

Fiscal Note

BILL # HB 2566

TITLE: special education vouchers; amount

SPONSOR: Udall

STATUS: As Introduced

PREPARED BY: Patrick Moran

Description

The bill would increase the capital outlay and transportation components of the special education voucher formula. These vouchers are paid by the Arizona Department of Education (ADE) to the Arizona State Schools for the Deaf and Blind (ASDB) for deaf and blind pupils.

Estimated Impact

We estimate the bill would increase the General Fund cost of special education vouchers paid by ADE to ASDB by \$4.3 million annually beginning in FY 2023.

Analysis

A.R.S. § 15-1204 establishes a funding formula to determine the amount of K-12 funding funding ADE shall pay to institutional special education programs, including ASDB. The formula amounts are called special education vouchers and are calculated using a modified version of the Basic State Aid formula. ADE pays the costs of the vouchers with General Fund appropriations. Of the 2,130 total students served by ASDB as of December 1, 2022, ASDB reports that 1,025 are funded by a special education voucher. The remaining students either only receive services from ASDB on a fee-for-service basis paid by districts and charter schools or are enrolled in ASDB's early learning program for children from birth to age 3.

The bill would make two changes to the current voucher formula:

- Increases the amount for capital outlay by amounts ranging from \$450.76 to \$660.54 annually. These amounts are similar to what would be allocated under the District Additional Assistance (DAA) formula for school districts.
- Establishes a \$5.23 reimbursement rate per transportation route mile.

These changes would only apply to vouchers paid for ASDB enrolled in campus-based programs, such as the ASDB Tucson campus or the Phoenix Day School for the Deaf. Of the 1,025 students funded by a voucher at ASDB, the agency reports that 449 are enrolled in campus-based programs. There would be no funding change for the remaining 576 ASDB students enrolled in one of ASDB's regional cooperative programs, which serve deaf and blind students in their home district or charter school.

Based on enrollment data from ASDB, we estimate the average annual capital outlay increase per pupil would be \$504, which would increase total voucher payments by \$226,100.

ASDB also reports that it incurs 779,710 route miles annually for students in campus-based programs, or an average of approximately 9.65 miles per student per day. The \$5.23 per route mile reimbursement established in the bill would therefore increase total voucher spending by \$4.1 million annually (779,710 route miles X \$5.23 = \$4.1 million).

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Including both the capital outlay and transportation adjustments, the total increase in voucher payments to ASDB from ADE would be \$4.3 million.

Local Government Impact

None

2/7/22