



NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 581

OREGON DEPARTMENT OF EDUCATION

FILED: 10/20/2026 11:06 AM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Long-Term Care and Treatment (LTCT) Education Program Eligibility and Approval

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/10/2026 9:00 AM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:

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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/17/2026

TIME: 3:00 PM - 3:30 PM

OFFICER: Haedon Brunelle

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 669-254-5252

CONFERENCE ID: 1653682773

NEED FOR THE RULE(S):

In 2025, the Legislature provided an additional investment of \$15.8 million to meet the mandated caseload count for students in eligible day and eligible residential treatment programs.

In the spring of 2026, the process of adding 10 new LTCT sites for 26-27 made it clear that the existing OAR from 2014 needed to be updated to support the approval process and timelines.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

The first reading on this rule filing was given to the State Board of Education on October 15, 2026. You will also find written materials, public comment, and a recorded presentation on this rulemaking topic on the State Board of Education's Boardbook website. Learn more about the State Board of Education on the Oregon Department of Education's website.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

Long-Term Care and Treatment (LTCT) students are in foster care or involved with the juvenile justice system, so increasing the number of LTCT sites will provide increased educational services to these marginalized students. With increased educational funding, School Districts and Education Service Districts (SD/ESDs) will have sufficient financial resources to hire educational staff at the eligible day/residential programs.

Some of the new LTCT sites for 26-27 are located in small and rural school districts such as Boardman, Canby, Klamath Falls, and North Wasco School Districts. Becoming eligible for the ODE LTCT Program alleviates the fiscal burden for these small school districts. Under the rule amendments we expect additional small and rural school districts to become eligible.

FISCAL AND ECONOMIC IMPACT:

If additional sites apply under the amended rules there will be an additional fiscal impact on the program for the 2027-28 school year and beyond. The Oregon Department of Education's (ODE's) Legislatively Approved Budget anticipated an increase in the number of Long-Term Care and Treatment (LTCT) sites.

For example, the ODE LTCT Program is committing \$4.2 million to the ten new LTCT sites for the 26-27 school year for an average of \$283,676 per LTCT classroom to provide funding for a teacher and other educational support staff.

Timing of the application submissions allows for ODE to plan and prepare budgets and requests for additional funding to support additional LTCT sites and caseload counts.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in the development of these rules as this will not impact small businesses. These

rules only directly impact school districts.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

An administrative rule advisory committee was not consulted. The Oregon Department of Education (ODE) identifies those who may be impacted by these rule updates and hosts direct engagements with them. In addition, ODE staff present their rule updates to a broader group of education partners ranging from non-profits, education service districts, school districts, student rule advisors, and more, prior to approaching the State Board of Education for further consideration and a vote. The State Board of Education holds public meetings and recordings for all rules. You can find the meeting recordings on the State Board of Education's Boardbook website. The State Board of Education has more information on the Oregon Department of Education website.

AMEND: 581-015-2571

RULE SUMMARY: This rule's proposed updates focus on restructuring eligibility, application, and approval process and timeline.

CHANGES TO RULE:

581-015-2571

Long-Term Care and Treatment (LTCT) Education Program Eligibility and Approval ¶

(1) The Department of Education shall ~~base education program eligibility on the following:~~ fund eligible Long-Term Care and Treatment (LTCT) programs upon completion of a satisfactory application to the Department in accordance with the application process described in this section. ¶

~~(a) An agency eligible day or residential treatment provider may offer several different treatment programs serving different populations. For the purposes of determining eligibility for funding and funding levels for education programs, each program will be considered separately. Temporary shelter programs, which would not otherwise meet the eligibility criteria provided in OAR 581-015-2571(1)(b), are eligible for funding only when attached to an eligible treatment program and the children ser~~ ¶

(3)(a) Eligible day treatment programs must have a contract with the Oregon Health Authority for long term care or treatment. ¶

(b) Eligible residential treatment programs must have ~~are primarily awaiting placement in such programs;~~ ¶

~~(b) To be eligible for an education program, a treatment program must submit an application to the Department's L contract with the Oregon Health Authority, Oregon Department of Human Services, or Oregon Youth Authority for long-T term C care and T or treatment Program demonstrating that the program meets all of the following criteria:~~ ¶

~~(A) Either,~~ ¶

(4) Subject to paragraph (7) of this section, an LTCT program may be eligible to apply for funding if they provide the following evidence of eligibility to the satisfaction of the Department of Education: ¶

