



# HOUSE BILL 249: Children with Disabilities Funding Formula.

2021-2022 General Assembly

<b>Committee:</b>	House Education - K-12. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	March 23, 2021
<b>Introduced by:</b>	Reps. Elmore, Blackwell, Bradford	<b>Prepared by:</b>	Drupti Chauhan Committee Counsel
<b>Analysis of:</b>	First Edition		

**OVERVIEW:** House Bill 249 directs the Department of Public Instruction (DPI) to study the State funding formula for children with disabilities to determine how to change it to a model that allocates funds on the severity of disability type. The bill also increases the cap on the current funding formula for children with disabilities from 12.75% to 13%.

**CURRENT LAW:** The State funding formula for children with disabilities is based on required service levels and is funded at 12.75% of each local school administrative unit's (LEA) allocated average daily membership.

**BILL ANALYSIS:** Section 1 of House Bill 249 directs DPI to study and propose changes to the funding formula for children with disabilities to make it a model that allocates funding based on the severity of disability type. DPI may contract with an independent research organization for the study.

The following must be examined in developing the proposed changes to the funding formula:

- The percentage of children with disabilities and the funding provided per child for each LEA.
- The benefits of allocating funding based on severity of disability type.
- How other states provide funding for children with disabilities, particularly those that differentiate funding by student need.
- How to determine appropriate funding levels for each funding category proposed.
- The determination of a base amount of funding per child with a disability.
- The assignment and number of tiers by disability type for funding allocation amounts to add to a base amount of funding per child with a disability.

DPI must report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the House and Senate Education Appropriations Committees by February 15, 2022 with the findings from the required study and the proposed new formula for allocating funding using a tiered model based on severity of disability type.

Section 2 of the bill appropriates \$7,725,690 for the 2021-2022 fiscal year for allocating funds to the LEAs for children with disabilities for at least 13% of each LEAs 2021-2022 allocated average daily membership.

**EFFECTIVE DATE:** The bill becomes effective when it becomes law. The increase of the cap on the funding for children with disabilities becomes effective July 1, 2021.

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