

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: HB 5020-A**

**Carrier – House: Rep. Sprenger**

**Carrier – Senate: Sen. Monroe**

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**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 22 – 3 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher

– Nays: Whisnant

– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Verger, Winters

– Nays: Thomsen, Whitsett

– Exc:

**Prepared By:** Jim Carbone, Department of Administrative Services

**Reviewed By:** Monica Brown, Legislative Fiscal Office

**Meeting Date:** June 10, 2011

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**Agency**

Department of Education

**Budget Page**

B-12

**LFO Analysis Page**

5

**Biennium**

2011-13

2009-11

## **Budget Summary\***

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
General Fund	\$ 319,689,717	\$ 357,629,055	\$ 97,705,155	\$ 315,865,760	\$ (3,823,957)	-1.2%
Lottery Funds	55,232,892	55,497,890	55,497,890	53,569,893	(1,662,999)	-3.0%
Other Funds	56,268,772	55,794,426	44,780,371	54,278,661	(1,990,111)	-3.5%
Other Funds Debt Service	2,496,841	2,464,515	2,464,515	2,464,515	(32,326)	-1.3%
Other Funds - Non Limited	104,687,342	84,024,055	84,024,055	107,024,055	2,336,713	+2.2%
Federal Funds	1,003,140,842	785,005,610	722,225,628	831,430,404	(171,710,438)	-17.1%
Federal Funds - Non Limited	327,692,417	285,380,254	285,380,254	285,380,254	(42,312,163)	-12.9%
Total:	\$ 1,869,208,823	1,625,795,805	1,292,077,868	1,650,013,542	(219,195,281)	-11.7%

## **Position Summary**

Authorized Positions	393	392	385	376	-17
Full-time Equivalent (FTE) Positions	375.22	374.96	365.40	357.79	-17.43

(1) Includes adjustments through March 2011.

\* Excludes State School Fund expenditures that were approved in SB 5552

## **2009-11 Supplemental**

### **Appropriations - Grant-in-Aid**

	2011-13 Committee Recommendation
Other Funds	5,525,000
Federal Funds	17,975,000

## **Summary of Revenue Changes**

Other Fund revenues include indirect cost recovery from federal programs, fees, intrafund transfers, revenues from other agencies for specific purposes, Common School Fund pass through funding for school districts, and other miscellaneous sources. Federal Fund revenues include funding for compensatory education programs, school improvement, child nutrition, and education for students with disabilities.

## **Summary of Education Subcommittee Action**

House Bill 5020 provides budget expenditure authority for programs administered by the Department of Education (ODE). This bill generally excludes funding for the State School Fund, which was addressed in SB 5552, but does include an appropriation for Local Option Equalization Grants and a technical adjustment for federal funds.

The Subcommittee approved a total funding level of \$1.65 billion for the department, excluding the State School Fund, or 11.7 percent less than the 2009-11 Legislatively Approved Budget through March 2011 (LAB).

The recommended budget for this agency includes a reduction of General Fund for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the Superintendent of Public Instruction to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

**Department Operations:**

The Subcommittee approved a budget of \$109,404,706 total funds including \$31,470,590 General Fund and 264.34 full-time equivalent positions (FTE). General Fund is reduced from the 2009-11 LAB by 12.1 percent. Total funds are decreased by 10.1 percent.

The Subcommittee took the following actions:

- Approved Package 085, Package 086, and Package 087, which continue the June 2010 General Fund allotment reductions, eliminate inflation, and decrease budgeted personal services costs by 5.5 percent.
- Approved Package 090, Budget and Management Analyst Adjustments, which reduces expenditures by \$3.55 million General Fund, and increased expenditures by \$141,750 Other Funds and \$717,470 Federal Funds as proposed in the Governor's recommended budget. Reductions rely on extended vacancy savings, efficiencies or cost reductions in assessments, lower Services and Supplies budgets, and shifting costs to different fund sources. (Refer to the 25% General Fund Reduction Option List prepared by the department as part of the budget development process --- package includes lines 1 through 38, excluding lines 7, 8, and 34.) Note that the excluded items were renumbered as #6, 7 and 32 in the updated reduction option list presented to the Subcommittee.
- Approved Package 109 which establishes four federally funded positions to address workload demands in school based nutrition programs.
- Approved Package 110 which establishes two positions to eliminate long-standing double-fills on current positions.
- Approved Package 114 which reclassifies four positions in the Office of Student Learning and Partnerships to resolve a working out of classification situation.
- Denied Package 501 that transferred the Early Childhood section to a new agency (the Early Learning Council) as proposed in the Governor's recommended budget. Changes to the program and budget structure for early childhood services may be considered in the 2012 legislative session based on recommendations from the Governor's design team.

