

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1034

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Emily Coates
 Reviewed by: Julie Neburka, John Terpening
 Date: 3/19/2023

Measure Description:

Directs Department of Education to make biennial transfer to Oregon Military Department from State School Fund for purpose of paying costs of educational services provided through programs operated by military department for at-risk youth.

Government Unit(s) Affected:

Oregon Military Department, Department of Education

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The measure directs the Oregon Department of Education (ODE) to transfer necessary funds from the State School Fund (SSF) each biennium to the Oregon Military Department (OMD) for educational services provided through at-risk youth programs. The amount transferred from the SSF should be outstanding after the receipt of any federal funds and General Fund appropriation. The measure declares an emergency and is effective upon passage.

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 fiscal impact to the State School Fund is indeterminate. The necessary amount to pay for educational services will depend on how many students are in the program, which has a maximum capacity of 240. The estimated state matching costs for the program in 2023-25 is \$4,268,766.

For the Department of Education, the administrative costs of transferring the funds could be absorbed within current resources. The Legislative Fiscal Office notes that OMD would need Other Funds expenditure limitation to expend funding received from the Department of Education from the SSF.

This measure requires a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the Department of Education, Oregon Military Department, and the State School Fund.