

**Legislative  
Fiscal Office**

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**Joint Committee on  
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair  
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair  
Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. Dan Rayfield, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** Education Subcommittee  
**From:** Doug Wilson, Legislative Fiscal Office  
**Date:** June 30, 2017  
**Subject:** SB 5516-- Oregon Department of Education  
Work Session Recommendations

**Oregon Department of Education – Agency Totals**

	<b>2013-15 Actual</b>	<b>2015-17 Legislatively Approved</b>	<b>2017-19 Current Service Level</b>	<b>2017-19 LFO Recommended</b>
General Fund	450,315,281	577,650,415	639,530,189	818,148,775
Lottery Funds	42,371,073	1,434,927	651,225	651,225
Other Funds	113,581,297	277,228,514	194,841,138	204,908,348
Federal Funds	880,475,218	1,038,273,634	1,058,609,260	1,054,101,527
Nonlimited Other	107,265,246	112,916,253	112,916,253	118,964,721
Nonlimited Federal	372,416,650	388,007,727	388,007,727	388,007,727
<b>Total Funds</b>	<b>1,966,424,765</b>	<b>2,395,511,470</b>	<b>2,394,555,792</b>	<b>2,584,782,323</b>
Positions	544	555	530	547
FTE	505.71	520.90	510.80	534.58

*Does not include State School Fund which is funded in SB 5517.*

**Background Information**

The Oregon Department of Education (ODE) provides support to the Superintendent of Public Education (now the Governor) and the State Board of Education and provides leadership, technical assistance, and oversight of programs relating to K-12 education, special education, compensatory education, pre-school programs, school nutrition, youth corrections, and vocational education. The agency also is responsible for distributing the State School Fund to school districts and education service districts (ESD) as well as operating the Oregon School for the Deaf. The Governor is the Superintendent of Public Instruction but the agency is headed by the appointed Deputy Superintendent

The figures in the table above include all programs for ODE except for the State School Fund which was included in SB 5017. The majority of General Fund is for various grant-in-aid programs including Early Intervention/Early Childhood Special Education, OR Prekindergarten, and other early learning programs. Other General Fund uses include departmental operations and the School for the Deaf. All of the Lottery Funds above are for debt service. Other Fund resources include fee revenues and transfers from the State School Fund to programs like the Deaf School and long-term care educational programs. Nonlimited Other Funds is primarily the Common School Fund. Over 90% of the Federal Funds are for Grant-in-aid programs and early learning programs. Nonlimited Federal Fund resources are for nutrition related programs.

**Adjustments to Current Service Level (CSL):**

The CSL for the Commission is \$639.1 million General Funds, \$651,225 Lottery Funds, and \$2.394.6 billion total funds (not including State School Fund).

See attached "Work Session Presentation Report". *Please note the history on the department-wide page (page 1) includes the State School Fund numbers which are technically part of the Oregon Department of Education's budget.*

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation to SB 5516. (VOTE)**

**OR**

**Change** LFO Recommendation:

**MOTION: I move the LFO recommendation to SB 5516, with modifications. (VOTE)**

**Budget Notes**

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation on Budget Notes. (VOTE)**

**OR**

**Change** LFO Recommendation (any changes must be approved by the co-chairs):

**MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)**

**Performance Measures**

See attached "Legislatively Proposed 2017-19 Key Performance Measures."

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)**

**OR**

**Change** LFO Recommendation:

**MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)**

### **Recommended Changes**

LFO recommends a budget listed below, which is reflected in the -1 amendment.

General Fund	\$ 818,148,775
Lottery Funds	\$ 561,225
Other Funds	\$ 204,908,348
Federal Funds	\$ 1,054,101,527
Nonlimited Other Funds	\$ 118,964,721
Nonlimited Federal Funds	\$ <u>388,007,727</u>
<b>Total Funds</b>	<b>\$ 2,584,782,323</b>

**MOTION: I move adoption of the -1 amendment to SB 5516. (VOTE)**

### **Final Subcommittee Action**

LFO recommends that SB 5516, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

**MOTION: I move SB 5516, as amended, to the Full Committee with a do pass recommendation. (VOTE)**

### **Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_



LFO102 - Work Session Presentation Report  
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 58100-000-00-00-00000  
Education, Dept of

