

Joint Committee on Ways and Means

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Subcommittee on Education

Sen. Rod Monroe, Co-Chair
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Sen. Chris Edwards
Sen. Fred Girod
Rep. Lew Frederick
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TO: Education Subcommittee Members

FROM: Doug Wilson, LFO

DATE: April 9, 2013

RE: Oregon Education Investment Board– Senate Bill 5548

The Education Subcommittee will begin the phase 1 of the budget process for the Oregon Education Investment Board (OEIB) on April 9th. This memo points out major policy and budget issues for the Subcommittee to consider. There are no audit findings or budget notes relating to this agency since it is a new agency. Resources available on OLIS for Subcommittee members besides this memo include the LFO Budget Review, the Power Point presentation prepared by OEIB, and the DAS presentation on the OEIB budget.

Major Policy and Budget Issues

- The OEIB was established in 2011 as a primary focus point and advisory board to both the Governor and the Legislature on education issues spanning from pre-kindergarten through post-secondary education (P-20). One major responsibility is to recommend strategic investments to ensure that the public education budget is integrated and is targeted to achieve the establish outcomes.
- The OEIB appoints the State's Chief Education Officer (CEdO) who provides the staffing for the OEIB and is seen as the primary focus point for P-20 education for the State. While he does not have general direct control or hire/fire authority for other education officials in the State, he does have authority for "direction and control...for matters related to the design and organization of the state's education system" over these officials.
- For 2011-13, the budget for the OEIB and Office of the CEdO was part of the Office of the Governor as was the budget for the Early Learning Council and Youth Development Council. The OEIB and CEdO budgets were part of an appropriation of just less than \$3 million General Fund. The majority of the funding was used for employee/contract compensation (most for the 2nd year of the 2011-13 biennium). Additional funding was used for executive search, OEIB meeting costs, and for projects authorized by the OEIB.

These projects included those related to return on education investment, planning for the longitudinal data system, and the Education Funding Team for the Governor's ten-year budget process. OEIB and the CEEdO Office also relied on resources and loaned staff from Oregon Department of Education, Oregon University System, and other agencies.

- For 2013-15, the OEIB is proposed in the Governor's budget to be established as a separate and independent state agency. The statutory authority for both the OEIB and CEEdO are still scheduled to sunset in 2016.
- A primary area of work for OEIB is to enter into annual educational achievement compacts with individual educational entities (e.g., school districts, community colleges, units of OUS, OHSU). The terms of the compacts may include completion rates including high school and college diplomas, certificates, and other "critical stages" in the educational continuum; progress toward the 40-40-20 goal; and validation of the quality of knowledge and skills acquired by students. While the compacts are required, there are no specific consequences if the goals included in the compact are not achieved. The authority for achievement compacts sunsets July 1, 2015.
- The Governor's budget proposes a \$7.2 million General Fund budget with 19 positions. While some of the funds are designated for the OEIB board meetings, the majority of the resources (\$4.7 million General Fund and 11 positions) reflect the continuation of the existing CEEdO's staff. Another 8 positions (\$1.4 million General Fund) are proposed for a new research shop for all education related areas.
- Other resources proposed in the Governor's budget include \$250,000 General Fund for a statewide campaign to promote the Oregon Reads initiative, \$1.0 million General Fund associated with regional compacts, and \$200,000 for an incentives and support fund which would be used at the discretion of the CEEdO.