

MAJOR CHALLENGES AND DECISION POINTS**Education Agencies**

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Over the past two years, ongoing discussions and actions regarding the state's education system have highlighted some overall policy principles including:

Tight/Loose Relationship between the State and Educational Services Providers: One of the underlying principles of Oregon's education reform is the concept of the tight/loose relationship between the state and the various school districts, post-secondary institutions, and other providers of education services. The concept is that the state will be tight or more directive in laying out the educational expectations and outcomes, but will be looser in instructing or dictating on how those outcomes are achieved. The state would also be responsible for providing technical assistance and distribution of best practices to educational service providers.

Integration of the P-20 Education System: Recent discussions have centered on the need to integrate all phases of education including the various preschool and early childhood learning programs. The concept is that if the proper investments can be made early, children will be ready to learn when they enter kindergarten and elementary school. Along the same lines, investments at other key K-12 points should result in a better chance that a student will graduate and/or attend a post-secondary institution. Many of the initiatives proposed in the Governor's budget are designed to address this integration and transition points.

40-40-20 Goal by 2025: ORS 351.009 states the "mission of all education beyond high school in Oregon includes achievement of the following by 2025"-- at least 40% of adults have earned at least a bachelor's degree, another 40% have earned a two year associate's degree or a post-secondary credential, and the remaining 20% have achieved at least a high school diploma or its equivalent. In a report to the Oregon Education Investment Board (OEIB), the National Center for Higher Education Management Systems (NCHEMS) estimated that over 253,000 more post-secondary degrees and certificates will have to be earned to reach the 2025 goal (153,351 certificates, 54,844 associate degrees, and 45,573 bachelor degrees). In addition, roughly 6,000 more K-12 students (based on the number of grade 9-12 dropouts annually over the past few years) will have to stay in school each year to reach the 20% high school diploma goal. A number of questions remain regarding this goal such as: (1) the design of the system including increasing the capacity of post-secondary institutions; (2) alternatives for increasing the "productivity" of the system including how to increase the completion rate and decrease the time students spend earning their degrees or certificates; and (3) the cost to both the state and to individuals. One other issue is whether the jobs currently in the economy, or will be in the economy in 2025, require the level of educational attainment assumed in the 40-40-20 goal. The Employment Department testified to the OEIB that in 2010 the minimum standard for two thirds of the jobs in the state was a high school diploma or less.

Actions already taken by the Legislature in 2011 and 2012 as well as actions by the Governor have led to major reform or organizational actions including:

1. New Superintendent of Public Instruction and Oregon Department of Education

The Governor is now the Superintendent of Public Instruction replacing the former separately elected official. The Governor does appoint a deputy superintendent who generally carries out most of the responsibilities of the former elected Superintendent including acting as the agency head of the Oregon Department of Education (ODE). A new strategic plan of the agency proposes

ODE change its focus and direction from a regulatory and compliance body to one of technical assistance and collaboration. One limiting factor to this change is the degree to which the current funding for staff is tied to specific federal programs and the flexibility of these federal funds.

2. *Oregon Education Investment Board (OEIB)*

The OEIB is a 13 member board appointed and chaired by the Governor. It is charged with “overseeing” a unified public education system beginning with early childhood learning and continuing to post-secondary education. The term “overseeing” is not well defined. The OEIB has generally acted as an advisory board for the Governor and the Chief Education Officer and sponsored much of the research on various policy initiatives so far. Specific OEIB duties include recommending strategic education investments to ensure the education budget is targeted to outcomes, entering into achievement compacts, and providing an integrated student-based data system to monitor spending and outcomes. Under existing law, the OEIB sunsets in March 2016.

OEIB has “direction and control” of the Early Learning Council (ELC) and the Higher Education Coordinating Council (HECC) to oversee their activities as they relate to connecting and streamlining K-12 to early learning activities and higher education. No such provision currently is included for K-12 governing bodies like the State Board of Education. A proposal developed by the OEIB’s Governance & Policy Committee recommended having the OEIB be “ultimately responsible for overall state education leadership, with the ability to delegate portions of its responsibilities to sub-councils,” which are identified as the ELC, HECC, and the successor to the State Board of Education. Few details have yet been released on what responsibilities would be delegated and under what circumstances the OEIB would review the decisions of these “sub-councils.”

