

BILL # HB 2144

TITLE: special education vouchers; amount

SPONSOR: Cook

STATUS: As Introduced

PREPARED BY: Ethan Scheider

REVISED

Explanation of Revision

Our prior analysis used ASDB's annual route miles figure from 2022 to calculate the voucher funding increase associated with the establishment of the \$2.89 reimbursement rate per transportation route mile. We have revised our figures based on the updated route miles provided by the agency after we published our original note.

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 \$3.3 million annually beginning in FY 2025. This impact would increase by up to 2% annually, as the bill stipulates that the increased capital and transportation amounts shall be updated by 2% or the change in the GDP Price Deflator from 2 years prior, whichever is less.

Analysis

A.R.S. § 15-1204 establishes a funding formula to determine the amount of K-12 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. According to ASDB's May 2023 student enrollment data, ASDB serves a total of 2,187 students, 1,059 of which 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 \$455.60 to \$556.29 annually. These amounts are similar to what would be allocated under the District Additional Assistance (DAA) formula for school districts.
- Establishes a \$2.89 reimbursement rate per transportation route mile.

Based on enrollment data from ASDB, we estimate the average annual capital outlay increase per pupil would be \$455, which would increase total voucher payments by \$215,900.

ASDB reports that it incurs 1,063,038 route miles annually for students in campus-based programs. The \$2.89 per route mile reimbursement established in the bill would therefore increase total voucher spending by \$3.1 million annually (1,063,038 route miles X \$2.89 = \$3.1 million).

(Continued)

Our \$3.3 million estimate consists of the \$215,900 capital outlay increase plus the \$3.1 million transportation adjustment.

Local Government Impact

None

1/19/24