



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 636

Hearing Date: February 14, 2005
Committee On: Education

Introducer(s): (Raikes)

Title: Change cost calculations for wards' education and special education

Roll Call Vote – Final Committee Action:

Advanced to General File
Advanced to General File with Amendments
X Indefinitely Postponed

Vote Results:

7	Yes	Senators Bourne, Howard, Kopplin, McDonald, Raikes, Schrock, and Stuhr
0	No	
0	Present, not voting	
1	Absent	Senator Byars

Proponents:

Senator Ron Raikes
Patrick Connell

Mary Fraser Meints

Tom McBride
Bob Gehringer

Opponents:

Chris Hanus

Neutral:

Representing:

Introducer
Nebraska Association of Home and Services for Children / Nebraska Association of Behavioral Health Organizations
Uta Halee Girls Village / Child and Family Coalition of Nebraska / Nebraska Association of Homes and Services for Children
Epworth Village, Incorporated / CAFCON
Boys Town Schools

Representing:

Nebraska Health and Human Services System

Representing:

Summary of purpose and/or changes:

Legislative Bill 636 would modify the provisions for the calculation of payments for the education of state wards.

Section 79-101 would be amended by adding definitions of county detention homes, institutions, interim program schools, and juvenile emergency shelters.

County detention homes would be defined as detention homes in connection with the juvenile courts established and maintained by the county board pursuant to § 43-2,110.

Institution would mean public or private facilities not owned or operated by a school district that provides a residential program.

Interim program school would mean schools meeting the requirements of the Department of Education located in or operated by a county detention home, institution, or juvenile emergency shelter.

Juvenile emergency shelters would be defined as facilities which provides temporary 24 hour physical care and supervision in crisis situations and at times when an appropriate foster care resource are not available to person 18 and younger for which a municipal corporation has contracted pursuant to § 13-317.

Section 79-215 would be amended by:

1. Limiting payments for state wards residing in institutions to institutions that maintain interim program schools;
2. Clarifying that the Department of Health and Human Services is the state agency that makes payments to school districts and interim program schools for the education of state wards;
3. Providing that the amount of the payment would be determined by the Department of Education based on the average per pupil cost of the interim program school or approved or accredited school located in an institution; and
4. Rearranging the provisions to provide greater clarity.

Section 79-1116 would be amended first by clarifying that for school years prior to 2005-06, the average per pupil costs of service agencies was calculated by dividing the total allowable costs, not the total operating expenditures, by the average daily membership.

New provisions would then be added to the section to direct that for school year 2005-06 and each school year thereafter, the average per pupil cost of interim program school, approved or accredited schools within institutions, and service agencies would be calculated as 106% of the total operating expenditures (excluding the cost of sectarian instruction) divided by the average daily membership using data from the preceding year.

For interim program schools, approved or accredited schools within institutions, and service agencies which were not operating in the preceding school year, the average per pupil cost would equal 106% of the total operating expenditures for the preceding school year of all interim program schools, approved or accredited schools within institutions, and service agencies, excluding the cost of sectarian instruction, divided by the total average daily membership of such schools and agencies.

The Department of Education would be allowed to adjust the total operating expenditures used in the calculations according to criteria established by the Department based on an audit of the costs of the interim program school, the approved or accredited school within an institution, or the service agency if:

1. The growth in total operating expenditures are excessive as compared to the growth in special education expenditures in the public schools;
2. Personnel costs are excessive as compared to the personnel costs for special education in the public schools;
3. Other costs are excessive as compared to similar costs for special education in the public schools; or
4. Residential or other non-educational costs are included in the total operating expenditures.

Interim program schools, approved or accredited schools within institutions, and service agencies would be required to provide any financial information requested by the Department to complete the audits. The penalty for failing to provide the information would be the termination of payments from the Department of Health and Human Services and from school districts.

Adjustments to total operating expenditures could be appealed to the State Board of Education.

The Department of Education would be required to adopt and promulgate rules and regulations to carry out the section.

Section 79-1140 currently requires that school districts pay service agencies based on the average per pupil cost of the preceding year or the cost agreed upon in a contract. Amendments to the section would add interim program schools, approved or accredited schools within institutions and eliminate some confusing language.

Explanation of amendments, if any:

Senator Ron Raikes, Chairperson