

STATE BOARD OF EDUCATION – ADMINISTRATIVE RULE SUMMARY

Title/OAR #:

581-015-2572: Long-Term Care and Treatment (LTCT) Education Program Funding Formula

Date: April 12, 2015

Staff/Office: Mitch Kruska/ Student Services

New Rule Amend Existing Rule Repeal Rule

Hearing Date: _____ 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:

- Amend 581-015-2572 Long-Term Care and Treatment (LTCT) Education Program Funding Formula so that the funding for both residential and day treatment students is the same.

BACKGROUND:

Currently, the Oregon Department of Education (ODE) contracts with local educational agencies to provide an education program for students who have been placed by the Department of Human Services (DHS), Oregon Health Authority (OHA), Oregon Youth Authority (OYA), and School Districts, or by their parents into a select group of 46 day and residential treatment facilities located throughout the state. The children served by these programs have a variety of therapeutic and educational needs and have experienced serious difficulties at home, in school, and within the local community. The programs serve children who require schooling in a protected environment to safeguard themselves and/or others and to allow the treatment process to extend into the school day. The goal of ODE’s Long Term Care and Treatment Education Programs (LTCT) is to provide a high quality education within the therapeutic environment where the child will gain the behavioral and academic skills to function successfully in a more mainstream non-institutional educational environment.

The current funding formula found in OAR 581-015-2572 was developed when the funding for the educational programs for LTCT first came under ODE’s responsibility.

This specific action has not been before the board.

ISSUES/CONCERNS THAT SURFACED DURING RULE WORK:

The current formula reads: (Service level factors [1.75 or 2.0]) x [(the contracting district's Net Operating Expense) x (state agency slots)] = total state funding contract amount. At the time this formula was developed it was assumed that the funding for the education of students in residential programs would be more costly than the funding of education programs in day treatment facilities. Therefore, the formula included an additional calculation of 2.0 per student count in residential programs and an additional calculation of 1.75 per student count in day treatment programs. **[Note: These are not equivalent to “weights” that are found in the state school fund calculations. These are weights that are exclusive to the formula found in the LTCT funding formula and impact the distribution of revenue allocated for the funding of the LTCT educational programs.]** However, it is the position of ODE today that the educational needs of the two populations are identical and that the funding level in day and residential facilities require equivalent funding allocations. Therefore, it is ODE’s recommendation that the formula and definition in OAR 581-015-2572 be amended to eliminate the language that identifies a 1.75 weight for day treatment students and instead, make the funding formula 2.0 for all students in LTCT programs.

CHANGED SINCE LAST BOARD MEETING?

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

FISCAL IMPACT:

This amendment to OAR 581-015-2572 will result in additional funding being provided to day treatment educational providers. It is estimated that for the 15-16 school year day treatment education providers will receive \$13,740,158 in funding. This is compared to \$12,933,135, which is the amount that would have been allocated to these education programs under the old formula. The increase in funding from the 14-15 school year to the 15-16 school year is \$807,023.

STAFF RECOMMENDATION:

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

581-015-2572

Long-Term Care and Treatment (LTCT) Education Program Funding Formula

(1) The Department of Education shall provide funding to education programs based on the following:

(a) For the purpose of allocation of state funds under this rule, the following definitions apply:

(A) "Net operating expenditures (NOE)" means the sum of expenditures as defined in ORS 327.006(6), divided by the average daily membership of the school district, or in the case of an ESD, its districts, which contracts for education services offered in the program;

(B) "Service level factors" means:

~~(i) 1.75 for students in Psychiatric Day Treatment Programs; or~~

~~(ii) (i) 2.00 for students in Day Treatment Programs and Psychiatric Residential Treatment Facilities.~~

(C) "State agency slots" means the number of slots available for students in education programs under ORS 343.961, as determined by the Department based on information received from the Oregon Department of Human Services, the Oregon Health Authority, the Oregon Youth Authority and eligible day treatment programs and eligible residential treatment programs for the school year;

(b) The Department shall use the following formula for distribution of funding: (Service level factors) x [(the contracting district's NOE in year one) x (state agency slots for year one) + (the contracting district's NOE in year two) x (state agency slots for year two)] = total state funding contract amount;

(c) If the total state funding available for all LTCT programs is less than the total state funding needed to fully fund each LTCT contract, the amount of state funding in each contract determined under paragraph (b) of this subsection will be prorated.

(d) A special needs fund is established at the Oregon Department of Education which will be up to five percent of the total state monies made available for the LTCT program during a biennium:

(A) Individual applications may be made to the Department for this fund to cover unexpected, emergency expenses;

(B) Funds not utilized under this paragraph for the first year of the biennium will be carried forward by the Department to the next fiscal year.

Stat. Auth. ORS 326.051 & 343.961

Stats. Implemented: ORS 343.243 & 343.961

Hist.: ODE 14-2009, f. & cert. ef. 12-10-09; ODE 15-2011, f. & cert. ef. 12-15-11