

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2834-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Reps. Komp / Gelser
Carrier – Senate: Sens. Monroe / Girod**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 19 – 2 – 1

House – Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Komp, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Winters

– Nays: Verger, Walker

– Exc: Whitsett

Prepared By: Monica Brown, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: May 22, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	519	2009-11
Administrative Services, Department of	I-3	425	2009-11
Education, Department of	B-10	13	2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
<u>Emergency Board</u>					
General Fund – Special Purpose Appropriation					
Various agencies for purpose of Oregon School for the Blind closure	\$ 0	\$ 0	\$ 2,850,000	\$ 2,850,000	+100.0%
<u>Administrative Services, Department of</u>					
Other Funds	\$ 0	\$ 0	\$ 450,000	\$ 450,000	+100.0%
<u>Education, Department of</u>					
General Fund	\$ 0	\$ 0	\$ 2,985,218	\$ 2,985,218	+100.0%

(1) Includes adjustments through the December 2008 meeting of the Emergency Board
 * Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Administrative Services shall sell the real property owned by the Department of Education known as the Oregon School for the Blind. Proceeds, after reimbursement of costs associated with appraisal and sale, will be deposited into the Education Stability Fund. Fair market value is yet to be determined.

Summary of Education Subcommittee Action

House Bill 2834 directs the closure of the Oregon School for the Blind (OSB) prior to September 1, 2009; the evaluation, screening, and transition of the students to other programs and services; and provides for the disposition of assets. Further, the bill creates the Blind and Visually Impaired Student Fund.

The Subcommittee approved a special purpose appropriation to the Emergency Board totaling \$2,850,000 General Fund for costs associated with the implementation of this bill. The appropriation amount was developed based on the best estimates available. While specific dollar amounts are listed, no agency should assume entitlement to all of those funds. Rather they are to proceed in an efficient manner and report back to the Emergency Board as significant issues arise. The special purpose appropriation amount is intended to cover the following:

- The Department of Education (ODE) will close OSB by September 1, 2009. This date anticipates continuation of 2009 summer programs already planned and the development of transition plans for each student. Since the Department of Administrative Services will take the OSB property into trust on July 1, it is anticipated that ODE and DAS will enter into an interagency agreement to address the work necessary to transfer title, and inventory equipment, supplies, and records. Further, with 69

budgeted positions within OSB, ODE will incur costs associated with employee layoffs including payment of leave balances and unemployment insurance. The special purpose appropriation includes an estimated \$1.2 million.

- The Department of Administrative Services (DAS) will hold OSB in trust, maintain the buildings and grounds, and develop a plan for the sale and distribution of real and personal property including preservation of historical items. The special purpose appropriation includes \$900,000. However, it has not yet been determined whether the property should be sold “as is” or whether demolition and hazardous abatement should occur first. The following Budget Note was approved:

Budget Note:

The Department of Administrative Services shall report to the Emergency Board or Legislature no later than February 2010 with a plan for the sale and distribution of OSB property. As part of the plan, it is anticipated that DAS will complete an environmental assessment and title survey. That plan shall clearly outline options for sale (e.g., “as is”, demolition of buildings, etc.) and the anticipated return on investment for each option.

- The Department of Human Services will screen and evaluate students who were enrolled in OSB on March 1, 2009, expected to enroll during the 2009-2010 school year, and who are under 21 years of age on September 1, 2009, to determine eligibility for services offered by the community mental health and developmental disabilities program serving the communities where students will be located after the closure of OSB. DHS currently provides case management, in-home support, and comprehensive services to approximately 17,000 clients. With staff placed throughout the state, DHS does not anticipate additional costs to screen and evaluate up to 31 students as it is part of their routine workload. However, if OSB students are determined eligible for services not already being providing as part of the DHS caseload, DHS may request additional funding to provide these services. The special purpose appropriation includes \$750,000.

The Subcommittee approved an appropriation of \$2,985,218 General Fund to ODE for the Blind and Visually Impaired Student Fund (Fund). ODE will designate a regional program to oversee the transition of OSB students to the communities and school districts where the students will be located after the school closure and to coordinate professional development, technical assistance, and services to blind and visually impaired students. The resources within this new fund will be used to supplement, not replace or supplant, resources already provided within other state and local programs. Priority for resources within the Fund is to be given to OSB students not only in this biennium, but until they would have otherwise aged out of the educational system.

At this time, it is expected that ODE will not employ or hire staff beyond September 1, 2009, to oversee transition; rather transition services will be provided through the designated regional program. In carrying out the successful transition of OSB students to communities and school districts, the designated regional program shall employ adequate resources including staff with background in serving students who are blind or visually impaired and who hold an endorsement to teach students who are blind or visually impaired.

The following Budget Note was approved:

Budget Note:

The Department of Education, including the designated regional program, and the Department of Human Services shall jointly report to the Emergency Board no later than December 2009 on the transition of OSB students. The Legislature recognizes that under the Family Education Rights and Privacy Act (FERPA), the departments will not be able to provide specific data by individual or school district. However, the report shall include a summary of services being provided, estimated costs, and any residual issues relating to the transition. The Departments shall also include an update on the transition as part of their 2011-13 budget proposals.

The Subcommittee also approved \$450,000 Other Funds expenditure limitation for DAS. Any moneys received from lease payments, sale, and disposition of OSB property may first be used for costs associated with carrying out the provisions of this bill.