

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Monroe

Joint Committee On Ways and Means

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 06/30/15

**Vote:**

**Senate**

**Yeas:** 10 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Winters

**Nays:** 1 - Whitsett

**Exc:** 1 - Thomsen

**House**

**Yeas:** 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Williamson

**Nays:** 1 - Whitsett

**Prepared By:** Lisa Pearson, Department of Administrative Services

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

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**Agencies:** Department of Education; Emergency Board

**Biennium:** 2015-17

## **Budget Summary\***

	2013-15 Legislatively Approved Budget <sup>(1)</sup>	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 453,969,907	\$ 477,507,151	\$ 541,803,167	\$ 87,833,260	19.3%
Lottery Funds Debt Service	\$ 42,371,076	\$ 1,434,927	\$ 1,434,927	\$ (40,936,149)	-96.6%
Other Funds Limited	\$ 134,784,035	\$ 133,175,436	\$ 145,437,218	\$ 10,653,183	7.9%
Other Funds NonLimited	\$ 94,331,467	\$ 112,394,452	\$ 112,916,253	\$ 18,584,786	19.7%
Federal Funds Limited	\$ 1,005,410,381	\$ 1,019,470,199	\$ 1,026,404,824	\$ 20,994,443	2.1%
Federal Funds NonLimited	\$ 349,992,872	\$ 388,007,727	\$ 388,007,727	\$ 38,014,855	10.9%
<b>Total</b>	<b>\$ 2,080,859,738</b>	<b>\$ 2,131,989,892</b>	<b>\$ 2,216,004,116</b>	<b>\$ 135,144,378</b>	<b>6.5%</b>

## **Position Summary**

Authorized Positions	519	491	545	26
Full-time Equivalent (FTE) positions	485.39	468.57	514.13	28.74

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

## **Emergency Board**

General Fund Special Purpose Appropriation	\$ -	\$ -	\$ 17,540,357	\$ 17,540,357	100.0%
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## **Revenue Summary**

The non-State School Fund Education budget relies mainly on Federal Funds, which provides 64.0 percent of the revenue. General Fund provides 24.4 percent and 11.7 percent Other Funds. Lottery Funds is for debt service and provides 0.1 percent of revenues.

Other Funds revenues include indirect cost recovery from federal programs, fees, transfers from the State School Fund and other intra-fund transfers, revenues from other agencies for specific purposes, Common School Fund pass-through funding for school districts, and other miscellaneous sources. Federal Funds revenues include funding for compensatory education programs, school improvement, child nutrition, education for students with disabilities, childcare programs and youth development programs.

## **Summary of Education Subcommittee Action**

House Bill 5016 provides budget expenditure authority for programs administered by the Oregon Department of Education (ODE). This bill excludes direct funding for the State School Fund, which was addressed in House Bill 5017.

The Subcommittee approved a total funding level of \$2,216,004,116 for the department, excluding the State School Fund, which is 6.5 percent more than the 2015-17 Legislatively Approved Budget as of December 2014. The primary reasons for this growth include increases in early learning, career and technical education (CTE), Science Technical Engineer and Math (STEM), and child nutrition programs.

Specifically, investments are made in Healthy Families Oregon, Early Learning Hubs, Preschool programs, STEM Hubs, STEM Revitalization and STEM Innovation grants, CTE summer programming, and a new Career Pathway Fund. New programs for leadership training, effective teacher preparation, and professional development related to assessments are funded. Early Intervention/Early Childhood Special Education funding is increased as are the long-term care and treatment programs. Additional resources are provided for English Language Learners (ELL), and African American and Native American students. Staff resources are increased for some of these new investments as well as for additional child care related staffing to meet new federal monitoring requirements.

### **Department Operations**

This budget unit includes most of the staff in the agency that is responsible for the administration of educational programs. The Subcommittee approved a budget of \$169,832,925 total funds, including \$63,513,653 General Fund, \$27,197,954 Other Funds, \$76,416,866 Federal Funds, \$2,704,452 Nonlimited Other Funds and 458 positions (433.88 FTE). General Fund is increased from the 2013-15 Legislatively Approved Budget by 22.1 percent. Total funds are increased by 10.1 percent. The Subcommittee approved the following adjustments to this unit's current service level:

- Package 103: Spanish Assessments. This package provides \$115,000 General Fund for a contract with an outside vendor to provide assessments in Spanish for the Language Arts for both English learners to determine their progress in literacy and for non-English learners enrolled in dual language programs. The vendor will provide annual Spanish assessments in the spring for grades 3, 4, and 5. Over the 2015-17 biennium, an anticipated 10,100 students will take the assessment. The agency hopes that a multi-state assessment tied to Common Core standards will be developed in the future but at this time one is not available.
- Package 107: 2015 Position Clean-up. In recent biennia, each proposed budget for the agency has included a package to clean-up position funding, classifications, work-out-of-class structure, permanency, and organizational structure. During the current biennium, the agency went through a major reorganization which resulted in a number of changes in the status of positions as well as adding two new divisions (Early Learning and Youth Development) and a number of new programs. Most of the funding for this package is provided by reductions in Services and Supplies and the elimination of other positions. This package makes a number of changes to positions including: (1) establishing limited duration positions, many of which were limited duration for 2013-15; (2) reclassifying a number of positions to better reflect their responsibilities; (3) changing the funding on positions to match their work activities with their funding sources; and (4)

transferring positions between units within the agency due to reorganization. This package results in a net savings of \$11,295 General Fund.

