

HB 4079 STAFF MEASURE SUMMARY

House Committee On Education

Prepared By: Taylor Bickel, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 2/5, 2/7

WHAT THE MEASURE DOES:

The measure removes the cap on the amount of state funds a school district may receive for students who have a disability. The measure also provides school districts additional state funds based on the number of students in the district who are homeless. Effective July 1, 2024.

Detailed Summary:

Modifies the calculation of weighted average daily membership (ADMw) for school districts for purposes of distributing state funds under the State School Fund (SSF) formula. Removes the cap on special education weight for the average daily membership (ADM) of a school district based on the number of students with a disability. Provides for additional weighting of ADM based on the number of students who are homeless. Effective July 1, 2024.

ISSUES DISCUSSED:

- Current 11% cap does not cover actual special education costs for districts
- Possibility of overidentification of students for special education if cap was removed
- Current formula penalizes districts with higher percentage of special education
- Changes in SSF distributions to districts if cap on special education weighting were removed
- Special education is the only ADM weighted group that has a cap
- Homeless students are undercounted in current poverty calculation
- Differences in graduation and drop out rates for homeless students

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The State School Fund (SSF) equalization formula is the means by which the state distributes the largest source of state funds to school districts and education service districts (ORS 327.006). The formula allocates money to school districts on a per-student basis, using a weighted student count, or ADMw, to adjust for cost differences among districts based on students' needs.

The formula assigns weights to students in a variety of categories. Students with a disability under ORS 343.035 receive 1.0 additional weight above the standard weight, so that a district receives double the amount of funding for a student with a disability than the district would receive for a student without a disability. Currently, districts may not claim the additional weight for special education for more than 11 percent of their total student population unless they receive a waiver from the Oregon Department of Education.