

## ANALYSIS

### Item 22: Oregon Military Department Oregon Youth Challenge Program

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**Analyst:** John Terpening

**Request:** Allocate \$63,050 from the Emergency Fund and increase Federal Funds expenditure limitation by \$189,150 for the installation of new computer fiberoptic cable at the Senator Jackie Winters Oregon National Guard Youth Challenge Campus.

**Analysis:** The Oregon Youth Challenge Program (OYCP), located in Bend, is a National Guard Bureau sponsored program within the Oregon Military Department (OMD) that serves at-risk students ages 16 to 18 through a residential educational program with a military model. The program normally has capacity for 240 students per class and 73 staff, but due to COVID-related issues over the past two years, the program's class and staff numbers have been significantly reduced. The current class is just over 100 while there are currently 43 staff members. The upcoming 2022 class is anticipated to increase to 180, with an expected corresponding increase in staffing.

The current internet infrastructure at the campus is outdated T1 line installed in 1998 and is not capable of meeting the needs of students and staff, especially as the pandemic increased the need for internet connectivity and many educational tools transitioned to being online. Much of the equipment used to support the outdated network can no longer be serviced or replaced. Working with the Department of Administrative Services, OMD has developed an estimate for the installation of new fiber connection that will increase internet service from 1.5 megabit per second to 1 gigabit per second.

The estimated cost for the new cable totals \$252,200. Due to the lower enrollment, OMD has eligible Federal Funds available that can cover 75% of these costs. However, the lower enrollment has also significantly reduced OMD's Average Daily Membership revenue which is based on student enrollment and there is no General Fund available in the current OYCP budget to put toward this project.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board allocate \$63,050 from the Emergency Fund for capital improvement and increase Federal Funds expenditure limitation by \$189,150 for capital improvement for the installation of new computer fiberoptic cable at the Senator Jackie Winters Oregon National Guard Youth Challenge Campus.

## Oregon Military Department Gibson

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**Request:** Increase Federal Funds expenditure limitation by \$0.3 million and allocate \$0.1 million General Fund from the State Emergency Fund for the purposes of installing new computer fiber at the Senator Jackie Winters Oregon National Guard Youth Challenge Campus.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Youth Challenge Program (OYCP) is an education program within the Oregon Military Department (OMD) serving at-risk students ages 16-18 who are failing in traditional educational environments. The students attend the OYCP residential program for 22 weeks on the Senator Jackie Winters Oregon National Guard Youth Challenge Campus located in Bend, Oregon. In the program, students receive a high school diploma, a General Educational Development (GED) certification, or certified high school credits to apply toward a high school diploma from their hometown school.

Although COVID impacted enrollment over the past two years, OYCP has the capacity to support approximately 240 students and 73 staff in each of the enrolled classes. The students and staff rely heavily on internet services provided to the school. The effects of learning during a pandemic have only increased the reliance on internet services. OYCP currently has internet service through a 1.5 megabit per second (1.5 Mbps) T1 line installed in 1998. The network produces a reduced bandwidth of 80 megabit per second (80 Mbps) and the equipment used to support the network can no longer be serviced or replaced.

OMD worked with the Department of Administrative Services to estimate a cost for installing a 1 gigabit per second (1 Gbps) fiber connection at the facility. The final estimate for installation and related special construction is \$252,200. OMD is able to leverage current Federal Funds to offset 75 percent of the expense. OMD is requesting the remaining 25 percent of the funding needed to install the new fiber connection.

### Estimated Cost Fiber Installation

Federal Funds (75%)	\$ 189,150
General Funds (25%)	\$ 63,050

**Legal Reference:** Allocation of \$63,050 from the State Emergency Fund for the Oregon Military Department, Capital improvements for the 2021-23 biennium.

Increase the Federal Funds expenditure limitation established by chapter 662, section 3(5), Oregon Laws 2021, for the Oregon Military Department, Capital improvements, by \$189,150 for the 2021-23 biennium.