- Approved Package 801, Targeted Statewide Adjustments, which reduces General Fund by \$1,028,057 to implement a 6.5 percent reduction to Services and Supplies.
- Approved Package 802, Vacant Position Savings, abolishing five vacant positions (5.00 full-time equivalents): Accounting Technician 2 (#18); Human Resources Assistant (#94); Office Specialist 2 (#212); Operations and Policy Analyst 3 (#707203); and Program Executive/Manager E (#1110033). The package also includes increased vacancy savings from one position that is expected to be vacant most of the biennium.
- Approved Package 810, LFO Analyst Adjustments. To achieve the General Fund reduction targets outlined in the Co-Chairs' Budget, the following actions are included: 1) suspend funding for non-federally mandated 4th and 7th grade writing assessments for one biennium and support only a one-time writing assessment in the 11th grade - \$1,769,000, 2) shift the funding for the Oregon Virtual School District manager to Other Funds, 3) reduce support for content standards and technical support; 4) reduce monitoring and support in the Office of Student Learning and Partnerships. (Refer to the 25% General Fund Reduction Option List prepared by the department as part of the budget development process --- package includes lines 33, 35, 36, 38, and 40-42.); and 5) establish an Internal Auditor position. The Internal Auditor position will report the State Board of Education and oversee the audit function for both ODE and the Department of Community Colleges and Workforce Development. The Subcommittee also modified Federal Funds expenditure limitation to reflect most recent revenue forecast and eliminated a Public Affairs Manager position that does not have the underlying federal revenue to support it.

The Subcommittee adopted the following budget notes:

**Budget Note:**

The State Board of Education shall report to the 2012 legislative assembly on its efforts to recruit and retain an internal auditor, and to complete annual risk assessments for the Departments of Education and Community Colleges and Workforce Development.

**Budget Note:**

The legislature acknowledges that the approved reductions in General Fund support will necessitate reorganization and alignment of work across the ODE. The department shall focus its efforts and expenditures to provide services to children, school districts, education service districts, and to meet minimum federal requirements. When implementing the 2011-13 legislatively adopted budget, the ODE shall not: a) reduce Spanish reading and social studies assessments, b) charge districts for assessment services, c) further reduce regional data warehouse services, nor d) suspend training or help desk services. The State Board of Education and the department shall report by no later than January 6, 2012, on their strategic plan to implement this budget. In addition to the strategic plan, the report shall include detail on the use of professional service contracts, limited duration positions, double-filled positions, temporaries, and the potential to achieve efficiencies in writing assessments.

- Approved Package 819, Supplemental Statewide Ending Balance, which reduces General Fund by \$1,132,636 to create a supplemental ending balance that may be appropriated to the agency in the 2012 legislative session.

**Special Schools:**

The Subcommittee approved a budget of \$19,052,697 total funds including \$11,131,950 General Fund and 85.45 full-time equivalent positions (FTE). General Fund is reduced from the 2009-11 LAB by 17.3 percent. Total funds are decreased by 1.2 percent.

