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Date: February 17, 2025  
To: House Education Committee  
From: Morgan Allen, COSA  
Subject: House Bill 2448 - High Cost Disability Account

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

On behalf of the Coalition of Oregon School Administrators (COSA) and our 3,000 members statewide, we want to share our support for House Bill 2448, with the -1 amendment, to increase funding for the High Cost Disability Account by \$200 million for the 2025-27 biennium.

In order to most effectively serve our students with disabilities, we must increase the special education cap and increase the High Cost Disability Account to truly account for the funding needed to serve our students.

### **High-Cost Disability Account is Not Keeping Pace with Funding Needs**

As was discussed at last week's hearing, the High Cost Disability Account was created to help school districts pay for extraordinary costs to support the educational, social and emotional, and medical needs of our students with the most complex special education needs. Current funding for students only reimburses about 40% of costs over the \$30,000 threshold - meaning just 40 cents is reimbursed for every eligible dollar of school district expenditures. Historically, the intent of this program was to reimburse school districts 100% of the costs to pay for these critical services to students. It is also important to note that these costs are growing and are likely to require an increase of \$200 million for the 2025-27 biennium.

### **High Cost Case Study - Parkrose School District**

The Parkrose School District serves as a relevant example of how underfunding the High Cost Disability Account places intense budget pressure on small- to medium-sized school districts (Parkrose has an enrollment of about 2700 students).



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Consider these numbers from Parkrose for the 2023-24 school year:

- 2023-24 school year: *36 students eligible for High Cost Disability Account*
- Total expenditures for 36 eligible students in 2023-24: *\$2.358 million*
- Parkrose School District is responsible for the first \$1.08 million of costs (reflective of the \$30,000 threshold per student before High-Cost kicks in);
- After factoring in the \$30k threshold: *Parkrose has \$1.278 million in eligible expenditures for their 36 eligible students*
- Based on available funding from the High Cost Disability Account in 2023-24: *Parkrose received \$520,918 in High Cost Disability reimbursements, or about 40 cents for every dollar of eligible expenses*
- The High Cost Disability Account funding gap: *\$757,058 for 36 students, or an average of \$21,029 per student*
- \$757,058 is the equivalent of: *About 70 ADMw worth of funding for the Parkrose School District, or 2% of the district's total general funding through the State School Fund*

### **Additive Funding Is Needed to Close the High Cost Disability Account Funding Gap**

Just raising or even eliminating the Special Education 11% Cap is not enough to account for the true costs of serving our students with disabilities. We must also significantly increase the amount of funding in the High Cost Disability Account to ensure all school districts receive reimbursements for the services and support for our most impacted students. Please join us in supporting the -1 amendment to HB 2448 to increase funding by \$200 million in the 2025-27 biennium.

Thank you for the opportunity to provide testimony today. I would be happy to answer any questions for the Committee.