

STATE BOARD OF EDUCATION – ADMINISTRATIVE RULE SUMMARY

Title/OAR #: YCEP/JDEP Extended ADMw / OAR 581-023-0022

Date: August 21, 2014

Staff/Office: Michael Elliott, School Finance, ODE; Sam Ko, Office of Learning, ODE; Cindy Hunt, Superintendent’s Office, ODE

New Rule **Amend Existing Rule** **Repeal Rule**
Hearing Date: N/A **Hearings Officer Report Attached**
Prompted by: **State law changes** **Federal law changes** **Other**

Action Requested:
 First Reading/Second Reading **Adoption** **Adoption/Consent Agenda**

PROPOSED/AMENDED RULE SUMMARY:

Allows Youth Correction Education Program (YCEP) and Juvenile Detention Education Program (JDEP) to use extended ADMw for funding purposes.

BACKGROUND: Oregon K-12 Public Schools are funded through a combination of local revenues and money appropriated by the Legislature. The Oregon Department of Education (ODE) first totals all available funding for school districts and then distributes the money appropriated by the Legislature to school districts—not individual schools—through the State School Fund Formula (Formula). The Formula’s goal is to equalize funding across the state. The Formula achieves this goal by dividing the total revenue available by the number of weights in the state to get a funding per weight amount. The weights include the number of students and specific characteristics of students including whether they are eligible for special education, in poverty, require ESL services, etc. The weights are often expressed as “ADMw” which means Average Daily Membership Weighted. Each district counts the number of ADMw it has and multiplies that by the per ADMw amount to determine how much funding it will receive under the Formula. The average statewide funding per ADMw is estimated to be \$6,865 for the 2014-15 school year.

The State School Fund provides financial support to other programs in addition to school districts. These programs include the YCEP and JDEP. The YCEP and JDEP programs provide education to students who are incarcerated in Oregon Youth Authority facilities and county juvenile detention facilities.

The two programs are funded using the Average Daily Membership (ADM), the same as districts. Instead of receiving all of the weights that the districts are eligible to receive, each program receives a set multiplier to determine its ADMw. JDEP multiplies its ADM by 1.5 and YCEP multiplies its ADM by 2.0.

Another difference with the funding of these programs is that they do not receive extended ADMw. Extended ADMw gives a district the greater ADMw of this year or the previous year. It allows districts in declining enrollment to plan ahead and make intelligent adjustments rather than facing a sudden drop in funding from one year to the next. YCEP and JDEP do not receive

extended ADMw. This means that the programs' funding fluctuates from year to year as their populations change. The lack of stability created by the absence of extended ADMw results in drastic staffing and resource problems.

HB 4008 passed in the 2014 session to help solve this problem. It gives both YCEP and JDEP the ability to use extended ADMw to form the foundation of their funding. Thus, instead of having their funding change from year to year, they will be able to use the greater ADM of the previous year or the current year to predict and plan for the educational services that will be provided. This will provide stability for the students in the YCEP and JDEP programs.

ISSUES/CONCERNS THAT SURFACED DURING RULE WORK:

These changes are required due to the passage of HB 4008 in 2014. There were not issues that arose during rule work. The amendments to OAR 581-023-0022 are technical in nature. They further clarify how the calculations for YCEP and JDEP will be done using extended ADMw as required by HB 4008.

FISCAL IMPACT:

The fiscal impact will vary from year to year. If the programs see an increase in enrollment, then there will be no fiscal impact as the current year's ADM will be higher than the previous year's. As with all the other school districts, if the programs experience a decline in enrollment, then there will be a fiscal impact to the State School Fund as they will continue to receive the previous year's level of funding.

At this time both programs are estimating an increase in ADM for the 2014-15 school year. Thus, there will not be an immediate impact on the State School Fund. This also means that districts should not see a reduction in their State School Fund.

CHANGED SINCE LAST BOARD MEETING?

- N/A; first read—hasn't been before board
- No; same as first read
- Yes – As follows:

STAFF RECOMMENDATION:

- Adopt administrative rule as prepared this month
- Adopt next month administrative rule as prepared
- No recommendation at this time (rarely used)

581-023-0022

Funding for Youth Corrections and Juvenile Detention Education Programs

(1) The following definitions shall apply for purposes of calculating the State School Fund distribution to the Youth Corrections Education Program and Juvenile Detention Education Program:

(a) "Statewide Average General Purpose Grant per ADMw" means the aggregate general-purpose grants for all school districts divided by total ADMw for all school districts;

~~(b) "ADM" means average daily membership as calculated based on the procedures and definitions in OAR 581-023-0006.~~

(b) "Youth Corrections Education Program extended ADMw" means the extended weighted Average Daily Membership for the Youth Corrections Education Program as calculated under ORS 327.026(2)(a);

(c) "Juvenile Detention Education Program extended ADMw" means the extended weighted Average Daily Membership for the Juvenile Detention Education Program as calculated under ORS 327.026(3).

(2) If in any fiscal year the General Purpose Grant cannot be calculated as a result of temporary changes to the State School Fund distribution formula, the General Purpose Grant per ADMw shall be the same amount as in the last fiscal year that this factor was calculated.

(3) The amount of the distribution from the State School Fund shall be calculated using the following formulas:

(a) For the Youth Corrections Education Program, the amount shall be equal to the product of the Youth Corrections Education Program extended ADMw times Statewide Average General Purpose Grant per ADMw.

(b) For the Juvenile Detention Education Program, the amount shall be equal to the product of the Juvenile Detention Education Program extended ADMw times Statewide Average General Purpose Grant per ADMw.

(4) Based on estimates of the distribution calculated in section (3) of this rule, funds shall be transferred to the Youth Corrections and Juvenile Detention Education Program approximately 35 percent on the 15th day of each of the months of July and October, 15 percent on the 15th day of January, and the balance on April 15.

(5) Adjustments to reflect actual Youth Correction Education Program ADM, Juvenile Detention Education Program ADM, and the actual Statewide Average General Purpose Grant per ADMw shall be made on May 15 of the subsequent fiscal year.

Stat. Auth.: ORS 420.405

Stats. Implemented: ORS 327.026

Hist.: EB 9-1995, f. & cert. ef. 4-27-95; EB 6-1996, f. & cert. ef. 4-25-96; EB 8-1997, f. & cert. ef. 6-9-97; ODE 14-1998(Temp), f. & cert. ef. 6-29-98 thru 12-25-98; ODE 12-1999, f. & cert. ef. 6-24-99; ODE 26-2001, f. & cert. ef. 11-7-01