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	<b>7,509,532,264</b>	<b>409,585,443</b>	<b>277,254,435</b>	<b>1,026,393,576</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>9,723,689,698</b>	<b>552</b>	<b>519.01</b>
2015-17 Ebds, SS & Admin Act	(4,144,732)	39,553,391	3,242,475	11,880,110	-	-	50,531,244	3	1.89
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>7,505,387,532</b>	<b>449,138,834</b>	<b>280,496,910</b>	<b>1,038,273,686</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>9,774,220,942</b>	<b>555</b>	<b>520.90</b>
<b>2015-17 Leg Approved Budget (Base)</b>	<b>7,502,946,508</b>	<b>449,138,834</b>	<b>280,489,206</b>	<b>1,038,273,634</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>9,771,772,162</b>	<b>555</b>	<b>520.90</b>
Summary of Base Adjustments	1,709,814	20,599,997	527,948	1,276,132	-	-	24,113,891	(25)	(10.10)
<b>2017-19 Base Budget</b>	<b>7,504,656,322</b>	<b>469,738,831</b>	<b>281,017,154</b>	<b>1,039,549,766</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>9,795,886,053</b>	<b>530</b>	<b>510.80</b>
010: Non-PICS Pers Svc/Vacancy Factor	158,430	-	23,661	67,860	-	-	249,951	-	-
020: Phase In / Out Pgm & One-time Cost	203,195,283	-	(88,037,942)	(13,168,379)	-	-	101,988,962	-	-
030: Inflation & Price List Adjustments	696,617,864	-	5,098,957	32,873,493	-	-	734,590,314	-	-
040: Mandated Caseload	80,569,394	-	-	-	-	-	80,569,394	-	-
050: Fundshifts and Revenue Reductions	(302,129,223)	-	-	(713,480)	-	-	(302,842,703)	-	-
<b>2017-19 Current Service Level</b>	<b>8,183,068,070</b>	<b>469,738,831</b>	<b>198,101,830</b>	<b>1,058,609,260</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>10,410,441,971</b>	<b>530</b>	<b>510.80</b>
070: Revenue Reductions/Shortfall	3,800,000	-	-	(3,900,000)	-	-	(100,000)	-	-
<b>Adjusted 2017-19 Current Service Level</b>	<b>8,186,868,070</b>	<b>469,738,831</b>	<b>198,101,830</b>	<b>1,054,709,260</b>	<b>112,916,253</b>	<b>388,007,727</b>	<b>10,410,341,971</b>	<b>530</b>	<b>510.80</b>
<b>Total LFO Recommended Packages</b>	<b>(7,368,719,295)</b>	<b>(469,087,606)</b>	<b>6,806,518</b>	<b>(607,733)</b>	<b>6,048,468</b>	<b>-</b>	<b>(7,825,559,648)</b>	<b>17</b>	<b>23.78</b>
<b>2017-19 Legislative Actions</b>	<b>818,148,775</b>	<b>651,225</b>	<b>204,908,348</b>	<b>1,054,101,527</b>	<b>118,964,721</b>	<b>388,007,727</b>	<b>2,584,782,323</b>	<b>547</b>	<b>534.58</b>
Net change from 2015-17 Leg Approved Budget	(6,687,238,757)	(448,487,609)	(75,588,562)	15,827,841	6,048,468	-	(7,189,438,619)	(8)	13.68
Percent change from 2015-17 Leg Approved Budget	(89.1%)	(99.9%)	(27.0%)	1.5%	5.4%	0.0%	(73.6%)	(1.4%)	2.6%
Net change from 2017-19 Adj Current Service Level	(7,368,719,295)	(469,087,606)	6,806,518	(607,733)	6,048,468	-	(7,825,559,648)	17	23.78
Percent change from 2017-19 Adj Current Service Level	(90.0%)	(99.9%)	3.4%	(0.1%)	5.4%	0.0%	(75.2%)	3.2%	4.7%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	-	-	-	-	-	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
<b>2017-19 Base Budget</b>	-	-	-	-	-	-	-	-	-
<b>2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
<b>Adjusted 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
<b>Total LFO Recommended Packages</b>	-	-	<b>39,312,315</b>	-	-	-	<b>39,312,315</b>	-	-
<b>2017-19 Legislative Actions</b>	-	-	<b>39,312,315</b>	-	-	-	<b>39,312,315</b>	-	-
<b>Net change from 2015-17 Leg Approved Budget</b>	-	-	<b>39,312,315</b>	-	-	-	<b>39,312,315</b>	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
<b>Net change from 2017-19 Adj Current Service Level</b>	-	-	<b>39,312,315</b>	-	-	-	<b>39,312,315</b>	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 804 Bonding Related Changes**

Package Description This package transfers the outstanding Other Funds limitation for bonds sold during 2015-17 for the Oregon School Capital Improvement Matching program (OSCIM). Article XI-P bonds were sold to fund this program and the payments are made to the districts participating in the program. This \$39.3 million represents an estimated amount of remaining funds from bonds sold in 2015-17 to pay for program obligations that carryforward in 2017-19. These resources are transferred from the Operations to this new Capital Bonding/School Facilities part of the budget for the agency.

LFO Recommendation Approve the package.