- Package 108: Native American Education Enhancement. This package adds one permanent Education Specialist 2 position (1.00 FTE) at a cost of \$234,687 General Fund to assist in the work of an existing Native American related position first established for the 2013-15 biennium. The existing position works closely with the nine federally recognized tribal governments in the State on Native American education issues. Native American students have generally scored lower in tests as well as have lower graduation rates compared to Oregon's overall student population and other minority students. This new position would focus on developing initiatives to foster teaching of indigenous languages, identify best practices for student achievement of this population, work with the Early Learning Council and Youth Development Council programs, and develop and review culturally responsive teaching and learning.
- Package 109: Deputy Superintendent's Office Reorganization. This package includes the reclassification of two positions – the position assigned to staff the State Board of Education (Principle Executive Manager D to an Operations and Policy Analyst 4) and the agency's Chief of Staff (Principle Executive Manager G to a Principle Executive Manager H). The package also transfers the Human Resources (Personnel) staff from the Office of Finance and Administration to the Director's Office. This transfer is revenue and expenditure neutral.
- Package 151: Youth Development Division Position Cleanup. This package establishes one permanent Operations and Policy Analyst 4 position, which was limited duration in the 2013-15 biennium, and reclassifies four positions in the Youth Development Division. One of the reclassified positions is also increased from half-time to full-time and there are fund shifts on two of the positions. The four positions being reclassified are the division's Deputy Director, an Executive Support Specialist 1, the Juvenile Crime Prevention Manager, and the Federal Compliance Monitor. To help offset the costs of this package a vacant position is eliminated. The net cost of this package is \$429,252 General Fund.
- Package 200: Quality Assurance and Improvement. This package adds 22 positions (19.38 FTE) for the Early Learning Division as outlined below. The cost of the new positions will be approximately \$2.0 million in the 2017-19 biennium. All but one of these positions are limited duration positions in 2013-15. Total cost of the package is \$737,297 General Fund and \$3.5 million total funds.
  - Nine limited duration positions (6.38 FTE) are established for the first 18 months of the biennium. These positions are funded with federal Race-to-the-Top grant funds that expire at the end of calendar year 2016. These positions are not proposed to be continued after the federal grant funds are no longer available.
  - Eight permanent positions (8.00 FTE) are established and funded with federal Race-to-the Top grant funds for the first 18 months of the biennium and then with General Fund for the remaining six months of 2015-17. Beginning in 2017-19, these positions will be supported entirely with General Fund. These positions include the Director of Programs and Policy, a communications position, Age 3 to Grade 3 Alignment Specialist, a financial analyst, and the Hub Manager.

- A new permanent Operations and Policy Analyst 3 position (1.00 FTE) is funded for the first 18 months with federal Race-to-the-Top grant funds and then with federal Child Care Development Funds for the last six months of the biennium. This position will primarily work with the Quality Rating Information System.
  - Four limited duration staff (4.00 FTE) from the 2013-15 biennium are re-established and extended for the full 24 months; funding for the first 18 months is federal Race-to-the-Top grant funds and the remaining six months is General Fund. These four positions work directly with the Hubs in their development and first months of operations. They should not be required after the 2015-17 biennium when the Hubs are fully established.
- Package 801: LFO Adjustments. This package makes adjustments for space needs and rebalancing expenditures as follows:
    - Space. ODE staffing has increased over the past two years with the addition of two new divisions (Early Learning and Youth Development) and the new Strategic Investments and Network for Quality Teaching and Learning programs. Space has become available on the third floor of the Public Service Building because staff from the former Department of Community Colleges and Workforce Development have moved. The additional space increases lease expenses by \$60,288 and this package provides expenditure limitation for \$30,144 Other Funds. The agency will absorb the General Fund share of the rent increase in the Operations budget.
    - Reorganization Contract Completion. The Operations budget is reduced by \$200,000 General Fund that will be used in other programs. This amount represents approximately the amount used for contractors in examining the reorganization options for the agency. That work is largely complete so these resources are not required at this time.
    - Technical Adjustments.
      - Funding for assessment costs had been designated as Special Payments for budgetary purposes. This package moves these expenditures to Professional Services under Services and Supplies which is a more appropriate spending designation.
      - This package also assumes that \$3,450,000 Federal Funds expenditure limitation for assessments is transferred from one budget section to another for budgetary and accounting purposes. This part of the package is revenue neutral.
      - The Casey Foundation funding within the Youth Development Division is no longer available, resulting in a decrease of \$398,785 Other Funds expenditure limitation.
- Package 802: Grant-in-Aid Positions. This package adds seven permanent positions (5.76 FTE) to provide the necessary staffing for the \$35.0 million investment in Career Technology Education (CTE) and STEM programs included in the budget. Seven new programs are established for CTE and STEM programming along with the continuation of the CTE Revitalization Grant program and the Regional STEM Hubs. These new programs include; (1) Career Pathway Fund, (2) STEM Innovation Grants, (3) CTE Summer Program, (4) Statewide Teacher Development and Mentoring, (5) Post-Secondary Success, (6) Expanded Student Leadership, and (7) Course

Equivalency pilot project. Funding for these programs is included in the Grant-in-Aid budget. The cost of this package is \$1.3 million General Fund.

- Package 809: IT Positions Backfill. The ALDER federal grant paid for the equivalent of fifteen information technology positions on work related to the broad purposes of the grant. The ALDER funds are no longer available after June 30, 2015, resulting in a Federal Funds reduction of \$1,679,389. This package provides \$1,257,469 General Fund to maintain all but four of the positions which are currently vacant. The positions need to be fully funded because there are ongoing functions and delayed projects that are necessary for the agency to conduct its business. In addition to maintaining existing positions, the package also includes the establishment of one limited duration Information Systems Specialist 7 position to work on the replacement of the state school formula distribution system which is at risk of failing. The net fiscal impact of this package is an increase of \$1.3 million General Fund and a net reduction of \$421,920 total funds and a net decrease of three positions (3.00 FTE).
- Package 841: Policy Bills. This package includes the fiscal impacts of five policy bills on agency Operations as follows:
  - House Bill 3499 - English Language Learners (ELL) (2 permanent positions; 2.00 FTE). The State School Fund bill included a “carve-out” for this program of \$12.5 million per biennium. Work groups will develop a statewide plan to identify schools which have lower achievement results for ELL students. Funds will be used to contract for school improvement coaches and grants to the identified schools. It is anticipated the program will serve between 30 and 35 schools per biennium. Funding of \$2.4 million Other Funds of the total \$12.5 million is in this package for Operations, the remainder is in the Grant-in-Aid budget unit.
  - House Bill 2015 - Child Care Programs (16 positions; 9.25 FTE). This bill affects both ODE’s Early Learning Division as well as the Employment Related Day Care (ERDC) program in the Department of Human Services (DHS). The bill aligns state policy with new federal regulations around child care subsidies and quality. ODE will visit and conduct on-site inspections of licensed-exempt child care providers under this bill as required by federal law; this is an added workload for the agency. Fifteen of the positions are permanent. Two of the added positions will start work at the beginning of the biennium with the remainder being hired in the summer of 2016. The funding also includes resources to contract for a study regarding methods of providing incentives to parents to select providers participating in quality supports. Most of the funding for this package is from the federal Child Care Development Fund. The General Fund is for a limited duration position to develop and implement a system of quality supports for providers.
  - House Bill 2016 - African American Education Plan (one position; 1.00 FTE). This bill directs ODE to develop and implement a statewide education plan for early childhood through post-secondary education for students who are African-American or not covered by an existing statewide education plan and have experienced disproportionate educational results. Actual implementation of the plan is not authorized until after April 1, 2016 providing sufficient time to develop the plan. One permanent Education Specialist 2 position and \$235,717 General Fund is added for developing and implementing the plan.

