Evaluation of Oregon's Quality Education Model: Executive Summary

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Study Overview

The American Institutes for Research® (AIR®) was contracted by the Oregon Legislative Policy and Research Office to "study Oregon's Quality Education Model (QEM) and the state's system of financing public education from kindergarten through grade 12," as required by Senate Bill 1552 (2024) (LPRO, 2024). These analyses were intended to:

> Inform the Legislative Assembly on the state's current funding system for public education for kindergarten through grade 12, including special education. The analyses also advise the Legislative Assembly on establishing an alternative education funding formula to provide adequate public education (LPRO, 2024 pg. 5).

To thoroughly assess school funding, the QEM, and the cost of adequately educating all students in Oregon, the AIR study team conducted a multifaceted study comprising six primary analyses:

Task 1. Reviewing Oregon's current school finance system and education funding formula.

Task 2. Exploring the methods that other states use for funding education.

Task 3. Evaluating the Oregon Quality Education Commission (QEC) QEM as a method for estimating the cost of an adequate education for all students.

Task 4. Identifying trends and disparities in student performance and funding in Oregon before and after the COVID-19 pandemic.

Task 5. Establishing the cost of an adequate education for all students in Oregon using a cost function approach.

Task 6. Reviewing the estimated costs and current methods and levels of funding for special education and related services in Oregon.

This summary offers a high-level overview of the findings for the entirety of the analysis, which should enable the reader to engage with any of the more detailed individual reports with an appropriate level of context.

Estimating the Cost of an Adequate Education for All Students

While all the analyses conducted for this evaluation are important, the core of the study lies in estimating the cost of providing an adequate education to all students in the state. We define adequacy as the level of funding that is sufficient to provide all students with an equal opportunity to achieve a common set of outcomes, regardless of their educational needs or the

context in which they are educated. State funding formulas often explicitly acknowledge that different student needs and educational contexts are associated with varying costs and therefore require different levels of funding. But knowing how much differential funding is required to ensure that every student has an equal opportunity to achieve desired outcomes is challenging. In our study, we employed rigorous statistical techniques to estimate the cost of achieving adequate outcomes for all students. Our findings can be used to inform the amount that must be spent to provide an adequate education and can be used to design a funding mechanism to distribute dollars to school districts according to student needs and other factors that influence the cost of generating student outcomes.

In this study, we focus on two methods for estimating the cost of an adequate education: (1) the professional judgement panel (PJP) approach, the method used to develop the QEM, and (2) the cost function approach, which we use to generate estimates of the cost of providing an adequate education in Oregon. While our study generated cost estimates using the cost function approach, this is not meant to assert that the cost function is necessarily better than the PJP for evaluating the cost of an adequate education. Both cost function and PJP, when implemented to a high standard, are valuable and complementary tools for understanding the cost of an adequate education.[1]

Key Findings and Recommendations

The following section summarizes the methods, key findings, and policy recommendations of each of the six individual reports from our study.

Task 1 Findings – Reviewing Oregon's Current School Finance System and Education Funding Formula

The first report in our analysis provides an overview of Oregon's K–12 funding system, highlighting both the total funding for the SSF and how these funds are distributed to districts, as well as the various non-formula grant-in-aid programs. We also analyze the expenditures of school districts throughout Oregon and compare Oregon's per-pupil spending with that of other states.

The descriptive analyses conducted in Task 1 generate several notable findings that frame our subsequent analyses in Tasks 2 – 6:

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[1] See Task 3 for an in-depth exploration of the relative strengths and weaknesses of both the cost function and PJP approaches, and how the data produced by each can complement the other (Brooks & Levin, 2025).

1. Since the 1990's, the state of Oregon has played an expanded role in funding its public K–12 schools. During this time, there have been very few changes to the structure of the SSF formula. However, the recent passage of the Student Success Act (2019) and other state investments have increased education funding in Oregon.

2. Oregon has a statewide property tax rate. The SSF is designed to equalize educational funding across school districts of varying property wealth by setting target funding levels for districts and allocating state funding to match the difference between the target funding level and revenues generated locally. The state also distributes a substantial amount of funding outside of the SSF through targeted programs serving high-need student populations or certain educational settings that are deemed more costly.

3. Per-pupil expenditures in the western half of Oregon are relatively homogeneous, particularly across districts located in the Portland–Eugene corridor. However, there is greater variation in district per-pupil expenditure in eastern Oregon. In that region, some very small school districts spend large amounts per pupil, while larger districts spend closer to the state minimum on a per-pupil basis.

