

SENATE COMMITTEE ON EDUCATION

February 11, 1993 Hearing Room 343 3:00 p.m. Tapes 16 - 17

MEMBERS PRESENT: Sen. Catherine Webber, Chair Sen. Stan Bunn,
Vice-Chair Sen. Ron Cease Sen. Shirley Gold Sen. Paul Phillips

STAFF PRESENT: Jan Barga, Committee Administrator Julie Mu\$iz,
Committee Assistant

MEASURES CONSIDERED: SB 24 - Relating to the cost of
educating certain students, PH

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in
quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes. [--- Unable To Translate
Graphic ---]

TAPE 16, SIDE A

003 CHAIR WEBBER: Calls meeting to order at 3:08 p.m.

(Tape 16, Side A) SB 24 - RELATING TO THE COST OF EDUCATING CERTAIN
STUDENTS - PUBLIC HEARING WITNESSES: Jim Green, Oregon School Boards
Association Arnie Green, Ashland Adolescent Center Michael Balter,
Oregon's Alliance of Children Program Stephen Kafoury, Oregon's Alliance
of Children Program Karen Brazeau, Department of Education Terry Drake,
Legislative Revenue Office Pam Patton, Morrison Center Greg McMurdo,
Department of Education David Small, Executive Department

028 JIM GREEN, OREGON SCHOOL BOARDS ASSOCIATION: My role is to
walk you through what this bill does.

038 STEPHEN KAFOURY, OREGON'S ALLIANCE OF CHILDREN PROGRAM: There
are two groups: youth care centers for delinquent youth and private
agencies for children with emotional disturbances. The funding for
youth care

centers traditionally came from the district of the child's residence.

The Legislature also gave \$500 per child per year to be used for tutors,
counselors and other assistance. The funding for the private agencies

has traditionally come from the Department of Education to the local
school district. The 93-95 budget eliminates the money for youth care
centers. Last session they eliminated the bill back authorization. The

budgets are for 93% of the current service level, so there's no additional money for these children.

092 CHAIR WEBBER: All that was left for the youth care centers this biennium was the \$500?

101 Kafoury: No, the \$500 was eliminated. All that's available now is money from the school district in which the program is located.

105 CHAIR WEBBER: Last biennium the youth care centers lost the bill back authorization, but the school district was able to count that youth as

one of their regular students?

109 Kafoury: If they come from that district. After this was discovered, they met in an emergency board session and decided to fund these

programs until the next session.

116 CHAIR WEBBER: How did they fund them? With a special appropriation specifically and it will go away?

117 Kafoury: Yes.

119 CHAIR WEBBER: Was the \$500 the emergency board? So they got the emergency board money and the \$500. So under this budget they won't get anything -- they won't be counted in their local district, they won't

get the \$500 or the appropriation, and they've already lost the bill back.

130 Kafoury: The situation is technically ambiguous. I'm sure that it will end up in the courts unless the Legislature does something to determine who has responsibility for the child.

133 CHAIR WEBBER: If the child is placed in the center why are they not eligible as a child in that district?

137 Kafoury: Residency is determined on where the parents live. We had to do something about the bill back. We attempted to treat six problems in this bill: the elimination of the bill back, the elimination of the \$500 per child. Another problem is the funding formula. Some programs are

in an area with a higher than the average pupil cost.

170 CHAIR WEBBER: Are those employees only employees of the school district?

171 Kafoury: Yes. Another problem is the state-wide COLA (cost of living adjustment) is less than the actual district COLA. Frankly the state of Oregon is illegal. We are not providing the money to fulfill these

children's IEPs. The final problem is that children are treated differently depending on which program they are in, even though they have the same needs.

208 SEN. CEASE: What does that mean for the Governor's budget in this area?

213 Kafoury: This would be an increase over the Governor's budget.

214 SEN. CEASE: In what amount?

215 Kafoury: We don't have the figures at this time. It'll be somewhere between a few thousand and a couple million dollars.