- House Bill 3380 - Mixed Delivery Preschool (3 positions; 1.50 FTE). This bill directs the Early Learning Division (ELD) to administer a preschool program in which schools, Head Start providers, child care providers and Community-Based Organizations, that meet certain standards provided by the bill, are funded to provide preschool to children living in families below 200.0 percent of federal poverty guidelines. The ELD anticipates the need for a year of planning by the state, Early Learning Hubs and participating programs. The first eligible children would enroll for the program year beginning September 2016. Funding is also included to contract for the development of a modified quality system and for a biennial evaluation of the program. One permanent Program Analyst 4 (1.00 FTE), one limited duration Information Specialist 7 (0.25 FTE), and one permanent Operations and Policy Analyst 1 position (0.25 FTE) are added at a cost of \$671,268 General Fund.
  
- Senate Bill 213 – Early Learning Hubs (0.00 FTE). Senate Bill 213 requires the Early Learning Council (ELC) to develop metrics for the purpose of providing funding to Early Learning Hubs, and specifies parameters for the metrics. The ELC is also directed to report annually to the interim committees of the Legislative Assembly regarding the implementation and status of an evaluation of the effectiveness of the Early Learning Hubs. This package includes \$120,000 General Fund to contract for the evaluation.

In addition to these policy packages, staff in the Operations division will work on the issues identified in the following budget notes approved by the Subcommittee.

**Budget Note**

The Department of Education is instructed to coordinate the activities and provide funding from existing professional development and operational funds to support the annual conference dedicated to Oregon civics as required by House Bill 2955.

**Budget Note**

The Department of Education must initiate direct contact with school districts that report a graduation rate below the state average to verify the accuracy of the data before it is released publicly. In addition, the department must report back to the Legislature prior to March 1, 2016 on its efforts to provide direction, and if necessary, training to staff from school districts and education service districts for reporting this data.

**Budget Note**

The Oregon Department of Education is instructed to base the allocation of funding for long term care and treatment programs under ORS 343.243 on a minimum staffing standard based on best practices instead of a per student basis. The minimum standard should be based on a ratio of staff to students approximately equal to:

- One teacher and two instructional assistants for up to 10 students or classroom; or
- One teacher and three instructional assistants per 15 students.

When there are more than 15 students in a classroom, the distribution should factor in adding one teacher and two additional assistants for every 10 students. Staffing levels may vary from this guideline if safety, student characteristics, or treatment needs indicate it is in the best

interest of the students to do so. In addition, a 15.0 percent increase for overhead costs may be factored into the distribution of resources for this program at the department's discretion.

The department is instructed to report back to the Joint Ways and Means Committee during the 2016 regular session on the distribution of resources under this program. The report should include how many programs implemented the minimum staffing levels, the number of students served in these programs, and a proposal on how to measure the effectiveness on how this change on student and program measures.

#### Oregon School for the Deaf

ODE operates the Oregon School for the Deaf (OSD), which is located in Salem. OSD serves just over 100 hearing impaired students, many of whom reside at the school during the school year. The Subcommittee approved a budget of \$15,910,229 total funds, including \$11,512,824 General Fund and 85 positions (78.25 FTE). General Fund is increased from the 2013-15 Legislatively Approved Budget by 1.2 percent. The Subcommittee approved the following adjustments to Oregon School for the Deaf's current service level.

- **Package 107: 2015 Position Cleanup.** This package establishes a permanent full-time Food Service Worker 1 position (1.00 FTE) which is currently a limited duration position in the 2013-15 biennium. The position is needed to fully staff the student dining facility and provide capacity for two charter schools which add 230 meals per day. It is likely that this full-time position will be used to fund a number of part-time student workers providing work experience for youth. The package also proposes to increase the FTE for an existing part-time Teacher Special Schools position from 20 months to 24 months (adding 0.17 FTE). This position works with students who require the development of positive behavior support plans and conducts functional behavioral assessments. This package is funded by transfers of Services and Supplies resources to Personal Services as well as \$11,279 General Fund savings from Package 107 in the Operations budget. Also included in this package are two limited duration Teaching Assistant positions funded with available Federal Funds.

#### Youth Corrections Educational Program

This program provides funding and staff for education services to students under the supervision of the Oregon Youth Authority and county juvenile programs. The Subcommittee approved a budget of \$18,725,096 total funds and two positions (2.00 FTE). Total Funds are increased by 2.7 percent. The Subcommittee approved the following adjustments to this division's current service level:

- **Package 111: Youth Corrections Education Program (YCEP) Technical Adjustments.** As part of a past collective bargaining agreement, staff for YCEP programs began to shift from ODE to local education contractors. When an ODE YCEP position becomes vacant an internal recruitment is announced. If not filled internally, the position is left vacant and the Personal Services funding is transferred to the local provider. Over the years the number of ODE positions in the program have been reduced from roughly 100 to four in 2013-15. Now two of these positions are vacant, so the number of ODE staff will again decrease. This package eliminates those two vacant positions and transfers the associated funding (\$1.4 million Other Funds) to Special Payments to be paid to the local provider.