The Subcommittee took the following actions:

- Approved Package 085, Package 086, and Package 087, which continue the June 2010 General Fund allotment reductions, eliminate inflation, and decrease budgeted personal services costs by 5.5 percent.
- Approved Package 090, Budget and Management Analyst Adjustments, eliminating the General Fund appropriation to the Blind and Visually Impaired (BVI) Student Fund. This package restored one dorm counselor position initially eliminated in the Governor's budget development process.
- Modified Package 105, Oregon School for the Deaf (OSD) Maintenance Projects, by establishing a \$1 Other Funds expenditure limitation. Action on building maintenance at the OSD campus will be deferred until the 2012 legislative session. Legislative leadership intends to appoint an interim work group to review deferred maintenance needs and sustainability of the OSD.
- Approved Package 802, Vacant Position Savings, abolishing six vacant positions (5.80 full-time equivalents) including a Public Service Representative (#304), three Teaching Specialists (#330, #341, & #350), a Dorm Counselor (#392), and a Custodian (#404).
- Approved Package 810, LFO Analyst Adjustments. To achieve the General Fund targets outlined in the Co-Chairs' Budget, the following actions are included: 1) add \$1 million General Fund for the Blind and Visually Impaired Student Fund, 2) restore funding for 3 dorm counselor supervisors (2.67 FTE) that were eliminated in the Governor's budget, 3) shift to General Fund from Other Funds three teaching assistant positions, and 4) shift three maintenance positions to Other Funds from General Fund.

Additional actions needed to reflect updated revenue forecasts and available funding include: 1) add \$2,014,782 Other Funds for the Blind and Visually Impaired Student Fund, 2) reduce \$229,559 Other Funds and 3 positions (1.35 FTE) to reflect lower available revenues from the State School Fund, and 3) reduce \$16,045 Federal Funds to reflect most recent estimate of revenues.

Due to available revenues and General Fund allotment reductions in the 2009-11 biennium, OSD laid off 28 positions of an authorized 108 positions. The Department reports that there are not immediate safety concerns, but the interim staffing levels are unsustainable. The recommended budget includes funding for 99 positions. The Subcommittee adopted the following budget note:

**Budget Note:**

The ODE shall develop a staffing model for the OSD to demonstrate an appropriate, not necessarily optimal, and comprehensive level of staff coverage to ensure student safety. The department shall report to the 2012 legislative assembly on its findings and final staffing model.

- Approved Package 819, Supplemental Statewide Ending Balance that reduces General Fund by \$400,642 to create a supplemental ending balance that may be appropriated to the agency in the 2012 legislative session.

**Youth Corrections Educational Program:**

The Subcommittee approved a budget of \$17,031,781 total funds and 8.00 full-time equivalent positions (FTE). Total funds are decreased by 25.7 percent from the 2009-11 LAB.

The Subcommittee took the following actions:

- Approved Package 086, and Package 087, which eliminate inflation, and decrease projected Personal Services costs by 5.5 percent, respectively.
- Approved Package 090, Budget and Management Analyst Adjustments, lowering the Other Funds expenditure limitation by \$9,527,644 to reflect a reduction of Oregon Youth Authority (OYA) beds from about 900 to 475 as proposed in the Governor's recommended budget.
- Approved Package 802, Vacant Position Savings, abolishing eight vacant positions (7.88 full-time equivalents). The related expenditure limitation reduction was included in the Package 090 adjustment.
- Approved Package 810, LFO Analyst Adjustments. The Co-Chairs' budget anticipates restoring a portion of the bed capacity in OYA facilities that was reduced in the Governor's budget. This package reflects an increase in State School Fund revenues to support the educational component of this restoration. However, ODE will need to reconcile cash available to the program, monitor actions taken within the OYA budget, and obtain final allocation of bed capacity by facilities to appropriately oversee its contracts and to make adjustments to minimize disruptions to education services for this population. The Subcommittee also approved reducing \$250,271 Federal Funds expenditure limitation to reflect lower than anticipated revenues.

**Grant-In-Aid:**

The Subcommittee approved a budget of \$1,344,806,542 total funds including \$271,332,700 General Fund. There are no positions in this program unit. General Fund is increased by 1.1 percent from the 2009-11 LAB. Total funds are decreased by 10.2 percent.

The Subcommittee took the following actions:

- Approved Package 085 and Package 086, which continue the June 2010 General Fund allotment reductions and eliminate inflation, respectively.