Task 2: Exploring Methods for Funding Adequate Education That Are Used in Other States.

In the Task 2 report, we reviewed existing research literature, state statutes, and publicly available data to summarize the various methods used across the 50 states to adjust school funding to meet the additional costs associated with student needs and other contextual factors. We also developed detailed vignettes of the education funding mechanisms used by a select group of peer states (Washington, Idaho, Montana, and Colorado). Using data from the School Finance Indicator Database (Baker et al., 2024) we found that, relative to the selected peer states, Oregon has a high level of fiscal effort (defined as educational spending as a percentage of gross state product or total personal income in the state), but low levels of funding equity, defined as the amount of per-pupil funding going towards districts with higher student poverty levels compared to districts with lower student poverty. Our analysis of academic performance, using data from the National Assessment of Educational Progress, demonstrated that Oregon had the lowest average 4th and 8th grade math and reading test scores among the set of peer states in the 2022 testing period and was also below national average test scores.

These findings suggest that there is an opportunity to better translate Oregon's high level of fiscal effort into a more equitable system that promotes equal educational opportunity and academic success for all its public K–12 students, a point we develop further in the Task 5 cost function analysis.

Our comparative analysis yielded several potential policy considerations for Oregon's school funding system:

1. Oregon's funding model does not use cost adjustments to account for regional price differences across school districts. Considering regional prices in a funding formula can help ensure that district purchasing power is equivalent across the entire state. Currently, 12 states use regional price adjustments in their school funding mechanism, with Colorado serving as a good example of a demographically similar state that implements this type of funding adjustment.

2. Oregon's school funding system does not account for any nonlinear relationships between the concentration of students with high levels of need and educational costs. In many states, including Colorado and Washington, the amount of funding provided for each student identified as being economically disadvantaged increases as the concentration of these students increases in a district.

Task 3: Evaluating the QEM

In the Task 3 report, we leverage AIR's decades of experience in conducting PJP cost studies to review and evaluate the methodology and efficacy of Oregon's Quality Education Model (QEM). PJP involves convening focus groups of expert educators to design programs and specify the resource quantities needed to implement school-level education programs that will achieve specific outcome goals at a minimum cost. Resource specifications include a broad array of personnel and non-personnel resources such as student-teacher ratios in each grade level or the number of full-time equivalent counselors in a school. Panelists complete these resources specifications for a series of hypothetical schools that vary by certain characteristics to generate estimates of how costs vary across schools of differing needs and contexts. Finally, researchers can calculate the cost of an adequate education for all districts in a state based on the cost of implementing the educational programs designed by the expert panels.

The QEM primarily relies on the professional judgment of the Quality Education Commission (QEC) to specify the resources necessary to achieve an adequate education in Oregon. The QEC then assigns prices to these resources and calculates (a) the statewide cost of an adequate education and (b) the additional SSF funding needed to meet this cost.

In the report, we provide a comprehensive overview of the four methods for costing out an adequate education, including an explanation of why the PJP and cost function are the best available methods for estimating these costs and how each method complements the other. We then explore six key components of a high-quality PJP analysis:

- defining outcome goals that reflect state priorities and leverage several perspectives on educational success;

- developing prototype schools that vary by levels of student need and district and school contexts that influence the cost of achieving the outcome goals;

- recruiting panelists with a variety of educational expertise who serve different roles (principals, teachers, specialists in serving specific student populations such as English learners or students with disabilities), and who represent the different district and school contexts that exist across a state;

- determining the types of resources that should be considered by panelists in developing educational program designs for a set of hypothetical schools that are representative of the range of student needs and school/district contexts across the state;

- facilitating panel discussions in which the hypothetical school program designs are developed and the resources necessary to implement these designs are specified;

- establishing prices for the goods and services specified by the panelists; and

- estimating how adequate costs vary according to levels and types of student need and school and district contexts, based on the calculated costs associated with the hypothetical school program designs.

For each key component, we defined several best practices that all PJP studies should follow to produce high-quality insights into the cost of an adequate education. We then summarized current QEM practices as they relate to these key components.