## Grant-in-Aid

The Grant-in-Aid budget unit includes most of the K-12 funding, not including the State School Fund that is distributed to school districts, Education Service Districts and other entities. The Subcommittee approved a budget of \$1,536,238,482 total funds, including \$253,828,789 General Fund. General Fund increases 14.3 percent and total funds by 7.3 percent from the 2013-15 Legislatively Approved Budget.

This budget unit includes spending authority for many grants that are received and administered by the Department. Most of these grants come from the U.S. Departments of Education and Agriculture and are distributed primarily to local education programs. In addition, the state funds grants for specific education-related purposes with General Fund resources. The Subcommittee approved the following adjustments to this division's current service level.

- Package 101: Closing the Achievement Gap. This package makes changes to programs initiated two years ago including eliminating a number of programs and funding new programs. New investments are made in the following areas:
  - House Bill 2016 directs ODE to develop and implement a statewide education plan for early childhood through post-secondary education students who are black or African-American or not covered by an existing statewide education plan and have experienced disproportionate educational results. One Education Specialist 2 position is also established in the Operations budget related to this program. The funding in this budget unit is for grants and implementation of the plan beginning in April 2016. Funding of \$2.8 million General Fund is designated for this program.
  - A \$1.5 million General Fund Tribal attendance pilot project is established to assist Tribal Governments increase attendance designed to increase student achievement.

Some of the programs established in 2013 are discontinued including grants for dual language and bilingual programs, and culturally responsive teaching grants.

- Package 102: Educator Effectiveness and Achievement Gap. This package makes changes to the funding of programs dealing with increasing the effectiveness of teachers and districts. The Network for Quality Teaching and Learning (NQLT) was created in 2013, funded in part with a "carve-out" from the State School formula revenues. Those carve-out funds are used for grants in these NQLT programs as well as the staff in the Operations budget related to these programs. Investments in this area include:
  - School district collaboration grants are increased by \$4.0 million over the current service level bringing the total funding available for this program to \$16.0 million. This program is funded with NQLT funds and General Fund.
  - Teacher mentoring continues but with a \$1,208,255 funding change from current service level which brings total program funding to \$10.0 million Other Funds. This program is fully funded with NQLT funds.

- Funding of \$2.8 million Other Funds is provided for a program to assist low performing schools. This program continues similar efforts directed at focus and priority schools and is funded with NQTL resources. Funds are used to support schools with planning, outside coaching, improvements in instruction and programming, and monitoring results. This program will assist the agency and the State in retaining the federal waiver and is designed to improve growth in reading, math, and long-term graduation rates.
- Funding of \$2.9 million General Fund and NQTL funds is for assisting chronically underperforming school districts. Much like the low performing schools program above, funds are used for planning, coaching and improvements in instruction at a district-wide level.
- Total funding of \$1.5 million General Fund is provided for the recruitment and training of “district turnaround leaders” to assist schools and districts increase their overall achievement measures. It is likely that an outside non-profit group with expertise in this area will provide major parts of this program.
- \$1.5 million General Fund will be directed to support innovative models for educator preparation through partnerships involving districts and post-secondary programs. This continues a similar program funded in 2013-15 and will likely result in two to five partnerships.
- \$2.0 million General Fund is designated to strengthen professional development around finding effective ways to use the information provided through assessments to increase student achievement. A select number of districts will be selected and major stakeholders will be brought together for comprehensive training including teachers, administrators, school board members, and parents.

Programs no longer funded in this program area include those that specifically address Common Core implementation and best practices, educator evaluation and support systems, strengthening educator preparation programs, Oregon Teacher Work Sample, Pedagogy institutes, and developing statewide approaches to educator retention and recruitment. Some of the functions that these programs provided are included in the new program investments described above.

- Package 801: LFO Analyst Adjustments. This package is a technical adjustment moving \$412,000 Other Funds for early learning professional development from Grant-in-Aid to the Early Learning division.
- Package 803: CTE Expansion. This package increases the State’s investment in CTE and STEM programs. A number of program enhancements are included in this budget including:
  - STEM Hubs. An increase of \$2.2 million General Fund is added for Regional STEM Hubs bringing the total funding for this effort to \$5.0 million General Fund. These Hubs provide regional partnerships to connect students with industry including internships, mentorships and programs designed to assist in the transition from school to work.

- STEM Innovation Grants. The package establishes a \$4.8 million General Fund STEM Innovation Grant program which is to lead to expanding computer science and engineering related programs in K-12 and increase access to out-of-school STEM programs.
- Career Pathway Fund. This fund is established with \$8.8 million General Fund to provide incentives to school districts for developing programs to increase the number of students earning industry-recognized credentials. Underserved communities will be targeted.
- CTE Summer Program. A \$1.8 million CTE Summer program is created for middle and high school students with access to advanced equipment, post-secondary connections and industry professionals.
- Statewide Teacher Development and Mentoring Program. This program is funded with \$1.1 million General Fund which will provide grants and funding for projects and services such as setting up STEM/CTE related teacher training programs, funds for statewide Mobil 3D Maker Space training for students and teachers, funding for training teachers who can also be mentors, and advisors for those adding or expanding STEM and CTE programs at schools.
- Post-Secondary Success. To provide start-up funding for post-secondary programs in high demand fields, \$2.0 million General Fund is appropriated. These fields include health sciences, computer science, engineering, high tech manufacturing, precision agriculture and advance food processing. Up to 10.0 percent of the funding may be used for wrap-around services to recruit and support students of color and women.
- Career Technical Student Organizations. These entities will be strengthened and expanded by an investment of \$750,000 General Fund.
- Pilot Program. A \$121,000 pilot program is funded to allow schools to award core academic credit for CTE courses that rely heavily on core subjects.

CTE Revitalization grants will be funded at \$9.0 million General Fund, a \$382,698 General Fund reduction. Funding for the “For Inspiration and Recognition of Science and Technology” program is set at \$500,000 General Fund. Other programs that will not be funded include those specifically directed at underserved populations and STEM lab schools. Some of the functions that these programs provided are included in the new program investments described above.

- Package 804: Accelerated Learning. This package changes the funding levels for a variety of Oregon Reads and Early Literacy programs as well as those relating to post-secondary Aspirations and Accelerating Learning programs. The changes include:
  - Reducing the amount available for the development and/or expansion of the Regional or Eastern Promise replications by \$1.2 million General Fund. The remaining \$3.0 million is for development costs of these programs other than the Eastern Promise program who received a large share of this program’s funding in 2013-15.

