

**HB 4079 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Dae Baek, Senior Economist

**Meeting Dates:** 2/20

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**WHAT THE MEASURE DOES:**

Specifies that all students eligible for special education as children with disabilities receive one additional weight for purposes of distributing the State School Fund. Assigns one additional weight to a homeless student for purposes of distributing the State School Fund to school districts. Takes effect on July 1, 2024.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The formula revenue, the sum of the State School Fund and the statutorily defined local revenues, is distributed to school districts and education service districts based on the legislature-approved equalization formula. The formula assigns various weights to students reflecting their demographics, among other things. According to this formula, a student eligible for special education as a child with a disability under ORS 343.035 is assigned one additional weight for purposes of distributing the State School Fund. A school district with such a student will receive formula revenue funding commensurate with the added weight.

There are school districts that are receiving formula revenue less than what the total added weights derived from such special education eligible students would have warranted. That's because under current law, school districts are subject to the so-called special education 11% cap. ORS 327.013(1)(c)(A)(i) specifies that the total additional weights for a school district from such special education eligible students may not exceed 11% of the school district's average daily membership (ADM) without review and approval by the Oregon Department of Education. This measure removes this cap.

This measure also assigns one additional weight to a homeless student for purposes of distributing the State School Fund to school districts. To be eligible for this additional weight, the homeless student should meet specified conditions.

The changes in this measure will add to the weighted ADMs for the purpose of the State School Fund distribution.