Finally, we offer a series of recommendations for improving the QEM to better estimate the cost of an adequate education, and how cost varies with respect to student needs. Our most significant recommendations are as follows:

- The QEC should incorporate additional goals beyond a statewide graduation rate of 90% when assessing the cost of achieving educational adequacy. These may include other quantified student outcomes such as meeting the Oregon's outcome targets for standardized testing proficiency rates of 80% by 2027 (ODE, 2023a),as well as those that are broader in nature such as those defined for the QEC in ORS 327.506 (e.g., "provide students with the skills necessary to pursue learning throughout their lives in an ever-changing world" [ORS 329.015]).

- The QEC should implement additional hypothetical schools for which adequate prototypes are developed and costed out. Currently, prototype cost estimates are made for just three hypothetical schools (schools at the elementary, middle, and high school levels.) Adding additional schools that vary by levels of student need, such as the incidence of economic disadvantage, or school or district characteristics, such as locale,

would provide more specific cost estimates for those high-need student populations and schooling contexts that exist across the state.

- As the number of prototype schools increases, the QEC should recruit panels of active educators that reflect the setting of the prototype school (e.g., recruit panelists from rural schools for those panels developing rural school prototypes). Each panel should be composed of approximately 10 educators with experience serving various roles, different types of student needs, and grade levels.

- The QEC should operate multiple panels with mutually exclusive sets of panelists who work independently to generate variation in cost estimates and ensure that the resulting cost estimates are not dictated by a single panel.

- The QEC should establish a regular cadence for updating all the resources that the panels can specify, and the associated resource prices and quantities entered into the QEM. Significant year-over-year instability of cost estimates, such as those seen in the 2022 QEC report, is undesirable. Regularly updating these items will avoid dramatic changes in cost estimates.

- Using the enhanced variation in cost estimates resulting from adding prototype schools and panels, the QEM will be able to generate estimates of how adequate cost varies according to levels of student need and school/district characteristics. These estimates could be used to project adequate costs for all districts in Oregon and allow for a detailed assessment of gaps between current funding and adequate cost and, in particular, whether systematic relationships exist between district funding gaps and cost factors such as particular student needs, locale, or other district characteristics.

Task 4: Estimating the Impact of COVID-19 on Educational Outcomes and Revenues in Oregon

Task 4 of our analysis focuses on estimating the impact that the COVID-19 pandemic had on educational measures including student outcomes and per-pupil revenues. We began by estimating a series of *interrupted time series* models using data from the 2014–15 to 2022–23 school years to examine: (1) the immediate impact of the COVID-19 outbreak and (2) the effect of COVID-19 over time, defined as the difference between the pre-COVID and post-COVID trends in a given measure.

The key findings from this analysis were as follows:

- Chronic absenteeism was gradually increasing before the COVID-19 pandemic (Exhibit 1). However, chronic absenteeism rates jumped significantly immediately following the onset of the pandemic (denoted by the vertical dashed line between 2019–20 and 2020–21 in the exhibit) and continued to rise at a substantially faster rate in the post-COVID years. Math

and ELA proficiency rates were relatively stable before COVID-19 but decreased by nine and eight percentage points, respectively, following the onset of the pandemic. In the post-COVID period, the trend in proficiency rates was flat, indicating that a rebound in proficiency had not yet occurred as of 2022–23.

- School enrollment was relatively stable before the COVID-19 interruption but decreased significantly immediately after the pandemic started (from 2019–20 and 2020–21). In the post-COVID period, there was a slight upward year-over-year trend in enrollment. However, enrollment as of 2022–23, enrollment was still substantially lower than in the pre-COVID period.

- Funding from local, state, and federal sources increased following the onset of COVID-19, coinciding with the implementation of the Student Success Fund in Oregon and the federal Elementary and Secondary School Emergency Relief Fund program.

- Schools serving greater concentrations of economically disadvantaged, EL students, or SWD were more negatively impacted by COVID-19 across measures like chronic absenteeism, graduation rates, and dropout rates than were schools serving average concentrations of these types of students. Districts that served greater concentrations of high-need students received more funding per pupil from state and federal sources than the statewide average over this same period.

- Across the 50 states, Oregon experienced among the largest decreases in NAEP test scores and student enrollment and the second-largest increase in chronic absenteeism rates from the 2018–19 school year to the most recent year of data availability for each measure. Over this same period, Oregon experienced the second-largest increase in state and local revenues per pupil among the 50 states.

These findings suggest that while Oregon's public K–12 education system showed resilience in the face of the COVID-19 pandemic, significant challenges remain. Recent investments by the state, including initiatives like the Student Success Act, represent an earnest effort to meet these challenges. However, the level of learning loss and other negative indicators of student success make it even more urgent that the state consider our Task 5 recommendations, outlined below, regarding potential funding modifications to support the cost of an adequate education for all students in Oregon.

