

EXHIBIT 31
DATE 01/18/2005
HB 2

TUITION – HB 83

The State Superintendent proposes this initiative, which appears on page E-5, under "Executive Recommended Legislation", number 2. This does not appear as a decision package because it is dependent on passage of legislation.

The Office of Public Instruction requested HB 83, a bill that would require OPI to pay the state's tuition obligation for a student placed by the state or court into a foster care or group home. Currently, each county superintendent deducts the amount from the 55 mills in the county and pays the tuition on behalf of the state to the district of attendance.

Last year, county superintendents overpaid the state tuition by more than \$180,000, and districts are not required to return the overpayments to the state. This can cause hardship because the overpayments are not noticed until the following year when reports of the county's payments are reported to OPI, and the money has already been spent. This bill will ensure the districts get the amount

There is no additional state cost under HB 83, because the tuition amounts and eligibility for payments remains unchanged. The tuition currently paid by counties will instead be paid by OPI. HB 83, if passed, will statutorily appropriate the amount of \$336,000 needed to pay state tuition obligations in the second year of the biennium. Due to timing of tuition payments, an appropriation is not needed for FY 2006. HB 2 should be amended to include \$336,000 in the budget for FY 2007, contingent on passage of HB 83.