



# Oregon

Kate Brown, Governor



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**Colt Gill**

Deputy Superintendent of Public Instruction

**HB 2021: Oregon Youth Challenge  
House Committee on Education  
March 4, 2019**

Good afternoon, Chair Doherty and members of the committee. For the record I am Jan McComb with the Oregon Department of Education. With me is Mike Wiltfong, our School Finance Director.

The Oregon Youth Challenge (OYC) is a private alternative education program for 16-18-year-old high school students who are failing in school, not attending, or have dropped out. Students can be placed there by parents and guardians or the student's resident school district. It is located within the boundaries of the Bend-LaPine School District, but students from around the state may attend it. Approximately 200 students are currently enrolled in the program.

The school uses a non-traditional model that operates similar to a military academy. Students ("cadets") are eligible to earn a high school diploma, a GED, or credit recovery of eight certified credits from required class work completion. There are two phases of the program: the first 22 weeks is spent in residence in the school, followed by a 12-month period where the student returns to their community to implement their goals.

OYC is funded with federal money from National Guard Bureau in Washington DC (75%) and state money (25%). Bend-LaPine has been using State School Funds which it receives through the state's funding formula for these students, to fund the education portion of the school.

Due to the existing funding structure, students attending OYC from around the state are counted as Bend La Pine School District students for report card purposes. Because of the nature of the program, these students often return to their resident school district to complete their studies and get their diploma, often in a 5<sup>th</sup> year. The resident district then counts the student as a graduate, but Bend-LaPine has to count the student as a noncompleter at the end of the student's fourth year. This distorts the Bend-LaPine four-year graduation rate and as a result the district report card does not accurately reflect the district students' performance.

At the request of Bend-LaPine, HB 2021 carves out a funding mechanism for the Oregon Youth Challenge similar to the mechanism used for hospital programs, day treatment programs, residential treatment programs, and the School for the Deaf. By reporting the students under a unique school ID number, set up exclusively for the program, the residency of students is no longer attributed to any one school district, thus, the outcomes of these students are only attributed to the program.

This new funding formula proposed in HB 2021 takes the average net operating expenditure per student of all school districts during the preceding school year and then multiplies that by the number of slots

available in the OYC. ODE will continue to send the State School Funds to Bend-LaPine, who will then pay OYC according to their contractual arrangement with OYC.

Thank you for your attention; we hope you can support HB 2021.