218 SEN. CEASE: I assume this has a subsequent referral to Ways and Means. So if we adopt the policy, then it goes to Ways and Mean and if they

want to do it then they find the money.

225 JAN BARGEN, COMMITTEE ADMINISTRATOR: The increase is partly per child but also that more children will be put into the grant need.

230 ARNIE GREEN, ASHLAND ADOLESCENT CENTER: Gives brief history of the youth care centers. The term brings the image of a day care center -- I think that was the original intent of these programs. Over the years

they've become treatment programs. Several of our programs run around schools. We've had to become very innovative in order to treat these children with the money that's provided. Two critical points in the bill are the differences that have existed historically in the old private agencies and the youth care centers have diminished. The other is we need to maintain flexibility to do things in contract with our local school districts.

341 SEN. CEASE: If you don't get funding, does that mean that those children will be pushed into the regular school system?

345 A. Green: It's debatable. No district is clearly responsible for them. In my district, they received no money until the Emergency board

provided some. The question of funding is a question of responsibility.

366 SEN. CEASE: There's a difference in the Department on whether they should be schooled in these facilities or not. It the issue simply

money?

378 Kafoury: Everyone agrees that there's a problem. No one wants to go back to the bill back. There are problems of having these children

part of the district. We're trying to tell you what the problem is.

393 SEN. CEASE: The Governor's doesn't provide for these children in any way?

399 Kafoury: I assume that the children will be taken under the attending district. But that's not spelled out. The second problem is that the

money is not given to the school district to take care of any particular child, it's given to take care of the children they have -- there's no requirement that the money is spent of these kids.

417 SEN. CEASE: How many of these children are there state-wide?

420 A. Green: In the youth care center system there's about 700.

424 CHAIR WEBBER: And the private agencies?

429 J. Green: There are approximately 409 slots in youth care centers state-wide and approximately 734 slots in the private agencies to take

care of these children. 436 SEN. CEASE: What's the estimated need?

440 Kafoury: This is an interesting issue. Some agencies have huge waiting list but others don't keep a waiting list at all. There are thousands

out there in need of these services.

450 CHAIR WEBBER: But the capacity is about 100% of those available slots.

453 SEN. CEASE: If you count both groups.

454 CHAIR WEBBER: Do the private agencies have their own schools or does everyone do a bit of everything?

560 Kafoury: Some centers send the kids to public schools, some to are mainstreamed. The private agencies are all on campus.

467 SEN. PHILLIPS: When you saw the budget, did you meet with the Executive Department to find out their intent?

474 Kafoury: I better not discuss this.

480 SEN. PHILLIPS: So you met and there wasn't a resolution. What were you told to do?

485 Kafoury: This is a problem that many wish would go away.

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035 A. Green: If the E-board hadn't have come through, Ashland would have been forced to take the kids into the public schools and that would have destroyed my treatment program.

046 SEN. CEASE: Is there an argument that they're better off in the

public schools?

053 Kafoury: There's no one saying where they should be.

057 SEN. CEASE: But presumably the argument is made that if you don't fund them directly, the public schools will have to pick them up?

058 CHAIR WEBBER: Public school don't want these kids. When they are sent to the centers, they are sent to a district away from home. This

district wouldn't have any funding because the parents aren't residents in the district. All of these children are viewed as not being children of the community the reside in when they're in treatment.

068 BARGEN: Some children ended up not getting any education services because the district didn't provide suitable services to keep them in

school.

074 CHAIR WEBBER: There's considerable movement of children around the state. They often end up in rural areas with very significant

educational needs.

080 MICHAEL BALTER, OREGON ALLIANCE OF CHILDREN PROGRAM: One of the reasons there was a different track was because the "Christie List" schools were largely residential. The private agency schools have been around quite

a long time.

092 CHAIR WEBBER: They also had powerful boards who were very politically active. That's probably a reason they were funded differently.