- Approved Package 090, Budget and Management Analyst Adjustments, which reduced General Fund grants to an average of 18 percent below the current service level in the Governor’s recommended budget, except for the Early Intervention/Early Childhood Special Education (EI/ECSE) and the Oregon Pre-Kindergarten (OPK) programs which are maintained at the current service level.
- Denied Package 501 that transferred EI/ECSE and OPK grants to a new agency (the Early Learning Council) as proposed in the Governor’s recommended budget. Changes to the program and budget structure for early childhood services may be considered in the 2012 legislative session based on recommendations from the Governor’s design team.
- Approved Package 810, LFO Analyst Adjustments. General Fund is decreased by \$5.86 million to achieve the Co-Chairs' funding level for grant-in-aid programs. Other Funds expenditure limitation is adjusted to reflect an updated forecast of State School Fund revenues available for Long-term Care and Treatment, Hospital, and miscellaneous grant programs. Federal Funds expenditure limitation is adjusted to reflect updated revenue forecasts.
- Approved Package 819, Supplemental Statewide Ending Balance, which reduces General Fund by \$9,765,346 to create a supplemental ending balance that may be appropriated to the agency in the 2012 legislative session.

**Summary of General Fund support by Grant-in-Aid program**

	<b>2009-11 Legislatively Approved</b>	<b>2011-13 Governor's Recommended</b>	<b>2011-13 Co-Chairs'</b>	<b>2011-13 Co-Chairs' including Supplemental Ending Balance</b>
Early Intervention/ Early Childhood Special Education	\$106,169,107	\$123,142,930	\$119,410,000	\$115,261,696
Oregon Prekindergarten	104,988,285	112,725,087	109,560,000	105,753,886
Regional	29,430,570	26,758,094	26,758,094	25,828,518
Long-term Care & Treatment	16,820,601	15,293,188	15,293,188	14,761,903
Hospital Programs	1,454,048	1,322,012	1,322,012	1,276,085
Nutrition	2,315,471	2,567,332	2,000,000	1,930,520
Mentoring	4,682,365	3,893,760	4,682,365	4,519,700
Early Head Start	953,719	-	950,000	916,997
Connectivity	587,301	488,387	488,387	471,420
Student Leadership	461,772	384,000	250,000	241,315
Physical Education	461,772	384,000	384,000	370,660
<b>Total</b>	<b>\$268,325,011</b>	<b>\$286,958,790</b>	<b>\$281,098,046</b>	<b>\$271,332,700</b>

The Subcommittee adopted the following budget note:

**Budget Note:**

The ODE shall convene a stakeholder work group to address the findings and concerns outlined in the 2008 American Institutes for Research report "Funding Recommendations for Oregon's Long Term Care and Treatment Education Program". The work group shall develop recommendations to address equity in funding and appropriate educational levels in residential and day treatment programs prior to the convening of the 2012 legislative session.

**School Funding:**

A funding level of \$5.7 billion total funds for the State School Fund has already been approved in Senate Bill 5552.

The Subcommittee took the following actions as part of House Bill 5020:

- Approved Package 810, LFO Analyst Adjustments, to include \$2 million General Fund, or \$600,000 higher than the Governor's recommended budget, for Local Option Equalization Grants (LOEG); and included a technical adjustment of \$61 million Federal Funds expenditure limitation to allow school and education service districts to draw down Federal stimulus dollars into the 2011-13 biennium. It is anticipated that most districts would fully access these resources in the 2009-11 biennium.
- Approved Package 819, Supplemental Statewide Ending Balance, which reduces General Fund by \$69,480 that is applied to LOEG.

**Common School Fund:**

This program unit reflects the transfers of Common School Fund distributions from the Department of State Lands for distribution to districts. Expenditures are Non-limited. The anticipated level of distribution in the 2011-13 biennium totals \$101,752,888 which is an increase of 2.2 percent over the 2009-11 LAB. SB 5552 assumes distributions will be increased to 5.5 percent rather than 4 percent to provide additional funding for schools.

