

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 06/09/15

Action: Do Pass.

Meeting Dates: 06/09

Vote:

Yeas: 4 - Baertschiger Jr, Boquist, Hass, Riley

Exc: 1 - Edwards

Prepared By: Dae Baek, Economist

WHAT THE MEASURE DOES:

Increases the High Cost Disabilities (HCD) Grant to \$35 million per school year. First applies to the 2015-16 State School Fund (SSF) distribution. Takes effect on July 1, 2015.

ISSUES DISCUSSED:

- History of HCD Grant
- Declining reimbursement rate of HCD Grant
- Ability of school districts to absorb unreimbursed portion of expenses on students with high cost disabilities.

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The current law on the High Cost Disabilities (HCD) Grant states that for a student with approved disabilities costs above \$30,000, the grant is the total cost minus \$30,000. The district grant is the sum of the grants for each student with disabilities costs above \$30,000.

Under current law, the total HCD Grant cannot exceed \$18 million per year. If the grand total of the grants initially exceeds this amount, the grants to all school districts are reduced proportionally.

In the fiscal year 2013-14, the prorated reimbursement was about 40% of the total approved cost. The higher HCD grant under the bill is expected to increase the reimbursement rate to around 80 percent. The \$35 million is included and fully accounted for in the Co-chairs' budget framework, reflected in the State School Fund budget bill (HB 5017).