**OREGON MILITARY DEPARTMENT**  
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD  
DEPUTY DIRECTOR STATE AFFAIRS  
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SALEM, OREGON 97309-5047

May 6, 2022

The Honorable Peter Courtney, Co-Chair  
The Honorable Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs,

**Nature of the Request**

The Oregon Military Department (OMD) requests a new \$63,050 General Fund Capital Improvements appropriation and a \$189,150 increase in Federal Capital Improvements limitation for the Oregon Youth Challenge Program (OYCP) located in Bend. This funding will be used to install new computer fiber totaling \$252,200 at the Senator Jackie Winters Oregon National Guard Youth Challenge Campus.

**Agency Action**

OYCP is an NGB sponsored program serving at-risk students, ages 16, 17 and 18 years old, who are failing in the traditional educational environment. Students who complete the program receive either a high school diploma, a General Educational Development (GED) certificate, or certified credits to take back to their hometown high school. OYCP offers two sessions per year, which are each 22 weeks in length. This is a residential program with a military model; students live and study on campus for the duration of the course. Additionally, OYCP has been fortunate to also receive widely held support from the Oregon Legislature for past projects and operational General Fund in the OMD budget.

OYCP remains committed to prioritizing equity and addressing racial disparities by engaging our under-served and under-resourced communities throughout the state. OYCP offers high school dropouts and students failing traditional high schools the opportunity to build a better future. OYCP prides itself on being an inclusive and welcoming educational opportunity for all at-risk youth, regardless of race, ethnicity, culture, color, disability, gender, religion, economic status and national origin.

OMD completed a building expansion at OYCP in January 2020, increasing its potential capacity to 240 students per class and 73 staff members.

The request for funding new network fiber stems from two issues: limited state network access and lack of internet bandwidth.

OYCP’s computer network needs have surpassed the capability of an antiquated system used to provide state network services to the program. Current network services are accessed through the Department of Administrative Services (DAS) using a 1.5 Mbps T1 loop originally provided to the Oregon State Police (OSP) dating back to 1998 or earlier. The loop holding the T1 line is no longer used by OSP, or anyone else other than OYCP, and is at significant risk, based on age and the fact that, if it fails, the equipment cannot be serviced or replaced. The program is disadvantaged due to lack of internet services, aging infrastructure and limited availability.

The current bandwidth is 80 megabits per second (80 Mbps). The requested funds will be used to install a 1 gigabit per second (1 Gbps) fiber connection, providing the necessary bandwidth to support the increased service needs for all students and staff at OYCP. Installing network fiber at OYCP will provide a secure connection to OMD and the state network, which will consolidate services and resources.

OYCP currently contracts with Yellow Knife as its internet service provider (ISP). The 80 Mbps dish is inadequate for current service demands. Recent instructional demands, partially brought on by adapting to the COVID environment, has created a greater reliance on individually assigned automation for each student. OYCP has requested a bandwidth increase to 300 Mbps from Yellow Knife and is awaiting approval from the Federal Communications Commission (FCC). Increasing service with Yellow Knife could help, but still does not meet the needs of faculty and student demands, due to the higher reliance for online based educational curriculum and delivery platforms. There is also a security risk consideration using a public ISP. The cost for a 300 Mbps dish is approximately \$600 a month, paid by OYCP.

OMD worked with DAS for a cost estimate to install a fiber connection at the facility and the revised quote is \$252,200.

Requested service package:

<b>1Gb - EoF</b>					
<i>USOC</i>	<i>Count</i>	Unit Cost	Extended	Totals	Estimated Installation
LAN-PORT	0.00	\$52.28	\$0.00		\$1,200.00
LAN-PORT:AP	0.00	\$11.40	\$0.00		Special Construction
PROTAXCKT-	0.00	\$5.95	\$0.00		\$251,000.00
PROTRANSPORT-	0.00	\$70.00	\$0.00		
TAXCKT-	1.00	\$119.00	\$119.00		<b>Total Estimated Installation</b>
TRANSPORT-	1.00	\$1,400.00	\$1,400.00	\$1,519.00	\$252,200.00

The installation of fiber will allow for faster, uninterrupted service. Students will be able to log in and complete a course of instruction without the fear of losing unsaved work. Teachers could all begin their classes on time, by not having to do a staggered start time due to service provider or system limitations. Program staff will be able to participate in Zoom or MS Team meetings without freezing up or losing connection.