**Debt Service:**

The Subcommittee approved a budget of \$56,034,408 total funds including \$53,569,893 Lottery Funds. There are no positions in this program unit. Lottery Funds are reduced 3.0 percent from the 2009-11 LAB.

The Subcommittee approved Package 819, Supplemental Statewide Ending Balance, which reduces Lottery Funds by \$1,927,997 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.



**Adjustment to 2009-11 LAB:**

The Subcommittee approved several adjustments to the 2009-11 LAB. Other Funds expenditure limitation to support the Long-Term Care and Treatment and Hospital programs is increased by \$5.5 million. Federal Funds expenditure limitation for grants-in-aid and purchased services from funds received through the Individuals with Disabilities Education Act is increased by \$8,125,000. Federal Funds expenditure limitation from funds received through Title I is increased by \$9,850,000. In addition, the maximum limit of federal fund expenditures for the State School Fund is increased by \$1.7 million for the 2009-10 school year and decreased by the same amount for the 2010-11 school year.

**Summary of Performance Measure Action**

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5020-A**

**Department of Education  
Jim Carbone -- (503) 378-3619**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 319,689,717	\$ 55,232,892	\$ 58,765,613	\$ 104,687,342	\$ 1,003,140,842	\$ 327,692,417	\$ 1,869,208,823	393	375.22
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 357,629,055	\$ 55,497,890	\$ 58,258,941	\$ 84,024,055	\$ 785,005,610	\$ 285,380,254	\$ 1,625,795,805	392	374.96
2011-13 Governor's Recommended Budget*	\$ 97,705,155	\$ 55,497,890	\$ 47,244,886	\$ 84,024,055	\$ 722,225,628	\$ 285,380,254	\$ 1,292,077,868	385	365.40
<b>SUBCOMMITTEE ADJUSTMENTS (from GRB)</b>									
<b>SCR 100 - Department Operations</b>									
Package 501 - Early Childhood - DENIED									
Personal Services	\$ 898,321	\$ 0	\$ 94,911	\$ 0	\$ 779,584	\$ 0	\$ 1,772,816	10	10.00
Services and Supplies	\$ 192,742	\$ 0	\$ 152	\$ 0	\$ 401,981	\$ 0	\$ 594,875	0	0.00
Package 801 - Targeted Statewide Adjustment									
Services & Supplies	\$ (1,028,057)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,028,057)	0	0.00
Package 802 - Vacant Position Savings									
Personal Services	\$ (354,742)	\$ 0	\$ (293,607)	\$ 0	\$ (119,688)	\$ 0	\$ (768,037)	(5)	(5.00)
Package 810 - LFO Analyst Adjustments									
Personal Services	\$ 692,178	\$ 0	\$ 0	\$ 0	\$ (185,527)	\$ 0	\$ 506,651	0	(0.25)
Services & Supplies	\$ (1,829,000)	\$ 0	\$ 0	\$ 0	\$ (9,000,000)	\$ 0	\$ (10,829,000)	0	0.00
Package 819 - Supplemental Statewide Ending Balance									
Personal Services	\$ (679,372)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (679,372)	0	0.00
Services & Supplies	\$ (450,203)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (450,203)	0	0.00
Capital Outlay	\$ (3,061)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,061)	0	0.00
<b>SCR 200 - Special Schools</b>									
Package 105 - OSD Maintenance Projects									
Services & Supplies	\$ 0	\$ 0	\$ (454,999)	\$ 0	\$ 0	\$ 0	\$ (454,999)	0	0.00
Package 802 - Vacant Position Savings									
Personal Services	\$ (647,269)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (647,269)	(6)	(5.80)
Package 810 - LFO Analyst Adjustments									
Personal Services	\$ (2,737)	\$ 0	\$ 237,051	\$ 0	\$ 0	\$ 0	\$ 234,314	0	1.32
Services & Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ (16,045)	\$ 0	\$ (16,045)	0	0.00
Special Payments	\$ 1,000,000	\$ 0	\$ 2,014,782	\$ 0	\$ 0	\$ 0	\$ 3,014,782	0	0.00
Package 819 - Supplemental Statewide Ending Balance									
Personal Services	\$ (365,902)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (365,902)	0	0.00
Special Payments	\$ (34,740)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (34,740)	0	0.00