- Increasing the amount available for providing resources to offset the costs of Advanced placement, International Baccalaureate, and other dual credit testing and programs by \$102,534 General Fund, bringing the total available to \$2.8 million General Fund.
- Elimination of the \$2.8 million General Fund for programs relating to student mentoring, monitoring and assisting 8<sup>th</sup> and 9<sup>th</sup> graders to stay on track for graduation.

The reductions are offset by an increase in accelerated learning funding by \$6.9 million General Fund. This amount is being placed in a special purpose appropriation to the Emergency Board and is not part of the ODE budget at this time. A plan on how these funds will be used will be presented to the Legislature during the regular 2016 Session.

- Package 805: Other Grant-in-Aid Programs. This package makes changes for a variety of Grant-in-Aid programs. These include:
  - School Nutrition. Funding is increased by \$2.4 million Other Funds approved in House Bill 5017, which is the State School Fund bill. The bill provides for a carve-out or distribution from the State School Fund for providing free school lunches for those students who were otherwise eligible for reduced priced lunches.
  - Early Childhood Special Education and Early Intervention programs are increased by \$4.0 million General Fund.
  - Long Term Care and Treatment Program. This program is increased by \$3.0 million General Fund. The program provides resources for educational services for children who are in programs providing mental health and other services.
  - House Bill 3499 English Language Learners (ELL). This program is increased by \$10.1 million Other Funds in accordance with the bill. A distribution from the State School Fund of \$12.5 million funds grants to districts identified as having lower achievement results for ELL students. The remainder of the funding is part of the Operations budget, supporting two positions and funding for professional services contracts.
  - Various other programs are reduced to align expenditures with available resources. Reductions are made to programs such as Individualized Learning Time and Scale Up Response to Intervention. Together these reductions total \$767,713 Other Funds.

#### Common School Fund

The Common School Fund receives funds from the earnings of state lands controlled by the State Land Board and is considered a local revenue resource for purposes of the State School Fund distribution formula. The ODE receives the funds from the Department of State Lands and then distributes it to the proper school districts. The Subcommittee approved a Non-limited Other Funds budget of \$110,211,801. This is a 20.3 percent increase from the 2013-15 Legislatively Approved Budget. The Subcommittee approved the following adjustment to this budget unit's current service level.

- Package 801: LFO Adjustment. This package increases the Nonlimited Other Funds expenditure limitation to be in line with the amount that is expected to be distributed from the Common School Fund under current State Land Board distribution policy.

### Early Learning Division

The Subcommittee approved a budget of \$342,406,936 total funds, including \$200,839,157 General Fund. This is a 10.6 percent total funds and 24.7 percent General Fund increase from the 2013-15 Legislatively Approved Budget. This program, which was established by House Bill 3234 (2013), funds services to children ages zero to six. Other Funds and Federal Funds support child care and Head Start collaboration. The funding mechanism is generally grants to other entities. The largest program funded with these resources is the Employment Related Day Care (ERDC) administered by the Department of Human Services. The Subcommittee approved the following adjustments to this budget unit:

- Package 152: Title XX Backfill. This package provides \$320,279 General Fund to backfill lost federal Title XX Social Service Block Grant funding from federal sequestration reductions. This backfill would restore funding for the Relief Nursery program, a network of child centered facilities across the state providing a variety of services. There is a similar package in the Youth Development budget unit. The package also increases the amount of state funding for Relief Nurseries by \$480,178 General Fund bringing the total State funding \$7.6 million General Fund.
- Package 203: Early Learning Hubs and Kindergarten Readiness. This package increases the funding available for two programs.
  - Early Learning Hubs. An additional \$10.3 million General Fund is made available to Early Learning Hubs across the State bringing the total available to almost \$15.0 million. The 17 Hubs are to coordinate early learning programs in their region by identifying the populations of children most at risk, identify their needs, work across programs to connect children and families to services, and account for the outcomes in their regions. This is an increase from the \$4.6 million available for the Hubs in the 2013-15 biennium, which was the first period they existed. Almost all of the 2013-15 funding was allocated and spent in the second year of that biennium. This investment will allow the Hubs to build on their coordination infrastructure as well as provide funding for direct services. Hubs generally do not provide services themselves. The budget for ODE Operations includes \$120,000 General Fund for biennial evaluations of the effectiveness of Hubs.
  - Kindergarten Readiness. An additional \$5.0 million General Fund is directed to the Kindergarten Readiness grants which provides funding to school districts, Early Learning Hubs, Education Service Districts, and other groups to increase the ability of children to transition from preschool age to Kindergarten successfully. Total funding for these grants will increase to \$9.1 million. The grants are given to coalitions of schools and entities who serve preschool aged children so there is collaboration of education and other service providers. Most of the grants provided with the \$4.0 million General Fund in 2013-15 were awarded in the second year of that biennium.
- Package 204: Healthy Families Oregon. This package increases the amount for the Healthy Families Program by \$9.4 million General Fund, bringing the total amount available for the program to \$24.0 million. This program provides family support and coaching to parents and their families through home visits. Currently, it is estimated that this program serves only about 15.0 percent of the eligible families

and 1,100 families have been turned away because of the lack of funding. The program is designed to reduce behavior challenges and increase cognitive development. Expected long-term outcomes include fewer low birthweight babies, less maltreatment of children by their parents and reduced foster care placements.