LFO Recommended	-	-	39,312,315	-	-	-	39,312,315	-	-
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LFO102 - Work Session Presentation Report  
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 58100-100-00-00-00000  
Department Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	61,893,266	-	155,754,487	76,405,618	2,704,452	-	296,757,823	465	438.76
2015-17 Ebds, SS & Admin Act	7,300,967	-	649,818	13,857,489	-	-	21,808,274	3	1.89
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>69,194,233</b>	-	<b>156,404,305</b>	<b>90,263,107</b>	<b>2,704,452</b>	-	<b>318,566,097</b>	<b>468</b>	<b>440.65</b>
<b>2015-17 Leg Approved Budget (Base)</b>	<b>66,753,209</b>	-	<b>156,396,601</b>	<b>90,263,055</b>	<b>2,704,452</b>	-	<b>316,117,317</b>	<b>468</b>	<b>440.65</b>
Summary of Base Adjustments	2,787,183	-	475,115	1,388,091	-	-	4,650,389	(22)	(7.62)
<b>2017-19 Base Budget</b>	<b>69,540,392</b>	-	<b>156,871,716</b>	<b>91,651,146</b>	<b>2,704,452</b>	-	<b>320,767,706</b>	<b>446</b>	<b>433.03</b>
010: Non-PICS Pers Svc/Vacancy Factor	113,755	-	11,213	75,214	-	-	200,182	-	-
020: Phase In / Out Pgm & One-time Cost	(250,103)	-	(83,611,834)	(3,858,260)	-	-	(87,720,197)	-	-
030: Inflation & Price List Adjustments	1,573,915	-	563,075	1,827,567	-	-	3,964,557	-	-
<b>2017-19 Current Service Level</b>	<b>70,977,959</b>	-	<b>73,834,170</b>	<b>89,695,667</b>	<b>2,704,452</b>	-	<b>237,212,248</b>	<b>446</b>	<b>433.03</b>
070: Revenue Reductions/Shortfall	3,800,000	-	-	(3,900,000)	-	-	(100,000)	-	-
<b>Adjusted 2017-19 Current Service Level</b>	<b>74,777,959</b>	-	<b>73,834,170</b>	<b>85,795,667</b>	<b>2,704,452</b>	-	<b>237,112,248</b>	<b>446</b>	<b>433.03</b>
<b>Total LFO Recommended Packages</b>	<b>2,389,835</b>	-	<b>(34,714,153)</b>	<b>(5,701,772)</b>	-	-	<b>(38,026,090)</b>	<b>19</b>	<b>25.78</b>
<b>2017-19 Legislative Actions</b>	<b>77,167,794</b>	-	<b>39,120,017</b>	<b>80,093,895</b>	<b>2,704,452</b>	-	<b>199,086,158</b>	<b>465</b>	<b>458.81</b>
Net change from 2015-17 Leg Approved Budget	7,973,561	-	(117,284,288)	(10,169,212)	-	-	(119,479,939)	(3)	18.16
Percent change from 2015-17 Leg Approved Budget	11.5%	0.0%	(75.0%)	(11.3%)	0.0%	0.0%	(37.5%)	(0.6%)	4.1%
Net change from 2017-19 Adj Current Service Level	2,389,835	-	(34,714,153)	(5,701,772)	-	-	(38,026,090)	19	25.78
Percent change from 2017-19 Adj Current Service Level	3.2%	0.0%	(47.0%)	(6.7%)	0.0%	0.0%	(16.0%)	4.3%	6.0%



	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 070 Revenue Shortfalls**

Package Description This package addresses a shortfall in the 2015-17 Current Service Level budget that was temporarily addressed in the 2015-17 Legislatively Approved Budget. The Office of Assessment and Accountability received \$2.2 million General Fund from the Emergency Board to partially backfill a revenue shortfall in its CSL. The remainder of the hole was filled with \$3.8 million of carried-over federal assessment revenue from the 2013-15 biennium. The use of the one-time federal funds leaves the program underfunded and \$3.8 million General Fund is appropriated to fill the gap. There is also a corresponding reduction to Federal Funds expenditure limitation.

LFO Recommendation Approve the package.

LFO Recommended	3,800,000	-	-	(3,900,000)	-	-	(100,000)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 106 Maintaining Oregon's Ability to Measure Student Progress**

Package Description This package proposes funding for three assessments:

1. English Language Proficiency Assessment or ELPA: ODE has been a lead agency as part of a multi-state consortium to develop ELPA using a federal grant to fund the development. The grant is almost to term and the agency has requested \$1.26 million to provide the assessment in 2017-19. This funding would also include a screener for schools to identify incoming students who need English Language Learners services. Schools currently pay for these screening and this could save local funds. \$824,400 is for the ELPA license and screenings, while \$416,232 is for administering the test.
2. Next Generation Science Standards (NGSS): The State Board of Education has adopted the NGSS as the State's science standards. These standards have a five-year phase-in schedule and ODE requested \$1.5 million to develop an assessment that aligns with the science content standards that meet ESSA standards.
3. The Kindergarten assessment has been used for a few years, but it can be time consuming and results are not immediately available. ODE is requesting funding for a pilot to better administrate the assessment.

LFO Recommendation Approve the first two components of the request -- the ELPA assessment and the NGSS assessment for a total amount of \$2.0 million General Fund. The agency can determine how to best split the \$2.0 million The position is not required since it was related to the Kindergarten assessment component of the requested policy package.

LFO Recommended	2,000,000	-	-	-	-	-	2,000,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 111 Internal Operational Realignment**

Package Description Establishes seven positions of which all are currently limited duration positions. Six of these positions will continue as limited duration and one Child Nutrition Specialist position will be permanent because of ongoing revenue sources and workload. Nine current positions have funding shifts to reflect their current responsibilities. Five part-time positions (most are IT related positions) have their FTE increased to fully fund the workload assigned to the position. To offset a portion of this increased FTE, two IT positions are abolished. This will result in having full-time positions to better attract new hires. Twenty-nine positions are reclassified. All of these have had desk audits and reviewed by DAS Human Resources. All are working out of class currently and the reclasses bring them up to where they currently are paid. The package does not have a net impact on General Fund over the entire agency. Overall, the package has an increase in Other Funds expenditure limitation of \$779,683 and a total funds impact of \$1.1 million. Reductions in Services and Supplies across the agency provided the General Fund resources for some of these position changes.

LFO Recommendation Approve the package.