\*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<b>SCR 250 - Youth Corrections Education</b>										
Package 802 - Vacant Position Savings										
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	(8)	(7.88)
Package 810 - LFO Analyst Adjustments										
Services & Supplies	\$ 0	\$ 0	\$ 5,800,000	\$ 0	\$ 0	\$ 0	\$ 5,800,000	0	0	0.00
Special Payments	\$ 0	\$ 0	\$ 0	\$ 0	\$ (250,271)	\$ 0	\$ (250,271)	0	0	0.00
<b>SCR 300 - Grant-in-Aid</b>										
Package 501 - Early Childhood - DENIED										
Special Payments	\$ 235,868,017	\$ 0	\$ 0	\$ 0	\$ 43,759,004	\$ 0	\$ 279,627,021	0	0	0.00
Package 810 - LFO Analyst Adjustments										
Special Payments	\$ (5,860,744)	\$ 0	\$ 2,100,000	\$ 0	\$ 73,835,738	\$ 0	\$ 70,074,994	0	0	0.00
Package 819 - Supplemental Statewide Ending Balance										
Special Payments	\$ (9,765,346)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (9,765,346)	0	0	0.00
<b>SCR 400 - School Funding</b>										
Package 810 - LFO Analyst Adjustments										
Special Payments	\$ 600,000	\$ 0	\$ 0	\$ 0	\$ 61,000,000	\$ 0	\$ 61,600,000	0	0	0.00
Package 819 - Supplemental Statewide Ending Balance										
Special Payments	\$ (69,480)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (69,480)	0	0	0.00
<b>SCR 450 - Common School Fund</b>										
Package 810 -										
Special Payments	\$ 0	\$ 0	\$ 0	\$ 23,000,000	\$ 0	\$ 0	\$ 23,000,000	0	0	0.00
<b>SCR 850 - Debt Service</b>										
Package 819 - Supplemental Statewide Ending Balance										
Debt Service	\$ 0	\$ (1,927,997)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,927,997)	0	0	0.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 218,160,605</b>	<b>\$ (1,927,997)</b>	<b>\$ 9,498,290</b>	<b>\$ 23,000,000</b>	<b>\$ 170,204,776</b>	<b>\$ 0</b>	<b>\$ 418,935,674</b>	<b>(9)</b>	<b>(7.61)</b>	
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 315,865,760</b>	<b>\$ 53,569,893</b>	<b>\$ 56,743,176</b>	<b>\$ 107,024,055</b>	<b>\$ 892,430,404</b>	<b>\$ 285,380,254</b>	<b>\$ 1,711,013,542</b>	<b>376</b>	<b>357.79</b>	
% Change from 2009-11 Leg Approved Budget	-1.2%	-3.0%	-3.4%	2.2%	-11.0%	-12.9%	-8.5%	-4.3%	(0.05)	
% Change from 2011-13 Current Service Level	-11.7%	-3.5%	-2.6%	27.4%	13.7%	0.0%	5.2%	-4.1%	(0.05)	
% Change from 2011-13 Gov's Recommended Budget	223.3%	-3.5%	20.1%	27.4%	23.6%	0.0%	32.4%	-2.3%	(0.02)	

\*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>2009-11 Supplemental Appropriations</b>									
<b>SCR 300 - Grant-in-Aid</b>									
Special Payments	\$ 0	\$ 0	\$ 5,525,000	\$ 0	\$ 17,975,000	\$ 0	23,500,000	0	0.00

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2011-2013 Key Performance Measures