~~(ia) A letter of approval from the Addictions and Mental Health Division~~ Health Systems Division of the Oregon Health Authority certifying that the psychiatric day treatment program or psychiatric residential treatment facility meets standards applicable for intensive children's mental health services under OAR 309-022-0100 through 309-022-0230 and has a state contract to serve students placed by one of the following state agencies: the Oregon Health Authority, the Oregon Department of Human Services, or the Oregon Youth Authority; or ¶

~~(#b) Documentation that the eligible day or residential treatment program provides long-term residential treatment of children placed by a state agency or designee of the state agency;~~ ¶

~~(B) Meet state licensing requirements for a private child-caring agency; or by the child's parent.~~ ¶

~~(C) Be operated by a nonprofit corporation or a political subdivision of the state;~~ ¶

~~(D) Demonstrate through client admissions, staff hiring practices, and client access to services that it meets requirements for ORS 659.850 re~~ In order to apply for funding, an eligible LTCT shall submit an application to the prevention of discrimination; and ¶

~~(E) Demonstrate through curriculum content, teaching practices, and facilities management that the constitutional requirements regarding no religious entanglement are met.~~ ¶

(2) The Department of Education (ODE) is responsible for approving the educational program under this rule and shall base ~~Department of Education, which shall accept an application only if the following is submitted to the satisfaction of the Department of Education:~~ ¶

~~(a) Evidence that the LTCT program meets state licensing requirements for approval on the following: the child-caring agency;¶~~

~~(a) The contracting school district must ensure~~ Evidence that the education LTCT program is operated in compliance with a written agreement with the Department that specifies, at a minimum, the following services to be provided:¶

~~(A) Each child who is not a child with a disability under OAR 581-015-2130 through 581-015-2180 has a personalized educational plan that includes assessment, goals, services, and timelines;¶~~

~~(B) by a nonprofit corporation or a political subdivision of the state;¶~~

~~(C) Assurance that information pertaining to students and educational programs is provided to the Department in an accurate and timely manner;¶~~

~~(D) Children have opportunities to be educated in the least restrictive environment;¶~~

~~(E) The education program is developed and implemented in conjunction with the treatment program;¶~~

~~(f) The education program provides re-entry transition services into the next educational placement or workforce preparation program; and¶~~

~~(F) Other requirements as identified by the Department.¶~~

~~(b) The Department must ensure that the education of~~ Education and published in the application.¶

~~(6)(a) Each year, the Oregon Department of Education will publish an application for eligible LTCT program-is operated in compliance with a written agreement with the contracting school district.¶~~

~~(c) Final determinations concerning the eligibility of treatment programs for education funding are at the discretion of the State Superintendent of Public Instruction.¶~~

~~(3) Funding Procedures: Upon receipt of an application for funding for a program under this rules to apply to be funded in accordance with the application process described in this section. The Oregon Department of Education will be responsible for developing the form and timelines for LTCT program applications.¶~~

~~(b) Notwithstanding subparagraph (6)(a) of this section, LTCT program applications must be submitted to the Oregon Department of Education by January 15. ¶~~

~~(c) In situations in which the school district was notified by a day or residential treatment program of an expansion or new program after January 15, the Department of Education will:¶~~

~~(a) Determine if the treatment program meets the eligibility criteria in this rule within 45 business days;¶~~

~~(b) If necessary, request additional funding or a limitation for funding from the State Legislature; and¶~~

~~(c) Fund the program according to the formula in OAR 581-015-2572 only when sufficient funds may accept applications past the January 15 deadline.¶~~

~~(7) The Department of Education is responsible for reviewing and approving the applications to fund LTCT programs under this rule. If the application is approved, the LTCT program may begin receiving funding on July 1 of the same year.¶~~

~~(8)(a) Upon receipt of a completed application for funding for an LTCT program under this rule that has been determined to be eligible, the Department of Education will enter into an agree-available for the program under ORS 343.243 and an appropriation from the General Fund as determined by the Department to fund the program.¶~~

~~(b) For applications received by January 15, the Department shall make eligibility decisions by March 16.¶~~

~~(c) Eligible LTCT programs will be funded according to the formula in OAR 581-015-2572.~~

Statutory/Other Authority: ORS 326.051, ORS 343.961

Statutes/Other Implemented: ORS 343.243, 961, ORS 343.961, 243