The 1 Gbps fiber connection will provide OYCP with a permanent fix to its current challenges of sharing and accessing data. Fiber will provide OYCP with a more reliable service that meets student and faculty educational needs while increasing security.

Additionally, a 1 Gbps fiber connection will allow OYCP to be fully integrated into the state system, since currently it houses its own servers and active directory. It will also allow for improved management controls of the agency's computer network, in accordance with the transition of the agency into the state data center, rather than maintaining a separate private link that represents a heavy system management liability to the agency and state.

Current costs for the antiquated T1 line are \$120.00 a month and the new link will cost approximately \$1,519.00 per month. This project will remove the \$600 monthly billing from Yellow Knife for internet services and address the significant needs of our students and faculty. The increased net future cost of \$799 per month, or \$19,176 per biennium, is anticipated to be absorbed within existing Federal and State resources.

### **Impacts of COVID**

The COVID-19 pandemic and the completion of the OYCP expansion both occurred in early 2020. Due to the pandemic, OYCP has not been able to increase the student population; combined with labor shortages, particularly in the residential 24/7 work schedules, these COVID-19 related issues have constrained our ability to hire additional staff needed to reach maximum capacity. Through March 2022, OYCP complied with COVID-19 preventative safety measures, starting each class with 120 students, even though we technically have capacity for a maximum of 240 students. However, we are actively recruiting both students and staff to achieve the full potential of the program.

The current internet infrastructure is not capable of keeping up with the demands of 120 students and will only continue to worsen as the number of students increase while educational tools and resources become more online focused. Slow connectivity and interrupted service is always frustrating for users; this holds true for the students and staff at OYCP, as well as negatively impacting the program's success rate.

### **Unused program budget capacity**

Due to the lower class sizes during COVID, OYCP's operating costs have been lower than originally anticipated for the 2022 program year (calendar year 2022). The NGB-approved annual budget of \$8,220,000 was built based on 400 cadets (160 beginning the January-June 2022 class and 240 beginning the July-December 2022 class). The current class began with 122 cadets and is currently 104, and the July 2022 class estimates have been revised downward from 240 to 180. Fewer cadets enrolled results in lower required staffing levels. Out of 73 total staff positions, the current number of employees is 43, with hiring expected to ramp up in November 2022, in anticipation of 240 cadets enrolled in January 2023. Recruiting new staff has been very challenging given the tight labor market in the Bend area.

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Smaller class sizes and fewer employees resulted in anticipated operational savings of \$1,595,000 in 2022: breakdown of \$1,196,250 (75% Federal Funds) and \$398,750 (25% State Funds). Of the available Federal funds, \$189,150 can be used for the 75% share of this fiber project, leaving the remaining \$1,007,100 unspent Federal funds that may have to be sent back to NGB.

Average Daily Membership (ADM) revenue has also been lower than anticipated, since it is generated by the number of cadets enrolled. The program expects a drop in ADM revenue of nearly \$300,000 in 2022 from initial estimates and plans to spend all existing General Fund on operational costs for the remainder of the biennium. It anticipates no General Fund will be available for the 25% state share of this fiber project.

### **Impact if not approved**

If this request is not approved, OYCP will continue to be constrained with inadequate internet connectivity and antiquated infrastructure for its network.

### **Action Required**

Establish a General Fund Capital Improvements appropriation of \$63,050.

Increase Federal Funds Capital Improvements limitation by \$189,150.

### **Legislation Affected**

General Fund Capital Improvements appropriation: None (*new item*).

Federal Funds Capital Improvements limitation: Section 3 (5), Chapter 662, Oregon Laws 2021.

Thank you for your consideration of this request.

Sincerely,



David A. Stuckey  
Deputy Director  
Oregon Military Department