

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 920

STATUS: Original

SUBJECT: Adds the Oregon National Guard Youth Challenge Program to the list of entities authorized to receive directly State School Fund distribution

GOVERNMENT UNIT AFFECTED: Oregon Military Department, Oregon Department of Education

PREPARED BY: Kim To

REVIEWED BY: John Borden, Monica Brown

DATE: April 30, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		

REVENUES:
See Legislative Fiscal Office Impact Statement

EFFECTIVE DATE: July 1, 2009

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This measure adds the Oregon Youth Challenge Program (OYCP) to the list of entities authorized to receive directly State School Fund distribution. Beginning with the 2009-11 distribution, the OYCP is entitled to receive from the State School Fund for each school year a special State School Fund grant that is equal to the program average daily membership (ADM) multiplied by 2.0 multiplied by Funding Percentage and further multiplied by Statewide Target per Weighted ADM Grant. The bill directs the Department of Education to distribute funds to the OYCP following the same percentages and dates specified for school districts, and adjusted in the year following the distribution to reflect the actual weighted ADM of the students in the program.

Under current law, the OYCP receives indirect funding from the State School Fund distribution through the Bend-LaPine School District. The OYCP is one of 80 alternative education programs currently receiving state funding. Note that the bill does not identify new money or raise new revenue, but repartitions another portion of the State School Fund, channeling additional moneys to the OYCP. The increase in funding to the OYCP reduces the amount available for distribution to school districts and educational service districts through the State School Fund formula.

The OYCP receives federal funding (\$4.2 million) that requires a 40 percent state matching funds. The state's matching funds requirement is comprised of General Fund (\$1.1 million) and ADM revenue through the Bend-LaPine School District (\$2 million). According the Legislative Revenue Impact Statement, OYCP would receive \$2.4 million in additional ADM funding beyond what it receives from the Bend-LaPine School District. This amount of revenue would increase the state's match above the federally required 40%. This may result in a decrease of federal funding since program capacity is limited. Also, the additional ADM revenue could be used to in lieu of General Fund to meet the state matching funds requirement.

Passage of this bill will have minimal expenditure impact on the Oregon Department of Education (ODE). If ODE needs to revise Administrative Rules and modify data collection, the work will be accommodated with existing resources.