

HB 2448 -1 STAFF MEASURE SUMMARY

House Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/17, 2/19

WHAT THE MEASURE DOES:

The measure increases the amount of money transferred from the State School Fund to the High Cost Disabilities Account each fiscal year from \$55 million to \$130 million beginning with the 2025-2026 school year. The measure also appropriates \$150 million from the General Fund to the State School Fund for the biennium beginning July 1, 2025. It declares an emergency and takes effect July 1, 2025.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment changes the amount of money transferred each fiscal year to \$155 million and changes the appropriation to \$200 million.

BACKGROUND:

The rights of students with disabilities are enshrined in the Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. IDEA codifies state and local responsibility for educating children with specific disabilities by requiring that schools provide a free, appropriate public education (FAPE) to all students with those disabilities in the least restrictive environment (LRE), usually interpreted as mainstream classrooms whenever possible. IDEA also establishes requirements for identification and evaluation of children with disabilities. Additionally, the law grants parents significant influence over the educational programs for their children.

Since eligible students with special needs are guaranteed specialized instruction, the State School Fund (SSF) formula provides a double weight for these students. This double weighting has been in effect since the establishment of the formula in 1991 and is based on an estimated average cost for providing special education. However, school districts may not receive the double weight for more than 11 percent of district students without a waiver from ODE. The legislature established this limit to discourage school districts from “over identifying” special education students and receiving more state aid than is warranted. However, identification of students with disabilities has increased nationwide. According to the [National Center for Education Statistics](#), students served under IDEA increased from 13 to 15 percent of public school students between the 2012-2013 and 2022-2023 school years. In Oregon, the statewide percentage of students with disabilities currently stands at around 14 percent.

Some students with disabilities require services that cost more than the double weight that the school district receives under Oregon’s funding formula. Oregon law establishes a high-cost disability grant that allows school districts to apply for reimbursement for service costs greater than \$30,000 per student. For the 2023-2025 biennium, the Legislative Assembly allocated \$110 million to the High Cost Disabilities Fund. Of that funding, \$40 million came from the Fund for Student Success generated by the state’s corporate activity tax, and \$70 million came from General Fund revenues.