

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Measure: HB 3599

REVISED

Prepared by: John Terpening
Reviewed by: Monica Brown
Date: 4-4-2011

Measure Description:

Requires Department of Education to be responsible for payment of costs of education of students in day treatment programs by contracting with school district in which program is located.

Government Unit(s) Affected:

Department of Education, School Districts

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The Department of Education is currently responsible for the payment of costs of education of students placed in eligible day treatment programs by the Oregon Youth Authority or Oregon Health Authority. The Department contracts with school districts for payment of such education through the Long Term Care and Treatment Education Program (LTCT). The LTCT program is funded through a portion of the State School Fund calculated on a statewide average for LTCT contractors.

The measure requires the Oregon Department of Education (ODE) to pay for the costs of education for all students that are placed in an eligible treatment program, including those placed by public or private entities or by the student's parents.

ODE states that there are currently 488 students in a day treatment facility through the LTCT program in 2010-11. The education for these students is funded by State School Fund monies calculated based on the statewide average Net Operating Expenditures for the LTCT contractors. If the expenditures at the local facility are greater than the amount available based on the statewide average, General Fund monies are used to cover the variance.

The Department estimates approximately 89 additional slots will require funding as a result of this measure at an estimated cost of \$1,300,000 from the State School Fund and \$900,000 of the General Fund in the 2011-13 biennium. This increase represents the maximum capacity for the current facilities licensed for the day treatment program. The Legislative Fiscal Office notes that depending on the number of children that are placed in a treatment facility by entities other than OYA or OHA, and in the event of the licensed capacity of facilities increasing or decreasing, the amount of State School Fund monies will need to be adjusted accordingly.

The fiscal impact to school districts is indeterminate. The measure codifies that the school district in which the eligible day treatment program is located is responsible for the education. Additionally, the measure removes the provision that a school district indirectly contracting for the education must be contiguous. The impact of these changes is indeterminate to school districts depending on the number of current contracts that are under the former provisions and the number of students that are placed in eligible day treatment programs.