



TO: House Committee on Education  
FROM: Stacy Michaelson, East Multnomah County Schools  
DATE: March 22, 2023  
RE: HB 3595

Chair Neron, Vice-Chairs Hudson and Wright, Members of the Committee:

For the record, I am Stacy Michaelson, representing the school districts of East Multnomah County and Multnomah ESD. Thank you for the time today. I want to start by noting that this bill comes to you after years of stakeholders working together to solve this issue.

We do have a -1 amendment, which is really just to correct a miscommunication in the drafting process, so if I could, I'd like to speak to the bill with the -1 amendment.

Before I get to the specifics of the bill, I'd like to provide some context. The Juvenile Detention Education Program (JDEP) serves youth in our 11 county juvenile detention facilities. The Youth Corrections Education Program (YCEP) serves youth in 8 secure Oregon Youth Authority facilities.

In the 21-22 school year, the two programs served 1,776 students. Over 40% are students of color. 35% of JDEP students qualified for Special Education, and 47% of YCEP students qualified for Special Education. For reference, a standard district averages about 13-15% of students qualifying for special education.

For years, these programs have been under-funded, operating school years 22% longer than a standard district with no additional funding. JDEP in particular has received less funding per student than YCEP, creating inequity between the programs. On top of this, over the past decade fewer youth are being held in custody. With fewer youth in the programs, our statutory funding has gone down. But a classroom costs the same amount regardless of whether it serves 5 students or 10. So we've had declining resources while overhead costs have remained steady.

In the 21-23 biennium, the legislature made an \$8 million General Fund investment to stabilize these programs and provide adequate staffing. Without continued support, our programs will be facing severe cuts. The potential cuts by school/provider are detailed in the following table.

<b>County Facility or OYA Facility</b>	<b>Educational Provider</b>	<b>Potential Reductions</b>
Deschutes County	Bend-LaPine School District	-67%
Douglas County	Douglas ESD	-78%
Jackson County	Medford School District	-24%
Josephine County	Grants Pass School District	-78%
Klamath County	Klamath Falls City Schools	-79%
Lane County	Lane ESD	-72%
Linn County	Multnomah ESD	-60%
Marion County	Willamette ESD	-53%
Multnomah County	Multnomah ESD	-72%
Yamhill County	Multnomah ESD	-64%
Wasco County	North Wasco School District	-53%
MacLaren Youth Correctional Facilities	Willamette ESD	-9%
Eastern Oregon Youth Correctional Facility	Harney County School District	-32%
Rogue Valley Youth Correctional Facility	Three Rivers School District	-28%
Camp Riverbend (La Grande)	InterMountain ESD	-57%
Camp Florence	Multnomah ESD	-58%
Jackie Winters Transition Program (Albany)	Multnomah ESD	-28%
Camp Tillamook	Tillamook School District	-36%
Oak Creek Youth Correctional Facility (Albany)	Multnomah ESD	-17%

The \$8 million 21-23 investment was made with the commitment from sponsors and stakeholders to come back with a fix this session. That fix is HB 3595, which does a few things.

First, the bill creates a distinct account to fund both programs, to be known as the Juvenile Justice Education Fund. This allows ODE to move resources between the two programs as needed.

Second, the bill requires ODE to submit a report to the legislature during the budgeting process, identifying a Target Funding Level for the new Juvenile Justice Education Fund. To calculate that Target Funding Level, ODE will establish a baseline average per-classroom funding need, using figures and contracts from the 23-25 biennium. Then, each biennium, that baseline will be adjusted at the rate of State School Fund growth and multiplied by the number of classrooms necessary to serve students. This approach ensures the Target Funding Level is reflective of any increases or decreases in the number of classrooms (and therefore overhead costs) across programs.

It remains up to the Legislature each biennium whether to fund at that target level or not. But this gives us a consistent process for how we determine the amount needed to provide adequate staffing and support to students, and it ensures that JDEP and YCEP don't get lost in the broader budget conversation.

So, that's how we'll calculate the amount needed in the new Fund each biennium; the final element of the bill is about how funds are allocated to each site. The bill provides direction to ODE for criteria to be used when determining individual contract levels, because we've learned that there is no universal formula that works for sites of such varying sizes and student populations. HB 3595 would put into statute what was included in a budget note in 21-23: when awarding contracts ODE shall take into consideration:

- The number of classrooms at the facility
- The total number of students served at the facility
- The proportion of students from historically-underserved communities
- The proportion of students qualifying for Special Education
- The level of transition services provided to students (this was not in the 21-23 budget note, but ODE included it following 2022 legislation)

That's the bulk of the bill. There are a couple of other changes included:

- The bill makes JDEP/YCEP funding an allowable use of the Statewide Education Initiatives Account created by Student Success Act.
- The bill directs the State Board of Education to adopt rules for the contracting process, with language to ensure they collaborate with stakeholders in this process.

We did just catch that we likely need a -2 amendment to correct the implementation date to ensure this joint account is in effect for the 23-24 school year. But that would be the only change in forthcoming amendments.

I'm happy to answer any questions, and I appreciate your time today. Thank you.