

**SB 5548**

**Oregon Education Investment Board**

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SB 5548 is the budget bill for the Oregon Education Investment Board or the OEIB. The OEIB was established in 2011 as a primary advisory board to both the Governor and the Legislature on education issues spanning from pre-Kindergarten through post-secondary education. This budget includes the costs of the Board as well as the staff and other costs of the Office of the Chief Education Officer. The authority for the OEIB and the Chief Education Officer sunsets in March 2016.

The Education Subcommittee recommends a budget of \$6,158,784 General Fund and 15 positions. The majority of the budget is for the 11 existing positions that are currently in the Office of the Governor but will be transferred to this new budget. These positions include the Chief Education Officer, his policy related staff, and support staff for the Board. Also recommended were four new positions to form a research unit for the P-20 continuum – half of the number proposed by the Governor.

This recommended budget also includes \$950,000 General Fund for programs that are part of the \$27 million budgeted for the strategic education investments. Included in this budget is \$500,000 for regional compact grants, \$200,000 for state connections conferences, and \$250,000 for a statewide reading campaign.

The Education Subcommittee recommends SB 5548 be amended, and be reported out do pass, as amended.

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: SB 5548-A**

**Carrier – House: Rep. Komp**

**Carrier – Senate: Sen. Monroe**

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

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Bill McGee, Department of Administrative Services

**Reviewed By:** Doug Wilson, Legislative Fiscal Office

**Meeting Date:** June 19, 2013

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Agency

Oregon Education Investment Board

Biennium

2013-15

**Budget Summary\***

	2011-13 Legislatively Approved Budget <sup>(1)</sup>	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 0	\$ 0	\$ 6,158,784	\$ 6,158,784	100.0%

**Position Summary**

Authorized Positions	0	0	15	15
Full-time Equivalent (FTE) positions	0.00	0.00	15.00	15.00

<sup>(1)</sup> Includes adjustments through December 2012

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Oregon Education Investment Board is funded entirely with General Fund.

**Summary of Education Subcommittee Action**

The Oregon Education Investment Board (OEIB) was established in 2011 as a primary focus point and advisory board to both the Governor and the Legislature on education issues from pre-kindergarten through post-secondary education (P-20). The Board is chaired by the Governor. One major responsibility is to recommend strategic investments to ensure that the public education budget is integrated and is targeted to achieve the established outcomes. The OEIB appoints the State’s Chief Education Officer (CEdO) who provides the staffing for the OEIB.

For 2011-13, the budget for the OEIB and Office of the CEdO was part of the Office of the Governor. The OEIB and CEdO budgets were part of an appropriation of just less than \$3 million General Fund. For 2013-15, the OEIB is proposed to be established as a separate and independent state agency. The statutory authority for both the OEIB and CEdO are still scheduled to sunset in 2016.

The Subcommittee approved a budget of \$6,158,784 General Fund and 15.00 full-time equivalent positions. The Subcommittee took the following actions:

- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an

Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces General Fund by \$13,108.

- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS board, as directed by a budget note in the SB 822 budget report, will reduce state employee contribution rates by up to an additional 1.9 percent. However, no employer rate will be reduced below its 2011-13 biennium rate. The package reduces General Fund by \$104,737.
- Approved Package 101 that provides \$4,621,042 General Fund for funding the operation of OEIB and its current staff. The package includes resources for 12 board members and 11 staff positions, including the Chief Education Officer, a chief of staff, two deputies assigned to general areas of education policy, three policy analysts or project managers, a board administrator and three support staff. The package also includes Services and Supplies funding for the general operations of the agency, \$500,000 for contracts, funding for paying the Department of Administrative Services for financial and administrative support (\$285,000), board expenses (\$24,000), travel and car allowance (\$88,000), and other costs. The Subcommittee included \$100,000 to partially fund Pension Obligation Bond liabilities that were omitted in the Governor's budget. This amount covers less than half of the estimated amount due in the 2013-15 biennium; OEIB will need to identify savings in its budget to meet the remaining part of the obligation.
- Approved Package 102 with \$705,587 General Fund that provides staff and funding to create a research unit for the P-20 educational continuum. The package includes four Research Analyst 3 positions (4.00 FTE). The Subcommittee authorized OEIB to structure the four positions within the resources provided in the package to best meet its needs.
- Approved Package 103 for \$950,000 General Fund to fund a portion of the Governor's strategic education investments that are spread among the Department of Education, the Oregon Student Access Commission and this agency. The package includes \$500,000 for grants to fund regional achievement compact convenings, \$200,000 General Fund for state education connections conferences, and \$250,000 General Fund for a statewide reading campaign.

The Subcommittee discussed strategic initiatives proposed by the Governor and included in House Bill 3232 and House Bill 3233 and adopted the following budget note.

### **Budget Note**

The Oregon Education Investment Board, the Oregon Department of Education and other education related agencies are directed to report to the Joint Committee on Ways and Means during the 2014 Legislative Session on the progress of implementing the education strategic initiatives and the Network for Quality Teaching and Learning. The report shall include at the least the following:

1. For each individual program the total amount of grants or contracts awarded or entered into, the amount of grants or contracts committed to but not awarded, and the amount of funding remaining to be committed.
2. For each individual program; a list of recipients of the grant award or contract, a short description of program or service the grant or contract was for, the target group of the program or service, the anticipated number served by the grant or contract, and the anticipated outcome of the grant or contract.
3. Any changes to law or practice that would improve the initiatives or network that should be considered by the Legislature during the 2014 or 2015 Sessions.
4. Any transfer of funding between individual programs and initiatives from the amount of funding assumed during the 2013 Session and the rationale for making each of the transfers.

### **Summary of Performance Measure Action**

As a newly established agency, OEIB does not have Key Performance Measures (KPMs) at this time. The agency has formed a good basis for determining KPMs for the future by adopting goals and associated metrics. The Subcommittee directed OEIB to propose KPMs for the 2015-17 budget using these existing measures.

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

**SB 5548-A**

**Oregon Education Investment Board  
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00	
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00	
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>										
<b>SCR 001: Oregon Education Investment Board</b>										
Package 092: PERS Taxation Policy										
Personal Services	\$ (13,108)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(13,108)	0	0.00
Package 093: Other PERS Adjustments										
Personal Services	\$ (104,737)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(104,737)	0	0.00
Package 101: OEIB Board and Staff										
Personal Services	\$ 3,617,926	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,617,926	11	11.00
Services and Supplies	\$ 1,003,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,003,116		
Package 102: Educational Research Capacity										
Personal Services	\$ 589,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	589,046	4	4.00
Services and Supplies	\$ 116,541	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	116,541		
Package 103: PK-20 Program Initiatives										
Services and Supplies	\$ 950,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	950,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 6,158,784</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>6,158,784</b>	<b>15</b>	<b>15.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 6,158,784</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>6,158,784</b>	<b>15</b>	<b>15.00</b>
% Change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
% Change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

SB 5548-1  
(LC 9548)  
6/14/13 (TR/ps)

**PROPOSED AMENDMENTS TO  
SENATE BILL 5548**

1 In line 2 of the printed bill, delete "limiting expenditures;".

2 Delete lines 5 through 16 and insert:

3 **"SECTION 1. There is appropriated to the Oregon Education In-**  
4 **vestment Board, for the biennium beginning July 1, 2013, out of the**  
5 **General Fund, the amount of \$6,158,784.**

6 **"SECTION 2. This 2013 Act being necessary for the immediate**  
7 **preservation of the public peace, health and safety, an emergency is**  
8 **declared to exist, and this 2013 Act takes effect July 1, 2013."**

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