Exhibit 1. Average School Percentage of Chronic Absenteeism Before and After the COVID-19 Pandemic in Oregon, School Years 2014–15 to 2022–23
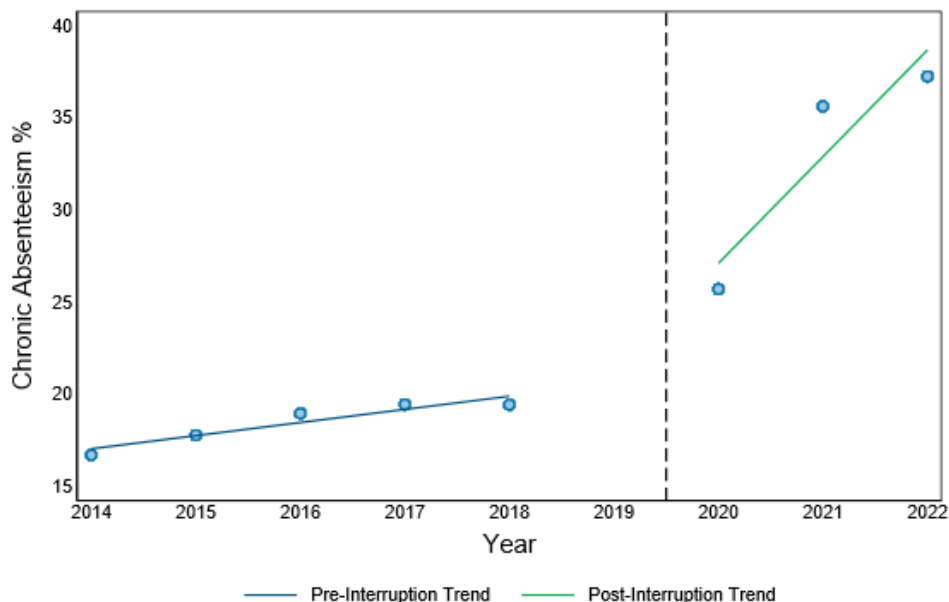
Note. Year labels represent the fall of a given school year (e.g., 2014 = the 2014–15 school year.) Chronic absenteeism was not reported in the 2019–20 school year.

Task 5: Establishing the Cost of an Adequate Education for All Students in Oregon

Task 5 of our analysis involves estimating the cost of providing an adequate education for all students in Oregon using a cost function approach. A cost function is a statistical method that predicts the spending necessary to generate outcomes for students with different needs learning in different contexts across the state.

Estimating the cost of adequacy first requires that we define a target level of student outcomes. In these analyses, our outcome measure is the outcome factor score which combines standardized test scores, chronic absenteeism, and graduation rates into a single value for each school in Oregon. Using the outcome factor score, we set two different targets and estimated separate models to predict the cost associated with reaching these targets. The first target is to provide the opportunity for all students in the state to achieve the current statewide average outcome factor score. The second is to provide an opportunity to achieve a level of student outcomes that is one standard deviation above the current statewide average outcome factor score.

To put these outcome targets into context, schools with outcome factor score close to one standard deviation above the mean in the 2022–23 school year had, on average, a proficiency rate of 60.2% on ELA standardized tests and a proficiency rate of 55.6% on math. These are approximately 20 percentage points above the proficiency rates associated with a district near

the statewide average outcome factor score, but still below the long-term proficiency rate targets of 80% as outlined in Oregon's updated consolidated plan under the Every Student Succeeds Act (ESSA) (ODE, 2023a). Likewise, schools with outcome factor scores close to one standard deviation above the statewide mean had an average graduation rate of 89.4%, close to the long-term graduation rate target of 90% in Oregon's ESSA plan (ODE, 2023a). Once again, the average performing schools in the state are further from meeting this ESSA target, with an average graduation rate of 84.6%.

Districts with an outcome factor score that is one standard deviation above the statewide average had an average chronic absenteeism rate of 26.7%, just below the national average chronic absenteeism rate in the U.S. of 28.0% in the 2022-23 school year, and well below the 36.0% chronic absenteeism rate for schools that were close to the statewide average outcome factor score (ED, 2025). Based on these data and our analyses of Oregon's educational outcomes in our Task 4 report, we conclude that the target of one standard deviation above current statewide average outcomes is an appropriate measure of an adequate education for our analysis. Therefore, our preferred estimates of the cost of an adequate education aim to provide an equal opportunity for all school districts in Oregon to achieve an outcome factor that is one standard deviation above the statewide average.