095 Balter: I don't think mainstreaming or treatment is the issue. Often these kids would get lost in the larger schools. There's no magic on

why our schools work -- they're smaller and geared to handle these problems. Counselors are on site. Kids can't be expelled because there's no place to go. Our situation is different because the funding is in the budget. The issues for us are the 1.75 factor, and the erosion issue where things are cut because of no funding. We can't deliver the IEP and are at risk.

159 CHAIR WEBBER: What about minority children and staff. I understand that there was difficulty with minority children accessing the youth

care centers.

164 Balter: I think it depends on the center and the districts. Recruitment and retention of minority employees is a challenge for all of us.

173 Kafoury: This is a problem with referrals. The courts are more apt to send minority children to McLaren than to the youth care centers.

177 CHAIR WEBBER: I saw some numbers a year ago that were shocking.

189 SEN. CEASE: In those cases where you do have minority student the those programs, how do the other students relate to them?

192 Balter: We have not had racial incidents. It's not a problem for the kids.

199 BARGEN: Of those 1100 capacity slots, is there an average for how many are on IEPs?

204 Kafoury: Approximately 80% of the Christie List children are on IEPs and around 20-25% of the youth care children. It has a lot to do with

identification.

209 CHAIR WEBBER: How frequently are the standardization visits?

214 Kafoury: I can't answer that.

220 KAREN BRAZEAU, DEPARTMENT OF EDUCATION: We monitor these programs on a six year cycle.

227 CHAIR WEBBER: So if I ran a youth care center, I would expect to have a visit every six years.

230 Brazeau: Yes, on the schedule we're on now.

234 CHAIR WEBBER: Does anyone else look at those schools in the interim?

237 Brazeau: I'm not sure if the local public schools do or not.

241 PAM PATTON, MORRISON CENTER: We are one of the youth care center programs with an alternative education classroom. I think Karen was

talking about the private agencies when she spoke about the special education. There is a Portland public school person who meets with us on a monthly basis, but it's directly related to the school district.

267 CHAIR WEBBER: Does someone from the school board look at the youth care centers and decide if it's OK?

269 Patton: Not on a regular basis. We have more accountability. I can't say they come out that frequently.

278 J. Green: We tried to take a philosophical basis to this problem to treat similar children similarly by the state. Reviews

hand-engrossed

bill and amendments section by section, (EXHIBITS A & B).

323 CHAIR WEBBER: Is the language "as children with disabilities" a technical term?

325 J. Green: I believe that it is.

327 CHAIR WEBBER: And that would signal a 94-142 type child?

329 J. Green: Correct. Continues review of amendments.

349 Kafoury: This 2x funding figure is what the state is now using for special education kids in regular school.

351 CHAIR WEBBER: Does page 2, line 8 take care of that?

354 J. Green: Under the hand-engrossed version (EXHIBIT A) it does do that but there were some changes made just before the meeting.

356 BARGEN: There's a clearer way to say the same thing.

361 J. Green: The intent is to receive double what the normal student attending a school district would receive.

370 Kafoury: If the child is one of our programs, by definition, the child gets twice the cost of the average student.

387 J. Green: It's hard to determine what these children get now because we don't really know who these children belong to.

390 CHAIR WEBBER: So the language in the hand-engrossed version is not what you propose as an amendment.

395 Kafoury: Correct. We don't have the actually amendment in writing yet. 399 J. Green: Repeats intent of language. The language we have here is not the technically correct; Legislative Revenue pointed that out.

403 BARGEN: Conceptually they do the same thing.

Tape 16, Side B

073 TERRY DRAKE, LEGISLATIVE REVENUE OFFICE: When I looked at the hand-engrossed language I realized that it's more accurate to refer to

the general purpose grant of the school support fund. That's the sum of those two numbers.

