

1 HOUSE BILL NO. 171  
2 INTRODUCED BY D. BEDEY  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO THE EDUCATION OF CHILDREN  
5 RECEIVING INPATIENT TREATMENT OF EMOTIONAL PROBLEMS; ADDING AND REVISING  
6 DEFINITIONS; INCLUDING THERAPEUTIC GROUP HOMES IN THE LIST OF FACILITIES QUALIFYING  
7 FOR STATE PAYMENTS; REVISING THE CALCULATION OF STATE FUNDING FOR THE EDUCATIONAL  
8 COSTS OF CHILDREN RECEIVING INPATIENT TREATMENT OF EMOTIONAL PROBLEMS; PROVIDING  
9 ADDITIONAL DUTIES FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION; ESTABLISHING  
10 REPORTING REQUIREMENTS; AMENDING SECTIONS 20-7-403, 20-7-419, 20-7-435, AND 20-7-436, MCA;  
11 AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14  
15 **Section 1.** Section 20-7-403, MCA, is amended to read:

16 **"20-7-403. Duties of superintendent of public instruction.** The superintendent of public instruction  
17 shall supervise and coordinate the conduct of special education in the state by:

- 18 (1) recommending to the board of public education adoption of those policies necessary to  
19 establish a planned and coordinated program of special education in the state;
- 20 (2) administering the policies adopted by the board of public education;
- 21 (3) certifying special education teachers on the basis of the special qualifications for the teachers  
22 as prescribed by the board of public education;
- 23 (4) establishing procedures to be used by school district personnel in identifying a child with a  
24 disability;
- 25 (5) preparing appropriate technical assistance documents to assist local districts in implementing  
26 special education policies and procedures;
- 27 (6) seeking for local districts appropriate interdisciplinary assistance from public and private  
28 agencies in identifying the special education needs of children, in planning programs, and in admitting and

- 1 (1) the calculation of tuition under 20-7-420;
- 2 (2) the calculation and distribution of funds under 20-7-435; and
- 3 (3) the determination of responsibilities of children's psychiatric hospitals, residential treatment
- 4 facilities, therapeutic group homes, and public schools pursuant to 20-7-435."

5

6 **Section 3.** Section 20-7-435, MCA, is amended to read:

7 **"20-7-435. Funding of educational programs at in-state children's psychiatric hospitals and in-**  
 8 **state residential treatment programs for eligible children receiving in-state inpatient treatment of**  
 9 **emotional problems.** (1) (a) It is the intent of the legislature that eligible children in ~~in-state children's~~  
 10 ~~psychiatric hospitals and residential treatment facilities receiving inpatient treatment of a serious emotional~~  
 11 ~~disturbance at in-state qualifying facilities~~ be provided with an appropriate educational opportunity in a cost-  
 12 effective manner. The legislature further intends that in-state qualifying facilities prioritize treatment of Montana  
 13 residents over residents of other states.

14 (b) ~~As used in this section, "appropriate educational opportunity" means:~~

15 (i) ~~for an eligible child without a disability:~~

16 (A) ~~if provided by a nonpublic school, an education program provided in accordance with the~~  
 17 ~~requirements for a nonpublic school under the provisions of 20-5-109; and~~

18 (B) ~~if provided by a public school, an education program consistent with accreditation standards~~  
 19 ~~provided for in 20-7-111; and~~

20 (ii) ~~for an eligible child with a disability, a free appropriate public education consistent with state~~  
 21 ~~standards for the provision of special education and related services.~~

22 (2) ~~From appropriations provided for the purposes of this section, the~~ The superintendent of public  
 23 instruction may contract with an in-state children's psychiatric hospital or residential treatment facility for  
 24 provision of an educational program for an eligible child in the hospital or treatment facility. The superintendent  
 25 of public instruction may contract with a therapeutic group home for provision of an educational program for an  
 26 eligible child in the therapeutic group home only if the superintendent of public instruction has determined in  
 27 consultation with the therapeutic group home and the school district in which the therapeutic group home is  
 28 located that eligible children in the therapeutic group home will be provided a more appropriate educational

1 opportunity in the therapeutic group home than in the located school district. ~~The contract between the~~  
2 superintendent of public instruction and a qualifying facility must include a provision requiring the qualifying  
3 facility to provide educational data and regular reports about the academic status and academic progress being  
4 made by each eligible child at a qualifying facility.

5 (3) (a) Whenever the superintendent of public instruction contracts with ~~an in-state children's~~  
6 ~~psychiatric hospital or residential treatment~~ a qualifying facility for provision of an educational program for an  
7 eligible child ~~in the children's psychiatric hospital or residential treatment facility~~, the superintendent of public  
8 instruction shall establish a daily rate per eligible child for each ~~hospital or~~ qualifying facility that reflects actual  
9 documented costs of providing an appropriate educational opportunity at that ~~hospital or~~ facility and that  
10 excludes the cost of services that are eligible for reimbursement under any provision of state or federal law or  
11 an insurance policy ~~not to exceed 100% of the tuition per ANB amount as defined in 20-5-323 divided by 180.~~

12 (b) For each eligible child and from appropriations provided for the purposes of this section, the  
13 superintendent of public instruction shall pay the ~~hospital or treatment~~ qualifying facility the daily rate under  
14 subsection (3)(a) minus the amount paid under subsection (3)(c).