LFO Recommended	224,604	-	779,683	97,141	-	-	1,101,428	5	8.63
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 113 Tribal History & Sovereignty Curriculum**

Package Description This package and another in Grant-in-Aid provides General Fund to create a curriculum that recognizes the cultural heritage, history and language of Oregon nine federally recognized tribes. In this specific package, funding is proposed for contract dollars to assist in the development of the curricula. The package in Grant-in-Aid provides funding for grants to implement the curriculum in grades K-12 to the nine tribal governments.

LFO Recommendation Approve the package.

LFO Recommended	200,000	-	-	-	-	-	200,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 114 Measure 98 CTE**

Package Description This package proposes to add a net 8ten positions (7.02) to perform the activities required under Ballot Measure 98 for the Oregon Department of Education. Ballot Measure 98 was approved by the voters in 2016 to provide additional grants over and above the school funding formula payments for three specific areas for high school students -- dropout-prevention, college-level education opportunities or accelerated learning, and career and technical education. The positions include Education Specialists who will provide technical assistance, coaching, professional development and supports to districts and others regarding the required plans and implementation of the Ballot Measure 98 programs. An Operations and Policy Analyst will coordinate the activities of numerous units across the agency in relation to Ballot Measure 98 responsibilities. A Research Analyst will address research and data needs for the program as well as maintain the data required under the Measure. A Procurement and Contract Specialist and Fiscal Analyst will provide the required fiscal and contract responsibilities and oversight, and an Administrative Specialist will provide support to the team as well as provide any rule clarifications required by districts.

This will be a \$170 million program grant program for 2017-19 and will grow in the future. The Oregon Department of Education is authorized to receive up to 1.5% of the program resources in 2017-19 decreasing to 1.25% in succeeding biennia. The \$1.8 million in this package represents 1.0%.

LFO Recommendation Approve the package.

LFO Recommended	1,770,079	-	-	-	-	-	1,770,079	8	7.02
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 202 Implementing Child Care Federal Regulatory Requirements**

Package Description This package repurposes Child Care Development Fund (CCDF) Federal Funds to implement the provisions of the Child Care and Development Block Grant Act of 2014. This federal act increases requirements for provider training, extends health and safety inspections to license-exempt family providers (e.g., Employment Related Day Care - ERDC), requires more training for formerly unregulated providers, and institutes new background checks from the Federal Bureau of Investigation. The repurposed Federal Funds reduce the amount available for the ERDC program and other programs at the Department of Human Services (DHS). These repurposed federal funds will be used to cover the increased costs of training and for inspections. As proposed by the Governor, this package includes 25 positions (24.50 FTE) in the Early Learning Division at a cost of \$6.2 million Federal Funds.

A new federal requirement has increased the requirements for what type of background check is required. Fingerprint related background checks are now required for all providers and their employees who have contact with children. It is estimated that these enhanced background checks will take three or so times as long to process. The total cost of the background checks is \$75 including the staff costs. Of these costs, \$40 will be paid to the State Police for actual FBI background check and the remaining costs are funded by Child Care block grant fund resources. The actual fee charged the child care providers will be \$35. The package includes Other Funds limitation of \$2.9 million which is the estimated amount paid to the State Police. The package also retains \$3.1 million in Federal Funds which in the past has been transferred to DHS for payment of contracts for child care resource and referral services. The funding will be retained by ODE/ELD and they will directly pay for the contracts.

LFO Recommendation This package is partially approved reducing the number of staff to 18 positions and 18.00 FTE which reduces related costs by \$2.1 million Federal Funds. This reduces the cost to \$4.1 million Federal Funds. The remaining 18 positions include:

- Nine Administrative Specialists to perform the background checks of which five were limited duration in 2015-17 and are permanent for 2017-19 for ongoing workload. Three of the nine positions are limited duration for 2017-19.
- Three Office Specialist positions to support the background and compliance activities in part to address the increased volume of information requests and assistance in the background activities.
- Three Compliance Specialist for preparing materials for contested cases, preparing materials for revoking facility licenses, communicating with law enforcement and child welfare, and supporting legal and policy changes.
- Three Program Analysts to support the quality and professional development activities and provide strategies to increase the supply of providers.

The \$2.9 million in Other Funds limitation as well as the actions related to the child care resource and referral contracts are also recommended.

LFO Recommended	-	-	2,867,500	4,008,000	-	-	6,875,500	18	18.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 203 Enhancing Operational Efficiency and Program Services - ELD**

Package Description As proposed by the Governor, this package adds four positions (4 FTE) to the Early Learning Division and changes the funding on another seven permanent full-time positions at a cost of \$1.7 million General Fund offset by a reduction of \$943,885 Federal Fund. One of the new General Funds positions are related to the Early Learning Information Systems and the other General Fund position is for the Division's work around the Oregon Equity Lens. A Project Manager 3 position is proposed to finish the design and development of the Early Learning Information Systems project. This position is entirely federally funded. A final position was requested (Federal Funds) for the work around an Early Childhood Comprehensive Systems grant that the Division has applied for.

For 2015-17, seven existing permanent positions were partially funded with federal Race-to-the-Top funds (18 months) and with General Fund for the remaining 6 months. The intent in approving these positions during the 2015 Session was that they would be funded entirely with General Fund for 2017-19 as the federal grant funds ran out. In the development of the 2017-19 budget, actions were not taken to change the funding to all General Fund.