3. *Chief Education Officer (CEdO)*

The CEdO is appointed by the OEIB and is assigned duties by the Board. The CEdO does not appoint or “supervise” the other major education related officials other than having “direction and control” for “matters related to the design and organization of the state’s education system” over the Commissioner for Community College Services, Chancellor of the Oregon University System, executive director of the Oregon Student Access Commission, Early Childhood System Director, executive director of the Higher Education Coordinating Commission, and the Deputy Superintendent of Public Instruction. Overall, the CEdO currently has limited power other than the “bully pulpit” and the influence and responsibility provided through the Governor and OEIB. Under current law the authority for the CEdO position sunsets in March 2016.

The administrative and operational organization of education related agencies needs to be clarified. The current structure has some overlapping responsibilities, conflicting missions, and multiple lines of reporting for some positions, both at the board level (e.g., OEIB, HECC) and at the position level (e.g., CEdO, Deputy Superintendent). The Governor’s budget continues and expands the budget and resources for the CEdO’s office with \$4.7 million General Fund continuing the current eleven CEdO Office’s positions and another \$1.4 million General Fund for a proposed 8 position research shop.

4. *Educational Achievement Compacts*

The OEIB is required 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. The compacts are

to have targets approved by the appropriate governing board including the measurement of achievement gaps for specific target groups. 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 under current law sunsets July 1, 2015.

5. *Early Childhood Learning and Youth Development*

The State Commission on Children and Families was abolished and its functions related to children six years and younger were transferred to the Early Learning Council (ELC). The ELC was established to assist the OEIB in “overseeing” a unified system of early childhood services and ensuring that children are ready to learn. It also acts as the state advisory council for the federal Head Start program. The Commission’s functions related to youth between six and twenty years of age are transferred to the Youth Development Council (YDC) who is to assist the OEIB in overseeing a system which supports academic success and reduces criminal involvement. Local Commissions on Children and Families continue to be statutorily authorized until January 2014.

The ELC and YDC are appointed by the Governor and are under the direction and control of the OEIB. The activities of the ELC are also to be directed and supervised by the Early Childhood System Director who is appointed by the Governor. The Governor’s 2013-15 budget proposes moving all of the early childhood learning programs (including child care) and the youth development programs to the Oregon Department of Education. The larger question is how these services will be administered and delivered at the local level. One alternative being discussed is the creation of regional “hubs” for the early learning programs where a local entity will have significant say in how the resources are spent and for what. One large factor to consider in whatever design is agreed to is the degree that these resources are tied to their federal funding sources and rules.

6. *Higher Education Coordinating Commission (HECC)*

The 15 member HECC is established by ORS 351.715 and its various statutorily required responsibilities include to develop state goals and accountability measures for Community Colleges, Public Universities, and the Oregon Student Access Commission (OSAC); develop a strategic plan for meeting these goals; develop a finance model for higher education; recommend limits for setting tuition rates; design a statewide educational data system; approve and authorize degrees for OUS; coordinate with OSAC to maximize student financial assistance; and recommend appropriations and a consolidated budget for the various units of the post-secondary system. HECC is to appoint an Executive Director and may delegate any of its responsibilities to this position. No Director has been appointed yet and there is no dedicated staff for HECC for its policy related functions. The Office of Degree Authorization and the Career Schools program have or will be transferred to HECC. Like other entities or positions related to education reform, the HECC’s relationship with other entities like the State Board of Higher Education, Chancellor’s Office, and others is not entirely clear. In addition, the potential creation of individual governing boards for some institutions currently part of OUS will further challenge the mission of the HECC.

The Governor’s budget assumes a number of actions which the Legislature will need to approve. Details of some of these proposals have yet to be released to assist the Legislature in making decisions. These proposals include:

1. *Department of Post-Secondary Education (DPSE)*

The Governor’s budget assumes that a new agency will be established combining the current Community College and Workforce Development Department (CCWD), Oregon Student Access

Commission (OSAC), Office of Degree Authorization, Professional Career Schools program, and the funding streams for the Oregon University System (OUS) and Oregon Health Sciences University (OHSU). The new agency would be under the supervision of the Higher Education Coordinating Commission (HECC) and the HECC would assume the current board activities of the OR Student Access Commission and State Board of Education as it applies to Community Colleges. At this stage the new agency has little staff resources beyond the current staff of OSAC and CCWD which are currently tied to their present programs and funding sources.

