

The Forest Grove School District Board of Directors strongly supports HB 2927, which would raise the High Cost Disabilities Account from \$18 million to \$36 million annually.

We do not support HB 2883, which would raise the threshold for defining a high-cost disability student from the current \$30,000 annual cost to \$40,000. If the two amounts were raised to \$36 million and \$40,000, as proposed in HB 2883, the per capita costs for the most affected districts would go up substantially, not down.

The 2014 Task Force on School Funding proposed only one change to the State School Fund: raise the High Cost Disabilities Account from \$18 million to \$36 million. After exhaustive study of the allocations within the State School Fund, the Task Force decided that the high-cost disability distribution stood out as particularly inequitable.

In 2005-06, the High Cost Disabilities Account (HCDA) funded 78% of costs above the \$30,000 threshold, and as late as 2007-08, it funded 76%. However, because of increased numbers of students in the state, more students requiring disability services, and mounting costs of providing those services, HCDA now funds only 40% of costs above \$30,000. This places undue large burdens on some districts.

If the high-cost disability burden were shared proportionately across the state's 197 school districts, the percentage covered would not matter. All districts would cover those costs out of their State School Fund allocations, and everyone would be affected proportionately. However, the burden is not shared proportionately. For 2012-13, only half of the state's districts reported having high-cost disability students, and among the half with such students, the burden varied widely.

The Forest Grove School District ranked first in terms of per capita impact. High-cost disability costs not covered by the HCDA amounted to \$4.3 million, which is \$732 for every student in the district. In essence, the per pupil State School Fund allocation is being parasitized, causing a \$732 reduction in resources for educating every student in the district. The district includes Forest Grove and most of Cornelius and has a high poverty rate, with about two-thirds of students on free-and-reduced lunch, and a high English language learner rate. These two populations, therefore, are not receiving the resources that they desperately need.

Of the 197 districts in the state, Forest Grove ranks 24th in size, and some have questioned whether it is large districts that are disproportionately affected. That is not the case; there is no correlation between district size and the high-cost disability burden. Here is a list of the top 10 districts in 2012-13 as measured by per capita impact.

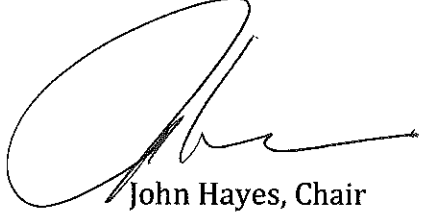
District	County	ADM	HCD #	Cost/ADM at 40%	Cost/ADM at 80%
Forest Grove	Washington	5,921	125	\$732	\$482
Long Creek	Grant	36	1	\$535	\$496
Falls City	Polk	130	2	\$452	\$325
Silver Falls	Marion	3,728	57	\$432	\$318

Fern Ridge	Lane	1,489	25	\$421	\$331
Creswell	Lane	1,269	20	\$377	\$305
Colton	Clackamas	628	7	\$359	\$256
Ontario	Malheur	505	8	\$320	\$288
Dallas	Polk	3,162	37	\$307	\$235
Central	Polk	2,889	23	\$286	\$184

Note that the relatively modest unfunded high-cost disability cost reduction in going from 40% to 80% results from having to cover, unfunded, the difference between the threshold of \$30,000 and the double SPED weighting of approximately \$13,600, coupled with the remaining 20% not covered above the threshold.

The Forest Grove School District Board of Directors strongly urges the Legislature to restore the High Cost Disabilities Account to a level that funds 80% of the costs above the \$30,000 threshold.

Thank you.



John Hayes, Chair
Forest Grove School Board