LFO Recommendation Partially approve the package. The new General Fund positions are not recommended because of a lack of General Fund resources. The federally funded Project Manager 3 position is recommended. The fund shift on the existing seven positions is recommended and is included in the Co-Chairs Framework. The federally funded Early Childhood Comprehensive Systems grant position is not recommended since the grant was not awarded.

LFO Recommended	1,386,756	-	-	(1,191,996)	-	-	194,760	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description This package reduces administrative costs across the agency. Included in the package:

- Reduce personal services cost by increasing the assumed vacancy savings across the agency by \$500,000 General Fund. This will result in further delays in hiring or filling positions.
- Reduce the budget for assessments by \$1.0 million General Fund. It is expected that the agency will renegotiate with the firm who administers the statewide assessment across the state.
- Reduce the amount available for services and supplies and the amount available for professional contracts by 10% or \$1,173,274 General Fund.
- Eliminate a position in the Communications unit and reduces the FTE by 0.50 FTE on a position in the Office of Financial Administration (OFA). Further reductions in services and supplies for OFA are also taken.
- Provide \$800,000 General Fund resources for services and supplies for 2017-19 in the Information Technology units which had been previously funded with federal grant funds that are no longer available. The original amount was almost \$1.4 million, but the agency identified savings to reduce the amount to the requested \$800,000.
- Shifts \$500,000 of Personal Services from the Network of Quality Teaching and Learning to General Fund in the Office of Equity.

LFO Recommendation Approve the package.

LFO Recommended	(2,080,038)	-	(500,000)	(1,359,938)	-	-	(3,939,976)	(1)	(1.50)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 802 Program Enhancement**

Package Description This package adds four positions (3.83 FTE) for the Absenteeism initiative in SB 183 at a cost of \$1.2 million including the Services & Supplies and other costs associated with this initiative. There is a Grant-in-Aid addition of \$6.2 million for grants to districts.

\$200,000 General Fund is included for a contract to assess the need and the current systems available for Early Indicator systems, another part of the original SB 183 proposal of the Governor.

Also included in this package is \$200,000 for the costs of administrating the Teaching Empowering Leading Learning survey. This survey is sent to educators across the state and will next be administered in 2018. It will be funded with Network for Quality Teaching and Learning (NTQL) resources.

LFO Recommendation Approve the package.

LFO Recommended	1,363,219	-	200,000	-	-	-	1,563,219	4	3.83
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 803 Technical Changes**

Package Description This package makes several technical changes to the Operations budget. These include:

- Changing the funding from Federal Funds to Other Funds on three positions to line up with the duties and responsibilities of the positions.
- Reclass a Child Nutrition Program position which results in no additional cost (equal classifications).
- Add \$240,00 in Federal Fund limitation for increased costs resulting from moving applications to the State Data Center.
- Add \$597,775 in Federal Fund limitation for increased rent for the proposed new Early Learning Division staff resulting from new federal regulations (POP 202).
- Increase the Other Funds limitation by \$500,000 for the "Ounce of Prevention" grant funds not entirely spent during 2015-17 (one limited duration position).
- Increase the Other Funds limitation by \$442,500 for increased background checks for volunteers in schools with the passage of HB 2992
- Transfer the \$750,000 General Fund resources for Gang Prevention grants from Operations to Youth Development Grant-in-Aid.
- Transfer the \$7.0 million Federal Funds for the Charter School program funding from Operations to K-12 Grant-in-Aid.

LFO Recommendation Approve the package.

LFO Recommended	(750,000)	-	1,613,636	(6,838,296)	-	-	(5,974,660)	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 804 Bonding Related Changes**

Package Description This package transfers the outstanding Other Funds limitation for bonds sold during 2015-17 for the Oregon School Capital Improvement Matching program (OSCIM). Article XI-P bonds were sold to fund this program and the payments are made to the districts participating in the program. This \$39.3 million represents an estimated amount of remaining funds from bonds sold in 2015-17 to pay for program obligations that carryforward in 2017-19. This amount is transferred from Operations budget unit to the new Capital Bonding/School Facilities budget unit.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(39,312,315)	-	-	-	(39,312,315)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 812 Vacant Position Elimination**

Package Description This package eliminates positions which have been vacant for an extended period or positions identified by the agency that could be eliminated. The positions include:

- Two Public Affairs Specialist in the Early Learning Division
- One Electronic Publications Design positions in Assessments
- One Information Systems Specialist position in Information Technology
- One Research Analyst Position in the Office of School Facilities
- One Principle Executive Manager F, two Education Program Specialists, and three Office Specialists in the Office of Teaching and Learning.
- Four Part-time Education Specialist position in CTE related areas.

Services & supplies resources are also reduced that are attached to these positions. Some services & supplies resources are added back to offset the public affairs work in the Early Learning Division. Over all savings are \$1.1 million General Fund, \$1.9 million total funds, 15 positions, and 10.2 FTE.

LFO Recommendation Approve the package.

LFO Recommended	(1,128,130)	-	(362,657)	(416,683)	-	-	(1,907,470)	(15)	(10.20)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 814 IT Security Positions Consolidation**

Package Description This package transfers two security related Information Technology positions and associated services and supplies from the Department of Education to the Department of Administrative/Office of the State Chief Information Officer. This is the result of an Governor's Executive Order last year.