Our cost function analysis involved four stages:

1. Assessing what student needs and contextual factors most strongly correlate with student outcomes in Oregon.
2. Characterizing current spending and revenue patterns with respect to student needs and local wealth and income.
3. Estimating the cost of producing statewide outcomes at the two outcome target levels described above using real data on Oregon schools.
4. Translating the cost estimates into a weighted-pupil formula for distributing state and local revenues.

Using the outcome factor measure described above, we found that in the 2022–23 school year, schools with higher percentages of SWD, students who are EL, or students who are economically disadvantaged tended to have significantly lower outcome factor scores. Schools in districts with enrollments below 2,000 also tended to have lower outcome factor scores.

We also found that per-pupil spending from all revenue sources and spending from only state and local sources were positively associated with school-level percentages of SWD and economically disadvantaged students. However, school-level incidence of EL students were not

associated with spending levels. Schools and districts with enrollments below 300 also tended to have higher spending levels per pupil.

Using the insights from these analyses, we developed two cost models to estimate the (adequate) costs for raising student outcomes to (1) the statewide average outcome factor score and (2) our preferred model of one standard deviation above the statewide average outcome factor score. Both models demonstrated that the predicted cost of achieving adequate outcomes was higher in schools serving larger percentages of students who were economically disadvantaged, EL, or with a disability. The analysis also showed that costs are associated with economies of scale, with much smaller districts having higher per-pupil costs.

Given the cost models are rather complicated and include factors that do not easily lend themselves inclusion in a state funding mechanism, we estimated a weights model to translate the cost estimates from our preferred cost model into a simpler funding formula that equitably distributes state and local funding to school districts to meet the costs of an adequate education. This model includes a base per-pupil funding amount and a series of weights for various cost factors, including the shares of district enrollment that are EL, SWD, or economically disadvantaged, the share of enrollment in Grades 9-12, categorical indicators of district enrollment size, and an annual cost growth factor to account for the costs associated with maintaining constant outcomes over time.

In our weights model, the estimated weights represent cost multipliers and can be interpreted individually as student weights. For example, the weight of 1.68 for EL students estimated in the model for the high target outcome standard (statewide average plus one standard deviation) suggests that each such student costs 1.68 times the base per-pupil cost. However, while the weights can be interpreted as student-level cost adjustments, in reality the raw estimates represent the additional cost associated with a district where 100% of the enrollment are in the student group being considered (e.g., EL students). In application, the raw weights must be adjusted according to the actual incidence of the respective student need, which are most often far lower than 100% resulting in subsequent funding adjustments that are much lower than suggested by the raw weights. In what follows we describe how the raw weights are translated into "effective weights" that are used to calculate projected adequate cost (necessary funding) for each district.

Exhibit 2 reports our estimated raw weights and demonstrates how effective weights are calculated for a school district and used to determine an overall needs index. The estimated raw weights shown in Exhibit 2 are the funding weights derived from cost estimates for providing funding to give each district an equal opportunity to achieve a district-level outcome factor score one standard deviation above the 2022-23 statewide mean.

In this example, we use a hypothetical district with the statewide average characteristics and an enrollment of more than 1,200 students. These values are displayed in the third column of Exhibit 2. We use the estimated raw weights and the characteristics values to calculate effective weights in the fourth column of Exhibit 2. As noted above, the effective weight is calculated via the following formula:

$$Effective\ Weight = Weight^{Characteristic\ Value}$$

So, in this example, the effective weight for EDI is calculated as:

$$Effective\ Weight = 1.452^{.658} = 1.278$$

Performing this calculation for each of the model factors generates effective weights for each student-need category or district characteristic.[2] Finally, to calculate the overall needs index, we multiply all the effective weights together, producing a value of 1.485. This number indicates that a district with this level of student need and with these characteristics would require 48.5% more funding per pupil than the base per-pupil funding amount. By multiplying the overall needs index by the base per-pupil funding of $14,643, we show that this hypothetical district is projected to require $21,748 per pupil from state and local sources to meet the costs of achieving the outcome target.