15 (c) For each eligible child, the eligible child's school district of residence shall pay the ~~hospital or~~  
16 ~~treatment~~ qualifying facility a daily rate of 40% of the tuition per-ANB amount as defined in 20-5-323 divided by  
17 180 in a manner prescribed by the superintendent of public instruction. The district of residence shall finance  
18 the tuition amount from the levy authorized to support the district tuition fund or from the district's general fund  
19 or any other legally available fund in the discretion of the trustees.

20 (d) An eligible child whose appropriate educational opportunity is provided under subsection (5)(a)  
21 or (5)(b) ~~of this section~~ may not receive funding under this subsection (3).

22 (e) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the  
23 superintendent of public instruction shall include a request for funding this section based on the daily rate for  
24 each facility as determined under subsection (3)(a). If the money appropriated for the payments to qualifying  
25 facilities under this section is not sufficient, the superintendent of public instruction shall request the state  
26 budget director to submit a request for a supplemental appropriation in the second year of the biennium that is  
27 sufficient to complete the funding of the payments.

28 (4) A supplemental education fee or tuition, beyond those authorized under this section, may not

1 be charged for an eligible child who receives an education under contract with an in-state children's psychiatric  
2 hospital or residential treatment facility under subsection (3) or as provided under subsection (5).

3 (5) If ~~a children's psychiatric hospital or residential treatment~~ a qualifying facility fails to provide an  
4 appropriate educational opportunity for an eligible child at the ~~children's psychiatric hospital or residential~~  
5 ~~treatment~~ facility or fails to negotiate a contract under the provisions of subsection (2), the superintendent of  
6 public instruction shall, from appropriations provided for the purposes of this section, choose either of the  
7 following two options:

8 (a) provide for an appropriate educational opportunity for the eligible child utilizing qualified  
9 specialists who are employees of the office of public instruction or under contract with the office of public  
10 instruction for the purposes of this section. The eligible child's district of residence shall reimburse the office of  
11 public instruction at the daily rate established in subsection (3)(c). The district of residence may finance the  
12 reimbursement from the levy authorized to support the district tuition fund.

13 (b) negotiate with the school district in which the ~~children's psychiatric hospital or residential~~  
14 ~~treatment~~ qualifying facility is located for the supervision and implementation of an appropriate educational  
15 opportunity for eligible children attending the ~~children's psychiatric hospital or residential treatment~~ facility. The  
16 amount to be paid to the district of attendance by the office of public instruction and the amount to be paid by  
17 the eligible child's district of residence are determined as provided in 20-5-323 and 20-5-324 for out-of-district  
18 attendance agreements approved under 20-5-321(1)(d) and (1)(e).

19 (6) Funds provided to a district under this section, including funds received under the provisions of  
20 20-7-420:

21 (a) must be deposited in the miscellaneous programs fund of the district that provides the  
22 education program for an eligible child, regardless of the age or grade placement of the child who is served  
23 under a negotiated contract; and

24 (b) are not subject to the budget limitations in 20-9-308.

25 (7) The superintendent of public instruction may distribute funds appropriated for contracts with in-  
26 state children's psychiatric hospitals or residential treatment facilities under subsection (2) to public school  
27 districts for the purpose of supporting educational programs for children with significant behavioral or physical  
28 needs.

1           (8) The superintendent of public instruction shall report to the education interim budget committee  
 2 and the education interim committee in accordance with 5-11-210 no later than September 30 of even-  
 3 numbered years on the implementation of this section and an analysis that supports each daily rate. The report  
 4 must include:  
 5           (a) the daily rate calculated for each qualifying facility as described in subsection (3)(a);  
 6           (b) an evaluation of education programs at qualifying facilities funded under this section; and  
 7           (c) an explanation for how the determination regarding therapeutic group homes under subsection  
 8 (2) was made."

9  
10           **Section 4.** Section 20-7-436, MCA, is amended to read:

11           **"20-7-436. Definitions.** For the purposes of 20-7-435 and this section, the following definitions apply:

12           (1) "Appropriate educational opportunity" means:

13           (a) for an eligible child without a disability:

14           (i) if provided by a nonpublic school, an education program provided in accordance with the  
 15 requirements for a nonpublic school under the provisions of 20-5-109; and

16           (ii) if provided by a public school, an education program consistent with accreditation standards  
 17 provided for in 20-7-111; and

18           (b) for an eligible child with a disability, a free appropriate public education consistent with state  
 19 standards for the provision of special education and related services.

20           ~~(1)~~(2) (a) "Children's psychiatric hospital" means a freestanding hospital in Montana that:

21           (i) has the primary purpose of providing clinical care for children and youth whose clinical  
 22 diagnosis and resulting treatment plan require in-house residential psychiatric care; and

23           (ii) is accredited by the joint commission on accreditation of healthcare organizations, the  
 24 standards of the centers for medicare and medicaid services, or other comparable accreditation.

25           (b) The term does not include programs for children and youth for whom the treatment of chemical  
 26 dependency is the primary reason for treatment.

27           ~~(2)~~(3) "Eligible child" means a Montana resident child or youth who is less than 19 years of age and  
 28 who has an emotional problem a serious emotional disturbance that is so severe that the child or youth has