LFO Recommendation Approve the package.

LFO Recommended	(596,655)	-	-	-	-	-	(596,655)	(2)	(2.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	<b>11,512,824</b>	-	<b>3,795,840</b>	<b>601,565</b>	-	-	<b>15,910,229</b>	<b>85</b>	<b>78.25</b>
2015-17 Ebds, SS & Admin Act	400,453	-	2,084,729	22,621	-	-	2,507,803	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>11,913,277</b>	-	<b>5,880,569</b>	<b>624,186</b>	-	-	<b>18,418,032</b>	<b>85</b>	<b>78.25</b>
<b>2015-17 Leg Approved Budget (Base)</b>	<b>11,913,277</b>	-	<b>5,880,569</b>	<b>624,186</b>	-	-	<b>18,418,032</b>	<b>85</b>	<b>78.25</b>
Summary of Base Adjustments	455,014	-	36,669	(111,959)	-	-	379,724	(3)	(2.48)
<b>2017-19 Base Budget</b>	<b>12,368,291</b>	-	<b>5,917,238</b>	<b>512,227</b>	-	-	<b>18,797,756</b>	<b>82</b>	<b>75.77</b>
010: Non-PICS Pers Svc/Vacancy Factor	44,675	-	9,285	(7,354)	-	-	46,606	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,030,515)	-	-	-	(2,030,515)	-	-
030: Inflation & Price List Adjustments	-	-	79,426	9,399	-	-	88,825	-	-
<b>2017-19 Current Service Level</b>	<b>12,412,966</b>	-	<b>3,975,434</b>	<b>514,272</b>	-	-	<b>16,902,672</b>	<b>82</b>	<b>75.77</b>
<b>Adjusted 2017-19 Current Service Level</b>	<b>12,412,966</b>	-	<b>3,975,434</b>	<b>514,272</b>	-	-	<b>16,902,672</b>	<b>82</b>	<b>75.77</b>
<b>Total LFO Recommended Packages</b>	<b>(95,894)</b>	-	<b>2,050,268</b>	<b>(250,268)</b>	-	-	<b>1,704,106</b>	-	-
<b>2017-19 Legislative Actions</b>	<b>12,317,072</b>	-	<b>6,025,702</b>	<b>264,004</b>	-	-	<b>18,606,778</b>	<b>82</b>	<b>75.77</b>
Net change from 2015-17 Leg Approved Budget	403,795	-	145,133	(360,182)	-	-	188,746	(3)	(2.48)
Percent change from 2015-17 Leg Approved Budget	3.4%	0.0%	2.5%	(57.7%)	0.0%	0.0%	1.0%	(3.5%)	(3.2%)
Net change from 2017-19 Adj Current Service Level	(95,894)	-	2,050,268	(250,268)	-	-	1,704,106	-	-
Percent change from 2017-19 Adj Current Service Level	(0.8%)	0.0%	51.6%	(48.7%)	0.0%	0.0%	10.1%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 803 Technical Changes**

Package Description This package makes technical adjustments to the budget for the School for the Deaf including:

- Shifts funding from Federal Funds to Other Funds to reflect decrease in available federal revenues.
- Increases Other Funds limitation by \$300,000 to reflect greater revenues from school districts and ESDs when School for the Deaf staff perform IEPs for students. These contracts have grown from 18 in 2013-15 to 44 projected for 2017-19.
- Increases the Other Funds limitation by \$1.5 million for carry-forward funds for deferred maintenance needs that will extend into the 2017-19 biennium.

LFO Recommendation Approve the package.

LFO Recommended			2,050,268	(250,268)			1,800,000		
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 812 Vacant Position Elimination**

Package Description This package reclasses two Facility Energy Technicians that are no longer required given the replacement and modernization of the HVAC systems. They will be replaced with two custodial positions who will provide needed maintenance work as well as to be a presence for safety reasons during off-hours at this 24 hour facility.

LFO Recommendation Approve the package.

LFO Recommended	(95,894)	-	-	-	-	-	(95,894)	-	-
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LFO102 - Work Session Presentation Report  
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 58100-250-00-00-00000  
Youth Corrections Educational Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	16,502,677	2,222,411	-	-	18,725,088	2	2.00
2015-17 Ebds, SS & Admin Act	-	-	(7,272)	-	-	-	(7,272)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	16,495,405	2,222,411	-	-	18,717,816	2	2.00
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	16,495,405	2,222,411	-	-	18,717,816	2	2.00
Summary of Base Adjustments	-	-	16,164	-	-	-	16,164	-	-
<b>2017-19 Base Budget</b>	-	-	16,511,569	2,222,411	-	-	18,733,980	2	2.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	3,163	-	-	-	3,163	-	-
030: Inflation & Price List Adjustments	-	-	598,719	82,229	-	-	680,948	-	-
<b>2017-19 Current Service Level</b>	-	-	17,113,451	2,304,640	-	-	19,418,091	2	2.00
<b>Adjusted 2017-19 Current Service Level</b>	-	-	17,113,451	2,304,640	-	-	19,418,091	2	2.00
<b>Total LFO Recommended Packages</b>	-	-	(17,113,451)	(2,304,640)	-	-	(19,418,091)	(2)	(2.00)
<b>2017-19 Legislative Actions</b>	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	(16,495,405)	(2,222,411)	-	-	(18,717,816)	(2)	(2.00)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)
Net change from 2017-19 Adj Current Service Level	-	-	(17,113,451)	(2,304,640)	-	-	(19,418,091)	(2)	(2.00)
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 803 Technical Changes**