Applying this same methodology to every school district in Oregon, using actual levels of student need and district characteristics, yields district-specific cost estimates for raising the outcome factor score to one standard deviation above the statewide mean in 2022-23. In Exhibit 3, we used these district-level estimates to show that reaching an adequate level of funding would have required an additional $5,074 per pupil in funding from state and local sources in the 2022–23 school year (equal to a 30% increase). In our analysis, we also found that the relative difference between current spending and adequate costs is greater in school districts with higher concentrations of economically disadvantaged students.

Our findings suggest that not every district in Oregon is granted the resources necessary to ensure that all students have an equal educational opportunity. The negative associations we have identified between student needs and academic outcomes, and the difference between current spending and estimated adequate costs, especially for districts with high levels of need, represent an opportunity to improve the adequacy and equity of the current funding mechanism.

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[2] Exhibit 2 displays student needs and grade range distribution as percentages. In our weights model, these variables are stored as proportions, ranging from 0-1. Therefore, when calculating effective weights, the listed percentages must be divided by 100.

Exhibit 2. Illustrating the Recommended Weighted Funding Model

Model factor	Estimated raw weight	Characteristic value (enrollment percentage/ enrollment group indicator/ year)	Effective weight
Student needs			
Economic disadvantage index	1.452	65.8	1.278
% students with low-cost disabilities	5.269	7.72%	1.137
% students with middle- and high-cost disabilities	6.145	7.71%	1.150
% English learner	1.682	10.6%	1.057
Grade range distribution			
% Grades 9–12	1.057	32.9%	1.018
Enrollment group			
Under 100	1.837	0	1.000
101 to 300	1.430	0	1.000
301 to 600	1.216	0	1.000
601 to 1,200	1.110	0	1.000
Time (Base year = 2025)	1.066	-3.00	0.826
Base per-pupil amount	14,643.47		
		Overall needs index (multiplied effective weights)	1.485
District per-pupil funding =	*$14,643*	*x* *1.485* *=*	*$21,746*

Note. Estimated weights are taken from the model calibrated to the high target outcome standard (Statewide Average + 1 Standard Deviation) reported in Exhibit 21. Effective weights are calculated by raising the estimated weight to the power of the model factor value. The combined needs index is the product of all effective weights. The district formula per-pupil funding estimate is calculated by multiplying base funding by the combined needs index. The final calculation indicates that a district with average levels of student needs and an enrollment greater than 1,200, would require $21,746 per pupil in funding to address the cost adequately of educating all students to achieve one standard deviation above statewide average outcomes.

Specifically, our analysis indicates that Oregon does not currently fund its K-12 education system at a level that is sufficient to meet an adequacy target of having all districts achieve one standard deviation above current statewide outcomes. The results also suggest that the current distribution of funding is not progressive enough with regards to student needs and other district characteristics. In light of these findings, we recommend that Oregon increase its investment in K–12 education *and* implement weighted student funding formula based on the results of the empirical weights model to ensure that all districts have the resources necessary to provide an adequate education for all pupils in the state.