2. Higher Education Governance

Higher Education governance is proposed to change with the establishment of individual governing board for at least two of the OUS institutions – University of Oregon and Portland State University. What appears yet to be determined is the role of the Board of Higher Education and the Chancellor's Office. The Governor also calls for the new agency DPSE to develop new funding distribution strategies for Community Colleges, OHSU and OUS institutions based in part on completion or progress on completion of a degree or certification. If the new governance structure takes place there may be changes in the delivery of centralized services currently provided by the Chancellor's Office (e.g., accounting and overall oversight of unit operations). Other issues include whether there will be a loss of system-wide coordination and potential efficiencies as some of the institutions move forward on their own and the degree to which HECC or other governance entities have sufficient authority to direct the separate institution boards.

3. Governor's New Education Initiatives

In the Governor's budget there are four major new education initiatives proposed which could cost over \$150 million. At this point, detailed descriptions and proposed statutory changes have not been made available. The four initiatives are:

- ***Oregon Reads (\$9.3 million GF)*** – Based on the overall focus of every student reaching the 3rd grade reading level at the appropriate age, the Governor proposes new or expanded programs including (1) development of resources for families and care givers; (2) early literacy instruction; (3) expanded access to libraries; (4) funding for expanded time and individualized support to students; (5) summer, afterschool and virtual literacy opportunities; (6) high-profile awareness campaign; and (7) scaled up response to intervention. Funding for this initiative is found in the ODE budget (\$8.8 million GF), OEIB budget (\$250,000 GF for the awareness campaign) and the State Library's budget (\$238,000 GF).
- ***Connecting to the World of Work (\$14.5 million GF)*** – which strengthens technical, math and science offerings and promotes innovation-based models for grades 9 to 14. New or expanded funding includes (1) development of 3 to 5 STEM or STEAM lab school sites for grades 6 to 14; (2) in-school or informal programs to reach under-represented youth; (3) hands-on and applied CTE opportunities; (4) increased arts education; (5) expansion of Eastern Promise; and (6) convening of faculty from high school, community college and four year institutions to create aligned standards and shared assessments. Funding for this initiative is found in ODE's budget (\$13.0 million GF), Art Commission's budget (\$500,000 GF), and OEIB's budget (\$1.0 million GF).
- ***Guidance and Support for Post-Secondary Aspirations (\$11.4 million GF)*** – insures that students are on-track to graduation and support for a "college-going" culture. Proposed funding includes (1) summer transition programs for incoming 9th graders; (2) mentoring, monitoring and acceleration for at-risk middle and high school students; (3) backfill and expansion of the ASPIRE program; (4) counseling and college-going initiatives; and (5) dual credit, early college credit and first-class free scholarships. Funding for this initiative is found in the ODE budget (\$4.0 million GF) and the OSAC/DPSE budget (\$7.4 million GF).

- ***Developing a Representative Corps of Professional Educators (up to \$120 million GF)*** – invest in three to five regional centers which are focused on promoting excellence in teaching for teachers, early childhood learning related professionals, and other educational workers. These would be linked to Schools of Education, the regional early learning childhood hubs, Educational Service Districts (ESDs) and school districts to create a strong and diverse population of educators through training, collaboration, mentoring, and research dissemination. One of the funding streams proposed for this is the use of up to \$120 million of the State School Fund designated for ESDs. There is also \$6 million in general obligation bonding authority reserved for these regional centers in the Governor’s budget.

4. P-20 Longitudinal Data System

The ODE budget includes funding for the initial business case work (\$200,000 GF) on the development of a longitudinal data system reaching from early childhood learning programs through post-secondary education. The purpose is to provide better outcome data and other information on the overall education system. Also included in the budget is \$10 million general obligation bonding authority reserved for this system in the second year of the biennium. Several major issues must be addressed including whether existing systems or projects (e.g., ALDER) will address the requirements of the system, what specific data will be collected whether there will be a single large database or a series of coordinated systems, total cost of the system and policy issues including access and privacy. The business case should address many of these issues but the Legislature should have a better idea of the type of data that will be collected and how the system’s information will generally be used prior directing funding to the project.