Package Description This package transfers the Youth Corrections Education Program/Juvenile Detention Education Program (YCEP/JDEP) from this budget area to the K-12 Grant-in-Aid area. All the YCEP and JDEP services are now administrated by school districts and ESDs through grants from ODE. This is a transfer of \$16.8 million Other Funds and \$2.3 million Federal Funds.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(16,768,003)	(2,304,640)	-	-	(19,072,643)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 812 Vacant Position Elimination**

Package Description This package eliminates two positions (2.0 FTE) which have been vacant for an extended period or positions identified by the agency that could be eliminated. The positions for the Youth Corrections program are a Teaching Assistant and an Office Specialist which are no longer required. All the education services for Youth Corrections is provided through contacts with school districts or ESDs. The \$345, 348 Other Funds attached to these positions will be transferred to K-12 Grant-in-Aid.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(345,448)	-	-	-	(345,448)	(2)	(2.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	257,628,789	-	80,715,786	813,686,180	-	388,007,727	1,540,038,482	-	-
2015-17 Ebds, SS & Admin Act	4,566,882	-	515,200	(2,000,000)	-	-	3,082,082	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>262,195,671</b>	<b>-</b>	<b>81,230,986</b>	<b>811,686,180</b>	<b>-</b>	<b>388,007,727</b>	<b>1,543,120,564</b>	<b>-</b>	<b>-</b>
<b>2015-17 Leg Approved Budget (Base)</b>	<b>262,195,671</b>	<b>-</b>	<b>81,230,986</b>	<b>811,686,180</b>	<b>-</b>	<b>388,007,727</b>	<b>1,543,120,564</b>	<b>-</b>	<b>-</b>
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
<b>2017-19 Base Budget</b>	<b>262,195,671</b>	<b>-</b>	<b>81,230,986</b>	<b>811,686,180</b>	<b>-</b>	<b>388,007,727</b>	<b>1,543,120,564</b>	<b>-</b>	<b>-</b>
020: Phase In / Out Pgm & One-time Cost	(5,955,000)	-	(2,395,593)	-	-	-	(8,350,593)	-	-
030: Inflation & Price List Adjustments	9,480,906	-	3,220,413	29,950,422	-	-	42,651,741	-	-
040: Mandated Caseload	6,812,036	-	-	-	-	-	6,812,036	-	-
050: Fundshifts and Revenue Reductions	713,480	-	-	(713,480)	-	-	-	-	-
<b>2017-19 Current Service Level</b>	<b>273,247,093</b>	<b>-</b>	<b>82,055,806</b>	<b>840,923,122</b>	<b>-</b>	<b>388,007,727</b>	<b>1,584,233,748</b>	<b>-</b>	<b>-</b>
<b>Adjusted 2017-19 Current Service Level</b>	<b>273,247,093</b>	<b>-</b>	<b>82,055,806</b>	<b>840,923,122</b>	<b>-</b>	<b>388,007,727</b>	<b>1,584,233,748</b>	<b>-</b>	<b>-</b>
<b>Total LFO Recommended Packages</b>	<b>174,473,709</b>	<b>-</b>	<b>20,532,231</b>	<b>11,034,998</b>	<b>-</b>	<b>-</b>	<b>206,040,938</b>	<b>-</b>	<b>-</b>
<b>2017-19 Legislative Actions</b>	<b>447,720,802</b>	<b>-</b>	<b>102,588,037</b>	<b>851,958,120</b>	<b>-</b>	<b>388,007,727</b>	<b>1,790,274,686</b>	<b>-</b>	<b>-</b>
Net change from 2015-17 Leg Approved Budget	185,525,131	-	21,357,051	40,271,940	-	-	247,154,122	-	-
Percent change from 2015-17 Leg Approved Budget	70.8%	0.0%	26.3%	5.0%	0.0%	0.0%	16.0%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	174,473,709	-	20,532,231	11,034,998	-	-	206,040,938	-	-
Percent change from 2017-19 Adj Current Service Level	63.9%	0.0%	25.0%	1.3%	0.0%	0.0%	13.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 113 Tribal History & Sovereignty Curriculum**

Package Description This package and another in Operations provides General Fund to create a curriculum that recognizes the cultural heritage, history and language of Oregon nine federally recognized tribes. In this specific package, funding for grants to implement the curriculum in grades K-12 to the nine tribal governments funding is proposed. The package in Operations provides contract dollars to develop the curricula.

LFO Recommendation Approve the package.

LFO Recommended	1,800,000	-	-	-	-	-	1,800,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 114 Measure 98 CTE**

Package Description This package appropriates \$170 million General Fund to the High School Graduation and College and Career Readiness Fund established by Ballot Measure 98. The Governor had recommended \$139.4 million General Fund. This Measure was approved by the voters in 2016 to provide additional grants over and above the school funding formula payments for three specific areas for high school students -- dropout-prevention, college-level education opportunities or accelerated learning, and career and technical education.