- Package 801: LFO Adjustments. A number of Other Early Learning programs decrease by a net of \$136,641 General Fund, to bring the total expenditures in early learning programs in line with the amount of General Fund available for this budget section. This includes a \$412,000 Other Funds transfer from the Grant-in-Aid budget unit to correctly put early learning professional development program funding in the proper place in the agency's budget.
- Package 806: Preschool Expansion. House Bill 3380 establishes the Mixed Delivery Preschool program which will expand the types of providers that offer publically funded preschool to include more child care providers, elementary schools, and community based organizations. It is anticipated that this expansion will increase collaboration across preschool settings and allow current child care providers more opportunity to serve their clients in various settings. The overall 2015-17 biennium budget invests a total of \$27.0 million General Fund for increased capacity and options for preschool. A third of this additional funding, or \$8,770,179, is added to the existing 2015-16 school year Oregon Pre-Kindergarten budget of \$131.3 million to increase access immediately. The remaining \$17.5 million will be placed in a special appropriation to the Emergency Board to be made available for the Mixed Delivery model or program after the Early Learning Division and its partners have reported back to the Legislature on the details and structure of the proposed program.
- Package 807: Other Early Learning Expansion. This package increases the investment in child care quality initiatives by providing \$2.3 million General Fund for Focused Child Care Networks. These networks of cohorts of child care providers work together to improve their practices and achieve a higher Quality Rating and Improvement System (QRIS) rating. The intent of this investment is to ensure a sufficient supply of higher QRIS rated providers. Funding will be used for group training of providers and direct financial support for professional development. The Early Learning Division is currently funding eleven of the networks with Federal Funds. The additional funding will enable the Division to create another 14 networks serving approximately 290 providers.

#### Youth Development Division

The Subcommittee approved a budget of \$21,243,720 total funds, including \$12,108,744 General Fund for the Youth Development division, which was established by House Bill 3231 (2013). This is a 24.0 percent total funds and a 64.8 percent General Fund increase from the 2013-15 Legislatively Approved Budget. This division includes programs which provide services to school-age children through the age of 20. These programs support academic success and reduce involvement in the criminal justice system. The funding mechanism is generally grants to other entities.

The Subcommittee approved the following adjustments to the Youth Development division's current service level.

- Package 152: Title XX Backfill. This package provides \$627,180 General Fund to backfill lost federal Title XX Social Service Block Grant funding from federal sequestration reductions at the federal level. This backfill would restore funding for the Youth and Community

Fund which is designed to target Opportunity Youth and Priority Youth. There is a related package in the Early Learning Division for backfilling Relief Nursery Funding.

- Package 801: LFO Analyst Adjustments. This package reduces Other Funds expenditure limitation by \$311,268 based on the loss of Casey grant funds.
- Package 808: Youth Development Expansion. This package provides an additional \$2.3 million for the Youth and Community Grant program. This program provides community based grants for improving education and workforce success for youth up to age 20. The program is directed toward those youth who have disconnected or are at risk of disconnecting from the education systems and/or labor market.

#### Debt Service Costs

The Subcommittee approved a budget of \$1,434,927 million Lottery Funds for debt approved by the 1997 and 1999 Legislative Assemblies. The Subcommittee approved the amount required by the debt service schedule.

#### Emergency Board

The Subcommittee also provided a \$17.5 million special purpose appropriation to the Emergency Board for a mixed-delivery pre-school program through package 806 in the Early Learning Division program.

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

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

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

**HB 5016-A**

Oregon Department of Education (excluding State School Fund)  
 Lisa Pearson -- 503 373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 453,969,907	\$ 42,371,076	\$ 134,784,035	\$ 94,331,467	\$ 1,005,410,381	\$ 349,992,872	\$ 2,080,859,738	519	485.39
2015-17 Current Service Level (CSL)*	\$ 477,507,151	\$ 1,434,927	\$ 133,175,436	\$ 112,394,452	\$ 1,019,470,199	\$ 388,007,727	\$ 2,131,989,892	491	468.57
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 100 - Operations</b>									
Package 103 Spanish Assessments									
Services and Supplies	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000		
Package 107: Position Cleanup 2015									
Personal Services	\$ 655,855	\$ -	\$ 1,501,213	\$ -	\$ (177,707)	\$ -	\$ 1,979,361	4	7.00
Services and Supplies	\$ (667,150)	\$ -	\$ (1,439,034)	\$ -	\$ 723,832	\$ -	\$ (1,382,352)		
Package 108: Native American Education Enhancement									
Personal Services	\$ 208,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,507	1	1.00
Services and Supplies	\$ 26,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,180		
Package 109: Deputy Superintendent Office Reorganization									
Personal Services	\$ 56,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,661	0	0.00
Package 151: YDD Position Cleanup									
Personal Services	\$ 404,322	\$ -	\$ (300,909)	\$ -	\$ -	\$ -	\$ 103,413	0	0.50
Services and Supplies	\$ 24,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,930		
Package 200: EL Quality Assurance & Improvement									
Personal Services	\$ 692,112	\$ -	\$ -	\$ -	\$ 2,776,000	\$ -	\$ 3,468,112	22	19.38
Services and Supplies	\$ 45,185	\$ -	\$ -	\$ -	\$ 30,960	\$ -	\$ 76,145		
Package 801: LFO Adjustments									
Services and Supplies	\$ 1,860,000	\$ -	\$ (368,641)	\$ -	\$ 3,300,000	\$ -	\$ 4,791,359		
Distribution to Local School Districts (6040)	\$ (2,060,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,060,000)		
Package 802: Grant In Aid Positions									
Personal Services	\$ 1,094,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,094,355	7	5.76
Services and Supplies	\$ 205,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,863		
Package 809: IT Positions Backfill									
Personal Services	\$ 1,232,539	\$ -	\$ -	\$ -	\$ (1,679,389)	\$ -	\$ (446,850)	-3	-3.00
Services and Supplies	\$ 24,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,930		
Package 841: Policy Bills									
Personal Services	\$ 571,274	\$ -	\$ 388,882	\$ -	\$ 1,259,672	\$ -	\$ 2,219,828	22	13.75
Services and Supplies	\$ 629,600	\$ -	\$ 2,052,360	\$ -	\$ 610,501	\$ -	\$ 3,292,461		



DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 200 - Oregon School for the Deaf</b>									
Package 107: 2015 Position Clean Up									
Personal Services	\$ 11,279	\$ -	\$ 93,455	\$ -	\$ 107,592	\$ -	212,326	3	3.17
Services and Supplies	\$ -	\$ -	\$ (93,455)	\$ -	\$ (16,836)	\$ -	(110,291)		
<b>SCR 250 - Youth Corrections Education Program</b>									
Package 111: Youth Corrections Education Program									
Technical Adjustments									
Personal Services	\$ -	\$ -	\$ (575,883)	\$ -	\$ -	\$ -	(575,883)	-2	-2.00
Services and Supplies	\$ -	\$ -	\$ (800,579)	\$ -	\$ -	\$ -	(800,579)		
Special Payments account 6085	\$ -	\$ -	\$ 1,376,462	\$ -	\$ -	\$ -	1,376,462		
<b>SCR 300 - Grant in Aid</b>									
Package 101: Closing the Achievement Gap									
Special Payments account 6040	\$ 4,259,596	\$ -	\$ (3,242,118)	\$ -	\$ -	\$ -	1,017,478		
Package 102: Educator Effectiveness & Achievement Gap									
Special Payments account 6040	\$ 6,544,940	\$ -	\$ 3,242,118	\$ -	\$ -	\$ -	9,787,058		
Package 801: LFO Analyst Adjustments									
Special Payments account 6040	\$ -	\$ -	\$ (412,000)	\$ -	\$ -	\$ -	(412,000)		
Package 803: CTE Expansion									
Special Payments account 6040	\$ 15,919,693	\$ -	\$ -	\$ -	\$ -	\$ -	15,919,693		
Package 804: Accelerated Learning									
Special Payments account 6040	\$ (3,926,190)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,926,190)		
Package 805: Other Grant In Aid									
Special Payments account 6040	\$ (2,967,743)	\$ -	\$ 11,686,638	\$ -	\$ -	\$ -	8,718,895		
<b>SCR 450 - Common School Fund</b>									
Package 801: LFO Analyst Adjustments									
Special Payments account 6040	\$ -	\$ -	\$ -	\$ 521,801	\$ -	\$ -	521,801		
<b>SCR 500 - Early Learning</b>									
Package 152: Title XX Backfill									
Special Payments account 6085	\$ 800,457	\$ -	\$ (320,279)	\$ -	\$ -	\$ -	480,178		
Package 203: Early Learning Hubs & Kinder Readiness									
Special Payments account 6085	\$ 15,282,551	\$ -	\$ -	\$ -	\$ -	\$ -	15,282,551		
Package 204: Healthy Families Oregon									
Special Payments account 6085	\$ 9,446,552	\$ -	\$ -	\$ -	\$ -	\$ -	9,446,552		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments Special Payments account 6085	\$ (136,641)	\$ -	\$ 412,000	\$ -	\$ -	\$ -	\$ 275,359		
Package 806: Preschool Expansion Special Payments account 6085	\$ 8,770,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,770,179		
Package 807: Other Early Learning Expansion Special Payments account 6085	\$ 2,280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,280,000		
<b>SCR 550 - Youth Development</b>									
Package 152: Title XX Backfill Special Payments account 6085	\$ 627,180	\$ -	\$ (627,180)	\$ -	\$ -	\$ -	\$ -		
Package 801: LFO Analyst Adjustments Special Payments account 6085	\$ -	\$ -	\$ (311,268)	\$ -	\$ -	\$ -	\$ (311,268)		
Package 808: Youth Development Expansion Special Payments account 6085	\$ 2,264,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,264,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 64,296,016</b>	<b>\$ -</b>	<b>\$ 12,261,782</b>	<b>\$ 521,801</b>	<b>\$ 6,934,625</b>	<b>\$ -</b>	<b>\$ 84,014,224</b>	<b>54</b>	<b>45.56</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 541,803,167</b>	<b>\$ 1,434,927</b>	<b>\$ 145,437,218</b>	<b>\$ 112,916,253</b>	<b>\$ 1,026,404,824</b>	<b>\$ 388,007,727</b>	<b>\$ 2,216,004,116</b>	<b>545</b>	<b>514.13</b>
% Change from 2013-15 Leg Approved Budget	19.3%	-96.6%	7.9%	19.7%	2.1%	10.9%	6.5%		
% Change from 2015-17 Current Service Level	13.5%	0.0%	9.2%	0.5%	0.7%	0.0%	3.9%		
*Excludes Capital Construction Expenditures									
<b>EMERGENCY BOARD</b>									
Special Purpose Appropriation - Account 6045	\$ 17,540,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,540,357		

## Legislatively Approved 2015-2017 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 2016	Target 2017
1 - QUALITY LEARNING ENVIRONMENTS---Increase the number of early learning and development programs participating in the statewide Quality Rating and Improvement System		Approved KPM		656.00	750.00
2 - QUALITY LEARNING ENVIRONMENTS---Increase the percentage of high quality early learning and development programs as measured by the statewide Quality Rating and Improvement System (rated as 3, 4, or 5 star)		Approved KPM		25.00	30.00
3 a - KINDERGARTEN ASSESSMENT---Increase performance of entering kindergarten students on the Kindergarten Assessment: Increase in the average number of letter names that children are able to identify in one minute.		Approved KPM		10.00	20.00
3 b - KINDERGARTEN ASSESSMENT---Increase performance of entering kindergarten students on the Kindergarten Assessment: Increase in the average number of letter sounds that children are able to identify in one minute.		Approved KPM		20.00	30.00
3 c - KINDERGARTEN ASSESSMENT---Increase performance of entering kindergarten children on the Kindergarten Assessment: Increase in the average number of math questions that children are able to correctly respond to.		Approved KPM		10.00	30.00
3 d - KINDERGARTEN ASSESSMENT---Increase performance of entering kindergarten children on the Kindergarten Assessment: Increase in the average Approaches to Learning score that children receive		Approved KPM		20.00	30.00
4 a - EARLY LITERACY---Percentage of studentsn meeting or exceeding statewide academic achievement standards in 3rd grade reading: All Students		Approved KPM		39.00	42.00