Exhibit 3. Comparing Actual State and Local Spending Per-Pupil and Adequate Costs Per-Pupil in Oregon, School Year 2022–23
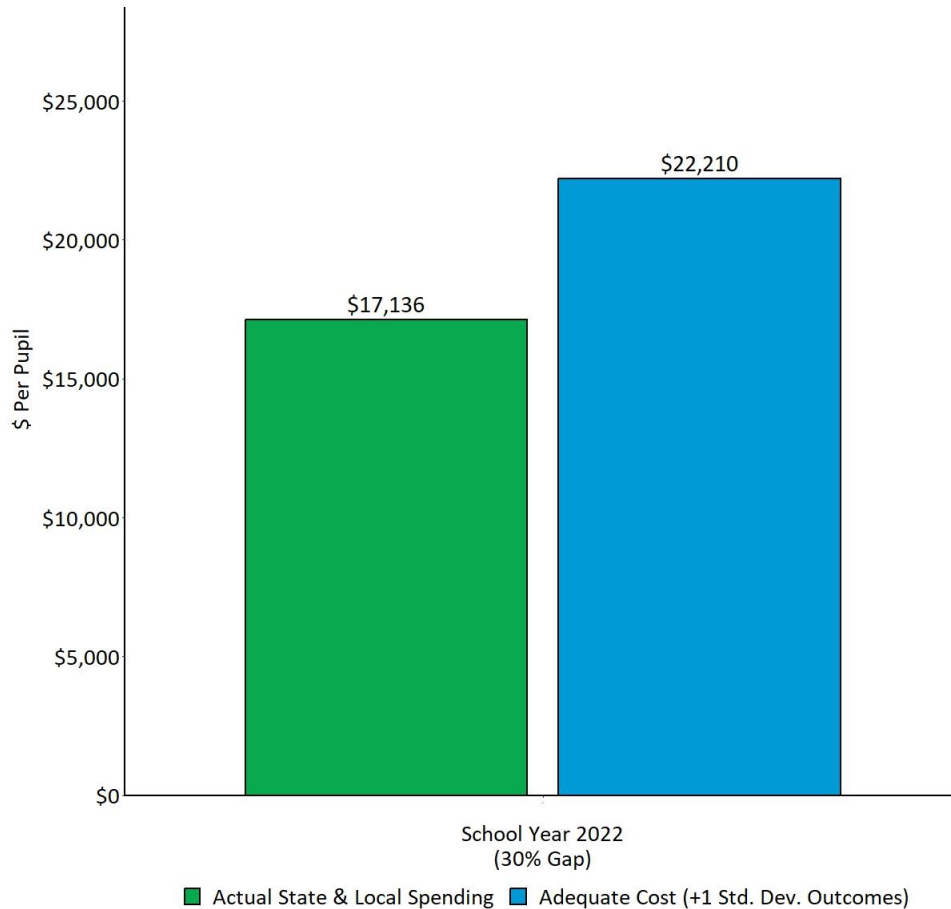
Note. Actual spending is the per-pupil spending from state and local sources reported in Oregon that removes capital expenditures, debt services, and internal service funds. Adequate cost is the projected per-pupil funding required to raise all students to one standard deviation above the statewide average outcome factor score. These cost projections similarly omit federal funding and non-current expenditures. Gap is calculated as: [1- (*Adequate Cost*/*Actual Spending*)].

Task 6: Reviewing Special Education Funding

Finally, the Task 6 analysis investigated special education funding in Oregon. We focused on three policies that provide revenues and resources to support students with disabilities across the state: (1) the SSF special education weight, (2) the High-Cost Disability Fund, and (3) services and transfers from Education Service Districts.

Our analysis of special education enrollment and spending showed that the percentage of Oregon's K–12 students receiving special education services has steadily increased over time, reaching 14.5% in the 2022–23 school year. This increase was largely driven by the rising percentages of students with moderate- and high-cost disabilities, while the percentage of

students with low-cost disabilities declined slightly. These enrollment trends have put upward pressure on the costs school districts across the state face in serving the SWD population. Districts with larger shares of students with moderate- or high-cost disabilities spent, on average, $5,380 more per special education student than districts with larger shares of lower-cost students. In the 2022–23 school year, Oregon school districts spent about $1.2 billion on special education programs, a 21.1% increase from fiscal year2018–19 (or 3.9% in inflation-adjusted terms). This translated to a statewide average special education expenditure of $15,237 per student, a 21.5% increase from fiscal year 2018–19 (or 4.3% in inflation-adjusted terms).

Considering these trends, we offered policy recommendations to improve special education funding programs in Oregon to better meet the costs of providing an adequate education including:

1. Revising the SSF special education weight to either:
   a. Better reflect the costs of special education services in the state than the current ADM weight of $4,500 per special education student (in a district with an average level of teacher experience, before accounting for the balance ratio in each funding period).

   or

   b. Address the varying costs of different types of disabilities by establishing multiple weights that provide more funding for students with higher-cost disabilities, as recommended in the Task 5 report.

2. Eliminating the state's funding cap for students with disabilities. While most districts receive waivers from the cap, Oregon is still one of only seven states that use such a cap. Of this group, Oregon also has the most restrictive limit of 11% of district enrollment. The cap is far below the national special education incidence rate of 17% and the current incidence rate of 14.5% in Oregon. Since the waivers accounted for differences in the share of moderate- and high-cost students served by a district, it would have been more efficient and equitable for the state to allocate funding using multiple weights that accounted for differences in need, as described above. This approach would also have been more predictable for both state and district budgeting.

3. Considering additional appropriations for the High-Cost Disability Fund (HCDF) to ensure funding is adequate for meeting school district reimbursement requests. Alternatively, if the state established a system of multiple weights, larger weights could be used to provide additional funding for moderate- and higher-need students. This would allow the state to increase the spending threshold for eligible HCDF spending.

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