088 CHAIR WEBBER: Can you prepare amendment that says that?

089 Drake: I will work with the staff.

093 J. Green: Continues review of bill.

098 CHAIR WEBBER: Who are the other agencies that would deal with this?

099 Kafoury: Mental Health.

100 J. Green: Continues review of bill. This bill places these children under state responsibility.

130 SEN. CEASE: I understand you make them the state's responsibility and you'll fund them. How do you determine who's going to educate them?

139 Kafoury: In the bill it describes a process for the local district contracting with the local agency. Under that contract it will be

determined.

142 J. Green: Reads page 1, line 14 -- it'll leave it up to the contract language.

148 SEN. CEASE: What about new students? How do you get them?

153 Kafoury: Additional slots are budgeted by state Legislature. The length of time a child is in the program varies per child.

157 SEN. CEASE: But there are still lots of people who need to be served but aren't in these programs.

159 Kafoury: This does not address that.

166 J. Green: If there are not enough slots for these children, they become the responsibility of the resident district. But they are such a

problem for the schools that they often have to expel them. Public schooling for them is no good.

177 SEN. CEASE: Are even these programs reluctant to take the worst cases?

180 Kafoury: Only rare out of control and extremely violent children would be refused admittance. 190 CHAIR WEBBER: Who in the Executive Department and CSD are your contacts?

201 Kafoury: Marilynne Keyser and Connie Green are the contact persons.

213 GREG MCMURDO, DEPARTMENT OF EDUCATION: We should hold another hearing so we can give a presentation on this area. I would like to correct

some impressions that were left: the Department did not submit this bill but helped those that did.

233 CHAIR WEBBER: We did have some testimony on special education. What was the source of funding for these schools for the coming biennium?

240 McMurdo: The amount in our original request was reduced.

248 CHAIR WEBBER: And how much was that?

261 Brazeau: I would have to look at the budget submitted for the youth care centers. It is very complex. The private agency programs is in

the budget at a reduced level. The youth care centers are not in the budget at all. there is a pressing need to determine responsibility of these children.

288 CHAIR WEBBER: Who's responsibility is it to decide?

290 Brazeau: If you don't decide, the courts will. These programs have benefitted from the bill back system in the past. When Measure 5 was

passed, it was decided that the bill back system didn't make sense because the children's parent owned property and those taxes would pay for the education. The requirement of the district where the facility was located was the one that must serve the child was eliminated. That was an error. The second thing that happened was districts were held under the cap for school funding. Residency is an issue and choice of funding is an issue.

334 CHAIR WEBBER: The issue of responsibility is also important. The Department of Education didn't put in a request for a private agency?

350 DAVID SMALL, EXECUTIVE DEPARTMENT: The Department submits a budget to the Executive Branch who analyzes it and sends it to you. The

Department's budget included both public and private agencies. We eliminated the funding for the youth care centers thinking this was really a local issue.

362 SEN. CEASE: I assume that decision was made because of budget cuts.

366 SEN. GOLD: During the interim, there was not agreement on this issue. So everyone did what they thought was best.

399 SEN. CEASE: It seems to me that we're dealing with tough cases. I can understand why no one wants the responsibility for it.

415 McMurdo: There's a House bill that makes the responsibility clear.

426 Brazeau: We're dealing with a group of children that are removed from their home in some way. One of the questions is who owns those

children.

434 CHAIR WEBBER: That's my concern.

440 SEN. GOLD: This bill as written does not impact school funding formula. I'm thinking that rather than asking for referral to Revenue to ask for the impact on the funding formula. We'll just do it as an informational hearing.

488 CHAIR WEBBER: I think that's a good resolution.

Tape 17, Side B

038 CHAIR WEBBER: Adjourns meeting at 4:31 p.m.

Submitted by:

Reviewed by:

Julie Mušiz
Administrator

Jan Barga Assistant

EXHIBIT LOG:

A - Hand-engrossed SB 24, Requestors, 3 pgs. B - Proposed amendments to SB 24, Requestors, 1 pg. C - Testimony on SB 24, Stephen Kafoury, 1 pg.