**Agency: EDUCATION, OREGON DEPARTMENT of**

Mission: Increase Achievement for All Students

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
4 b - EARLY LITERACY---Percentage of students meeting or exceeding statewide achievement standards in 3rd grade reading: Students of Color		Approved KPM		21.00	23.00
4 c - EARLY LITERACY---Percentage of students meeting or exceeding statewide academic achievement standards in 3rd grade reading: SpEd Students		Approved KPM		19.00	21.00
5 a - STUDENTS ON TRACK TO GRADUATE---Percentage of 9th grade students on track to graduate: All Students		Approved KPM		85.00	87.50
5 b - STUDENTS ON TRACK TO GRADUATE---Percentage of 9th grade students on track to graduate: Students of Color		Approved KPM			
5 c - STUDENTS ON TRACK TO GRADUATE---Percentage of 9th grade students on track to graduate: SpEd Students		Approved KPM			
6 a - HIGH SCHOOL COMPLETION---Percentage of students who complete high school within five years: All Students		Approved KPM		80.00	82.00
6 b - HIGH SCHOOL COMPLETION---Percentage of students who complete high school within five years: Students of Color		Approved KPM		72.00	74.00
6 c - HIGH SCHOOL COMPLETION---Percentage of students who complete high school within five years: SpEd Students		Approved KPM		51.00	52.00
7 - COLLEGE GOING---College-going rate of Oregon residents into post-secondary institutions		Approved KPM		56.00	59.00
7 - PRIORITY AND FOCUS SCHOOLS---Percentage of priority and focus schools achieving sufficient growth for all students such that they would no longer be identified as a priority and focus school based on the criteria used for their original identification		Approved KPM		75.00	30.00
9 - HIGH QUALITY STAFF---Percentage of ODE staff performing at or above standard on evaluation		Approved KPM		90.00	90.00
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Accuracy	Approved KPM		73.00	73.00
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Availability of Information	Approved KPM		73.00	73.00

**Agency: EDUCATION, OREGON DEPARTMENT of**

Mission: Increase Achievement for All Students

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Expertise	Approved KPM		73.00	73.00
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Helpfulness	Approved KPM		73.00	73.00
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Overall	Approved KPM		73.00	73.00
10 - STAFF SATISFACTION---Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Timeliness	Approved KPM		73.00	73.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Accuracy	Approved KPM	72.00	85.00	85.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Availability of Information	Approved KPM	67.00	85.00	85.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Expertise	Approved KPM	73.00	85.00	85.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Helpfulness	Approved KPM	77.00	85.00	85.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Overall	Approved KPM	85.00	85.00	85.00
18 - CUSTOMER SERVICE – Percentage of customers rating the agency’s customer service as “good” or “excellent”	Timeliness	Approved KPM	64.00	85.00	85.00
1 - ACCESS TO PRE-KINDERGARTEN—Percentage of eligible children receiving Head Start / Oregon Pre-Kindergarten services.		Legislative Delete	50.00		
2 - Percentage of eligible children who receive Early Intervention/Early Childhood Special Education services that meet service level standards.		Legislative Delete	30.40		
3 - 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.		Legislative Delete	82.70		

**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 2016</b>	<b>Target 2017</b>
4 - KINDERGARTEN READINESS— Percentage of kindergarten children demonstrating readiness criteria.		Legislative Delete	46.30		
5 - STUDENT ACHIEVEMENT— Percentage of students meeting or exceeding statewide academic performance standards in 3rd and 8th grade reading and math.		Legislative Delete	66.00		
6 - STUDENT GROWTH: Percent of students meeting growth targets on statewide assessments.		Legislative Delete	23.80		
7 - HIGH SCHOOL GRADUATION—Percentage of secondary students who graduate, drop out or otherwise finish PK12 education (three separate metrics).		Legislative Delete	68.70		
8 - COLLEGE READINESS - Success rate, participation rate, and second year persistence rate of Oregon PK-12 students into post-secondary institutions.		Legislative Delete	54.20		
9 - SCHOOLS CLOSING THE ACHIEVEMENT GAP—Percentage of schools closing the academic achievement gap.		Legislative Delete	35.60		
10 - SCHOOLS OFFERING ADVANCED COURSES—Percentage of schools offering advanced courses.		Legislative Delete	58.20		
11 - SUSPENSION, EXPULSION, AND TRUANCY—Number of suspension, expulsion, and truancy incidents, disaggregated by incident type.		Legislative Delete	67,607.00		
12 - SAFE SCHOOLS—Number of schools identified as persistently dangerous or on the “watch list.”		Legislative Delete	0.00		
13 - BUS SAFETY—Number of bus accidents, severity of accident, and who was at fault, compared to a similar state and the national average.		Legislative Delete	60.00		
14 - HIGHLY QUALIFIED TEACHERS - Percentage of core academic classes taught by highly qualified teachers.		Legislative Delete	98.00		
15 - MINORITY STAFF— Percentage of schools increasing or maintaining a high percentage of minority staff (Shared Measure with Teaching Standards Practices Commission and OUS).		Legislative Delete	11.60		

**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 2016</b>	<b>Target 2017</b>
16 - TIMELY ASSESSMENTS AND ASSESSMENT RESULTS— Percentage of statewide assessment and statewide assessment results provided to districts on time		Legislative Delete	100.00		
17 - ON-TIME TECHNICAL PROJECTS—Percentage of technology projects met on schedule		Legislative Delete	97.00		

**LFO Recommendation:**

The Oregon Department of Education (ODE) is proposing a new set of KPMs after an extensive review of internal operations. The new set of KPMs generally measure the same types of variables that the old set of KPMs did. They range from assessing early learning program to high school graduation. For early learning the quality of service providers is measured by gauging the number and percentage of service providers participating in the statewide quality rating and improvement system. For measuring the how ready children are ready for primary school the Kindergarten Assessment is used for a variety of variables. For the early grades, the statewide academic achievement standards for reading given third graders is used to measure progress for three groupings -- all students, students of color, and special education students. Progress toward completion is measured by the percentage of 9th graders that are on track for graduate in the same grouping as above. Finally completion is measured by the percentage of student who complete high school within five years, again for the same groupings of students. Also the college-going rate of residents who attend a post-secondary school is measured. To assess the success of assisting lower performing schools, the percentage of priority and focus schools who improve so they no longer are considered or identified as priority or focus schools. Staff of the agency are surveyed as their satisfaction on internal customer service across a variety of areas including accuracy and timeliness. LFO recommends approval of ODE's KPMs. Since these are new KPMs the targets set by the agency are used for goals in 2016 and 2017. They should be used as baseline information for goal setting in future years.

**Sub-Committee Action:**

Generally accept LFO recommendation. Increase the targets on the Customer Service measures to 85%.