

Proposed state tuition increase (DP 906) and HB 206

From the LFD Budget Analysis (Jan 7th) – Page E-15:

DP 906 - STATE TUITION APPROPRIATION INCREASE - The executive requests an increase for the state tuition appropriation due to state tuition rate increases and changes in which districts are funded. The cost of state tuition provided under 20-7-435, MCA, has increased on the per student level and has increased the number of students served.

LFD COMMENT:

According to OPI, the Yellowstone Academy— a public school elementary and residential treatment program— was previously paid as a private provider by OPI. However, other public school districts are paid under the Option B or C rates under 20-7-435, MCA. Because the district is a public school, OPI has changed the classification of the program to be consistent with all other public school districts. This school district received \$233,156 in FY 2020 and is estimated to receive \$340,000 in FY 2021 for tuition that had not previously been budgeted for this district. The per student cost was \$1,700 in FY 2019, \$2,500 in FY 2020, and estimated to be \$3,500 in FY 2021. The estimated cost per year is \$750,610; the base appropriation is \$377,675; and the appropriation increase for the 2023 biennium is \$372,900 per year.

From the fiscal note for HB 206:

“HB 206, as it currently stands, modifies sections of the law that establish the rate to be paid for education services for children’s psychiatric hospitals (CPH) or residential treatment facilities (RTF) and the tuition rates paid by the district of residence for a child placed in another district. In addition, the bill changes the funding for education services provided to a child at a CPH or RTF to allocate a portion of the costs to the district of residence for the child. The bill also changes the amount of tuition paid by the district of residence for out of district placements. Finally, the bill modifies law to eliminate a clause that has caused children who are at a CPH or RTF and are covered by Medicaid from receiving state support for education services provided to them. The increased state general fund cost of HB 206 would be \$0.2 million in the 2023 biennium.”