

Multnomah Education Service District



February 17, 2025

Re: Support for HB 2953, lifting special education cap
Support for HB 2448, increasing High Cost Disability Grant

Dear Chair Neron, Vice Chairs Dobson and McIntire, and Members of the House Education Committee,

We join a broad coalition of organizations representing school and district leaders, educators, school board members, parents, and disability rights advocates in asking for your support of lifting the cap on special education funding (HB 2953) and increasing the State's investment in serving students with disabilities for which we face high costs (HB 2448). In light of recent discussions about modernizing our education funding system, it's due time to look at state and national data and update our policies and funding methodologies appropriately. Between the two issues addressed below, each of our districts are under-funded by \$5-7 million per year.

Special Education Cap (HB 2953)

- **What's the problem:** The current funding formula for the State School Fund currently caps the extra funding per student with disability to 11% of enrollment. If our districts population of students with disabilities over 11%, we do not automatically get additional resources to serve those students. Consistent with national patterns, an increasing number of students are being identified as experiencing learning delays or disabilities. Growth of the special education population of students far outpaces the growth of a district's enrollment. This indicates that there are [systemic factors](#) (such as increased awareness about high-incidence disabilities such as dyslexia and autism that leads to greater identification). Overall, this pattern demands us to recognize these factors in our school funding formula so we can create and maintain the levels of service to meet the growing needs.
- **Why the cap is in place:** The 11% cap may have made sense 34 years ago when it was established and when the statewide average for students with disabilities was also 11%,

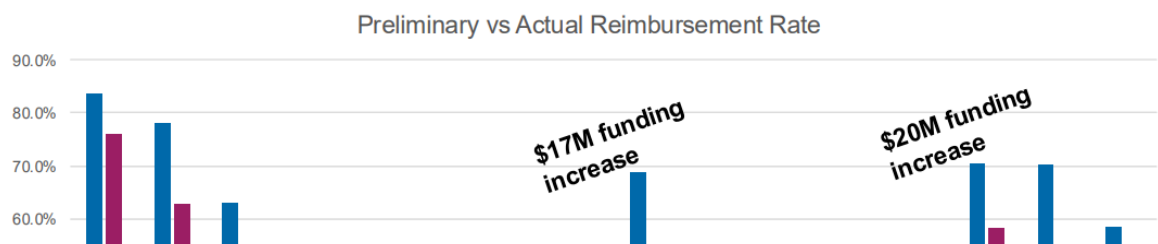
but today Oregon is in lockstep with the average nationally, which is 15% of a district's enrollment is composed of students with disabilities¹.

- **Unintended impact of the cap:** The impact of the cap is that there are 20,000 students with disabilities across our State that are not being funded in line with how the State invests in other students with disabilities. This inconsistency means that districts are forced to make difficult tradeoffs that are not fair for their entire student population. Federal law through the Individuals with Disabilities Education Act (IDEA) governs a prescriptive way of identifying and serving students with disabilities, and the amount of requirements must be paired with the level of funding these students deserve. This cap has enshrined inequities in school funding by not adequately funding districts to serve students with disabilities.
- **Action needed:** We ask for your support to pass HB 2953 to lift the woefully outdated cap. Additionally, lifting the cap must be paired with new investment to fund the additional "weights" (dollars per student with disability) for all students with disabilities.

High Cost Disability (HB 2448)

- **What's the problem:** The High Cost Disability Grant supports our districts with the cost of serving students in special education when the cost to serve an individual student is especially high. The Legislature appropriates funding for this program based on estimates of how much is needed, but these estimates are outdated and in need of updates. Uniquely, this grant is a reimbursement of actual costs. The graphic from the Oregon Department of Education on page 3 demonstrates how volatile and variable the level of State reimbursement for serving these students. There are few key points this image conveys:
 - 1) **Our districts receive only forty cents out of every dollar it costs to serve high cost disability students.** The gap must come out of other operating resources, which pulls from students that do not have disabilities. Just as with the special education cap, it is not fair to any of our students to have such a system.
 - 2) **The variable nature of reimbursement rates over time - from 75% in 2007-08 to about 40% in 2022-23 - is simply because the Legislatively appropriated pool of funding is being distributed in ways that promote inconsistency over time.**
 - 3) **The large difference between what is estimated as a "preliminary" reimbursement rate to districts compared to the "actual" shows that the administration of this High Cost Disability account has opportunity for better estimation on the front end** to minimize surprise denials to districts well after the costs are incurred.
- **Action needed:** We ask for your support to pass HB 2448 with the -1 amendment to increase the current \$55 million per year investment to \$155 million.

Reimbursement Rate Over Time



Source:

Screenshot excerpted from [ODE presentation to House Education committee](#), 2/12/25, p. 20.