

## **Proposed Allowable Cost Payment Increase and HB 206**

From the LFD Budget Analysis (Nov 15<sup>th</sup>) – Page E-4:

### **Elected Official Request Allowable Cost Payment & BASE Aid Guaranteed Tax Base (GTB)**

The superintendent requests approximately \$2.8 million in general fund over the 2023 biennium to increase the state special education allowable cost payment. The FY 2021 general fund appropriation for the state special education allowable cost payment is approximately \$44.7 million. The inflation factors of 2.16% in FY 2022 and 1.91% in 2023 result in increases above the FY 2021 base, totaling approximately \$966,000 in FY 2022 and approximately \$1.8 million in FY 2023. These increases are based on the same inflation factors associated with the present law adjustments for K-12 BASE aid. Inflationary increases to the state special education allowable cost payment will create an additional increase in state GTB aid payments estimated at approximately \$197,000 for FY 2022 and approximately \$367,000 for FY 2023.

From the fiscal note for HB 46:

“HB 46, as amended, includes the special education allowable cost payment in the definition of BASE aid and modifies the calculation that determines the amount of special education allowable cost payment adjustments in ANB and inflation. There is no significant impact to the state general fund in the 2023 biennium. The increase becomes effective for the 2025 biennium and is estimated to cost \$3.9 million.”