

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

---

**MEASURE NUMBER:** HB 2263                      **STATUS:** C-Engrossed  
**SUBJECT:** Abolishment of Certificate of Initial Mastery and Certificate of Advanced Mastery;  
nationally normed assessment of grade 10 public school students; Boards of Directors of the Oregon  
School for the Deaf and Oregon School for the Blind  
**GOVERNMENT UNIT AFFECTED:** Department of Education  
**PREPARED BY:** Adrienne Sexton  
**REVIEWED BY:** Daron Hill  
**DATE:** June 21, 2007

---

	<u>2007-2009</u>	<u>2009-2011</u>
<b>EXPENDITURES:</b> See Comments.		

**EFFECTIVE DATE:** On passage.

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The measure has three elements. First, it would abolish the Certificate of Initial Mastery and Certificate of Advanced Mastery from Oregon education laws, which has no direct measurable fiscal impact.

Second, the measure would require the Department of Education (ODE) to contract with a non-profit entity to administer a nationally normed assessment of grade 10 public school students. Criteria for selection of the contractor are specified, and the first assessment would take place in the 2008-2009 school year. ODE is authorized by the measure to expend up to \$550,000 annually from the State School Fund, reducing the amount that would be distributed to education service districts. It cannot be known at this time whether the assessment will require the maximum allowed expenditure. For this portion of the measure, it is not necessary to adjust the 2007-09 budget for ODE, since the measure only shifts the General Fund expenditure from education service districts to the contracted assessment. ODE will absorb the workload related to developing and issuing a request for proposal and contract administration.

Third, the measure would create a seven-member board of directors for each of the special schools operated by ODE, the Oregon School for the Blind and the Oregon School for the Deaf. Board members would be appointed by the Governor. Each board would be responsible to: periodically (not defined) conduct a comprehensive review of policies and procedures in conjunction with ODE; make recommendations to the Superintendent of Public Instruction; as needed, interview and provide advice and make recommendations to the Superintendent on hiring a school director; make recommendations on school budget and funding requests; and make recommendations to ODE on the expenditure of private donations and grants received on behalf of the school. Each board is also required to develop and adopt a five-year master plan to specify the mission and objectives of the school, to review the plan every two years, and submit the plan to the Superintendent and Legislative Assembly.

Until the boards are appointed and organized, the board work plans, schedules of meetings, and administrative expectations cannot be known. However, for purposes of the fiscal impact statement, the Legislative Fiscal Office anticipates that ODE will require one, full-time, Principal Executive/Management position and the equivalent of one Office Specialist to staff these new public bodies. Using this model, total Personal Services costs are estimated by ODE to be \$235,914 General Fund in 2007-09, and the equivalent in 2009-11. To the extent that the directors of the two schools could assist with the master planning process or periodic review of policies and procedures, some costs could be reduced.

The number of board meetings, their duration and location, and the distance members must travel, are unknown. However, ODE estimates one Salem-based meeting of seven board members coming from all regions of the state to be approximately \$1,024 for travel expenses. The cost of interpreters for the deaf would be approximately \$350 per meeting, for a total of \$1,374 per meeting. If the Board of Directors for the Oregon School for the Deaf were to meet eight times a year, the direct meeting costs per biennium would be approximately \$21,984. Braille transcription for meeting materials would cost between \$6.50 and \$8.50 per page of Braille text; a 30-page packet of board material would result in 75 pages in Braille. At \$7.50 per page the total would be \$562 for a total of \$1,586 per meeting. The cost would be higher if some of the meeting material is not text. If the Board of Directors for the Oregon School for the Blind were to meet eight times a year, the direct meeting costs per biennium would be approximately \$25,376. It is not known whether one or both boards would choose to have multi-day meetings, or would operate with sub-committees, which could increase these costs.

Other costs to support the boards include a one-time expenditure for a workstation and computer for the additional position, and continuing expenditures for Attorney General legal services, and operating expenses for supplies, telephone, rent, and photocopying and printing. The continuing biennial operating costs for the two boards could range from \$50,000 to \$80,000. In 2007-09 that number would be approximately \$5,400 higher for the workstation and computer.

It is not certain at this time to what extent some costs can be accommodated in the legislatively adopted budget of ODE for 2007-09. However, if the foregoing assumptions are a reasonable description of the necessary support to the new boards, ODE would require an additional position and funding for that position. Additional funding to ODE could be needed as the boards commence their activities and support expectations are known more precisely.