

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**Senate Committee On Education**

**MEASURE: SB 135 A**  
**CARRIER: Sen. Gelser**

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 03/17/15

**Action:** Do Pass With Amendments. (Printed A-Eng.)

**Meeting Dates:** 03/05, 03/17

**Vote:**  
Yeas: 7 - Baertschiger Jr, Beyer, Gelser, Hass, Knopp, Kruse, Roblan

**Prepared By:** Gretchen Engbring, Committee Administrator

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**WHAT THE MEASURE DOES:**

Requires Department of Education provide moneys for payment of costs of education of students in eligible day and residential treatment programs. Requires payment be made to school district where program is located or allows school district to request that Department of Education make payments to another school district or education service district for eligible day or residential treatment programs when education is provided by other school district or education service district. Specifies exclusions to costs of education. Removes provision requiring Department of Education to provide payment by contracting with school district where program is located. Declares emergency, effective July 1, 2015.

**ISSUES DISCUSSED:**

- Task Force on School Funding history
- Lawsuit risks related to current system
- Time and challenges associated with negotiating contracts
- Education Service District concerns regarding contracts with school districts

**EFFECT OF COMMITTEE AMENDMENT:**

Allows school district to request that Department of Education make payments to another school district or education service district for eligible day or residential treatment programs when education is provided by other school district or education service district. Modifies language identifying children in treatment programs to be consistent with existing language in statute.

**BACKGROUND:**

ORS 343.961 requires the Oregon Department of Education (ODE) to provide payment for the costs of educating students with mental health, physical and behavioral challenges who are placed in eligible day and residential treatment programs. Payment is made under contract with the school district or education service district (ESD) in which the eligible day or residential program is located. Currently, ODE provides funding to 47 programs, with approximately 903 children served during the 2013-2014 school year. ODE also contracted with 26 school districts and ESDs to provide services for these children that year.

The 2014 Report to the Legislature by the Task Force on School Funding recommended that statute be changed so that long term care and treatment program funding would be provided to school districts in the form of a grant-in-aid, rather than through contracts with the districts. Senate Bill 135-A amends the form of payment in ORS 343.961, requiring ODE to provide payment for the costs of education of students in treatment programs directly to the school district in which the program is located in the form of grants-in-aid.