

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Public Safety Subcommittee

From: John Terpening, Legislative Fiscal Office

Date: May 17, 2023

Subject: SB 1034 – Relating to the payment of costs for educational services provided by programs operated by the military
Work Session Recommendations

SB 1034 directs the Oregon Department of Education (ODE) to transfer the necessary funds from the State School Fund (SSF) to the Oregon Military Department (OMD) each biennium for educational services provided through at-risk youth programs.

The measures proposed carve out from the State School Fund is intended to provide a stable revenue source for the Oregon Youth Challenge Program (OYCP) operated by OMD in Bend. The OYCP is an accredited alternative high school that uses a non-traditional model for youth 16-18 years old that have struggled in a traditional high school setting. This program is managed by the National Guard Bureau, which provides 75% of the program funding, with the State providing a 25% match. Previously, state funding for this program was provided through the Average Daily Membership (ADM) calculation as part of the Bend-LaPine school district, however after the COVID-19 pandemic severely impacted the ADM calculation and reduced the available state matching funds, the National Guard Bureau determined that a more stable revenue source must be used as the state match.

The amount that will be transferred from the SSF will depend on student enrollment, which drives staffing and operating costs. Maximum capacity is 240 per class, with four classes per biennium. The estimated state matching costs for the program with full enrollment is \$4,268,766.

The OMD budget bill (HB 5031) assumes passage of SB 1034 and continued funding for the Youth Challenge Program, so no reduction to Other Funds or Federal Funds expenditure limitation is included in the budget.

Recommended Changes

LFO recommends adoption of the –2 amendment, which makes a technical fix to change the order in which funds are received. SB 1034 states that the transfer of SSF monies would

occur “after the receipt of any federal funds”; however, the Youth Challenge Program is a federal-reimbursement program, and state monies must be spent first, before receipt of federal funding. The -2 amendment provides for the SSF transfer to occur prior to the receipt of federal funds.

MOTION: I move adoption of the –2 amendment to SB 1034. (VOTE)

Final Subcommittee Action

LFO recommends that SB 1034, as amended by the -2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 1034, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____