**Agency: EDUCATION, OREGON DEPARTMENT of**

Mission: Increase Achievement for All Students

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - ACCESS TO PRE-KINDERGARTEN—Percentage of eligible children receiving Head Start / Oregon Pre-Kindergarten services.		Approved KPM	67.00	75.00	75.00
2 - KINDERGARTEN READINESS— Percentage of kindergarten children demonstrating readiness criteria.		Approved KPM	46.30	80.00	80.00
3 - STUDENT ACHIEVEMENT— Percentage of students meeting or exceeding statewide academic performance standards in 3rd and 8th grade reading and math.		Approved KPM	83.00	98.00	99.00
4 - STUDENT GROWTH: Percent of students meeting growth targets on statewide assessments.		Approved KPM	23.60	41.60	41.60
5 - HIGH SCHOOL GRADUATION—Percentage of secondary students who graduate, drop out or otherwise finish PK12 education (three separate metrics).		Approved KPM	66.00	67.00	67.00
6 - COLLEGE READINESS - Success rate, participation rate, and second year persistence rate of Oregon PK-12 students into post-secondary institutions.		Approved KPM	52.20	50.00	52.00
7 - SCHOOLS AND DISTRICTS MEETING AYP—Number and percentage of schools and districts that meet Adequate Yearly Progress (AYP) criteria.		Approved KPM	72.00	86.00	90.00
8 - LOW-PERFORMING SCHOOLS IMPROVE - Percentage of low-performing schools that improve over time based on Adequate Yearly Progress (AYP) guidelines.		Approved KPM	86.00	80.00	80.00
9 - SCHOOLS CLOSING THE ACHIEVEMENT GAP—Percentage of schools closing the academic achievement gap.		Approved KPM	26.00	10.00	10.00
10 - SCHOOLS OFFERING ADVANCED COURSES—Percentage of schools offering advanced courses.		Approved KPM	54.10	67.00	67.00

**Agency: EDUCATION, OREGON DEPARTMENT of**

Mission: Increase Achievement for All Students

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
11 - SUSPENSION, EXPULSION, AND TRUANCY—Number of suspension, expulsion, and truancy incidents, disaggregated by incident type.		Approved KPM	99,487.00	103,150.00	103,150.00
12 - SAFE SCHOOLS—Number of schools identified as persistently dangerous or on the “watch list.”		Approved KPM	0.00	7.00	7.00
13 - BUS SAFETY—Number of bus accidents, severity of accident, and who was at fault, compared to a similar state and the national average.		Approved KPM	67.00	65.00	65.00
14 - HIGHLY QUALIFIED TEACHERS - Percentage of core academic classes taught by highly qualified teachers.		Approved KPM	96.00	100.00	100.00
15 - MINORITY STAFF— Percentage of schools increasing or maintaining a high percentage of minority staff (Shared Measure with Teaching Standards Practices Commission and OUS).		Approved KPM	8.00	8.00	8.00
16 - TIMELY ASSESSMENTS AND ASSESSMENT RESULTS—Percentage of statewide assessment and statewide assessment results provided to districts on time		Approved KPM	100.00	100.00	100.00
17 - ON-TIME TECHNICAL PROJECTS—Percentage of technology projects met on schedule		Approved KPM	95.00	95.00	95.00
18 - ACCURATE AND TIMELY PUBLIC REPORTS—Percentage of key public reports released accurately and on time.		Approved KPM	88.00	85.00	85.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Accuracy	Approved KPM	69.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Availability of Information	Approved KPM	66.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Expertise	Approved KPM	71.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Helpfulness	Approved KPM	74.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Overall	Approved KPM	68.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Timeliness	Approved KPM	56.00	70.00	70.00

**Agency: EDUCATION, OREGON DEPARTMENT of**

Mission: Increase Achievement for All Students

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2012</b>	<b>Target 2013</b>
20 - Percentage of eligible children who receive Early Intervention/Early Childhood Special Education services that meet service level standards.		Approved KPM			
21 - Percentage of children who exit Early Intervention/Early Childhood Special Education programs functioning within age level expectations or having made substantial progress (as defined by ODE) in the outcome areas of positive social-emotional skills, acquisition and use of knowledge and skills, and use of appropriate behaviors to meet their needs.		Approved KPM			

**LFO Recommendation:**

Approve existing KPMs and adopt two new measures related to early childhood programs. Targets for the new measures will be established during the biennium.

**Sub-Committee Action:**

Approve LFO recommendation.