The \$170 million represents approximately 60% of the amount that the \$800 per high school student would generate. Districts will need to phase in many of the programs included in this initiative. While there are no instructions or guidelines on how districts should phase the programs in, the administrative rules for these grants allow for spending the biennium's first school year's amount in the second year if it so chooses. In addition, there was a desire to make sure many of the CTE and accelerated learning programs already existing received sufficient funding to augment and support district efforts. For example, Revitalization grants can be used for equipment or other infrastructure for schools as they build out their CTE programs. If the full amount under Ballot Measure 98 was distributed, many of these programs could have been significantly reduced or eliminated.

LFO Recommendation Approve the package.

LFO Recommended	170,000,000	-	-	-	-	-	170,000,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description This package makes several changes to the many programs under this K-12 grant-in-aid programs.

Student Success Grants -- Two reading programs -- Start Making a Reader Today (SMART) and the Reach Out to Read -- are reduced by 50% from Current Service Level (CSL). The Supporting Accelerated Learning Opportunities which assists in paying for AP and IB tests is reduced by 9% while Accelerated Learning and Regional Promise grants are maintained at CSL. These programs should assist district efforts around Ballot Measure 98. The General Fund for the Physical Education grants is increased by \$556,000 to offset the loss of a portion of the Tobacco Master Settlement Agreement funding. To offset the costs of districts for requirements around Dyslexia, \$1.9 million in Network for Quality Teaching and Learning (NQTL) funds are included.

STEM and CTE Related Programs -- Because of limits in General Fund resources, various STEM and CTE related programs were reduced by 10%. CTE Revitalization grants were increase by almost 11% in part because of its importance of supporting Ballot Measure 98 programs and because the CTE Summer programs were folded into the Revitalization grants. The CTE Mentoring program is eliminated as are the Course Equivalent pilot program.

Nutritional Programs --The Farm-to-School is not funded in this budget but HB 5006 is to include \$2.5 million General Fund for this purpose. Other General Fund in the Nutrition programs are reduced by approximately \$400,000 recognizing that the agency usually reverts more than this each biennia.

Educator Effectiveness and Professional Development -- The General Fund resources in the Collaboration grants and the Mentoring grants are eliminated leaving the programs with NQTL funding of \$13.5 million and \$11.5 million respectively. Similarly, General Fund resources in the Leadership Training and Effective Teacher Prep programs are eliminated and combined NQTL funding for the two programs is \$1.5 million. Assessment Literacy was not funded in this budget.

Closing the Achievement Gap -- Funding (General Fund) for the African American Education Plan, a new program in 2015-17, grows by over 100% to \$6.0 million while the Tribal Attendance program is continued at CSL at \$1.6 million. The English Language Learners program is continue at \$10.4 million Other Funds as a carve-out from the State School Fund. NQTL funding is used for the School and District Turnaround grants and the Low Performing Schools program at \$2.0 million and \$2.5 million respectively.

Special Education Programs -- Beside the Early Invention/Early Childhood Special Education (EI/ECSE) funding outlined in package 802, the various Special Education programs are maintained at CSL or 2015-17 levels.

LFO Recommendation Approve the package.

LFO Recommended	(9,505,180)	-	2,634,450	-	-	-	(6,870,730)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 802 Program Enhancement**

Package Description This package adds funding to three Grant-in-Aid programs. First, \$5.9 million General Fund and \$1.7 million Federal Funds is added for the Early Invention/Early Childhood Special Education (EI/ECSE). For this program, funding has not kept pace with caseload and cost increases. Second, \$6.2 million General Fund is directed at the implementation of the Chronic Absenteeism initiative. There is a related \$1.2 million program in the Operations part of the budget for the staff and related costs for this initiative. Finally, \$1.0 million in Network for Quality Teaching and Learning resources (Other Funds limitation) is directed to Trauma Informed pilot projects that begun in the 2015-17 biennium.

LFO Recommendation Approve the package.

LFO Recommended	12,178,889	-	1,000,000	1,725,423	-	-	14,904,312	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 803 Technical Changes**

Package Description This package makes technical changes to the Grant-in-Aid budget area. These changes are:

- Transfers the Youth Corrections Education Program/Juvenile Detention Education Program (YCEP/JDEP) from in its own budget area to this K-12 Grant-in-Aid area. All the YCEP and JDEP services are now administrated by school districts and ESDs through grants from ODE. This is a transfer of \$17.1 million Other Funds and \$2.3 million Federal Funds.
- Transfers the \$7.0 million Federal Funds Charter School program funding from the Operations budget area to the K-12 Grant-in-Aid budget area.
- Reduces \$159,770 Other Funds from Grant-in-Aid area to fully fund the Physical Education position in Operations. This is required to fund this position which is responsible for coordinating and assisting districts meet the requirements for the minimum minutes spent each week in Physical Education related activities.
- Shifts a portion of the funding for the Physical Education grants from Other Funds to General Fund (reduction of Other Funds in this package and the addition in package 801). Revenues from the Tobacco Master Settlement Agreement (TMSA) are estimated to be less than was thought. This package shifts \$555,900 from Other Funds (TMSA) to General Fund.
- Establishes an Other Funds expenditure limitation of \$500,000 to pay for the difference in costs between what the State School Fund will pay for transporting Foster Care children by school districts and the actual costs. The Department of Human Services will be providing resources for ODE for these payments. This is related to changes made in SB 20 which links state law with the new federal Every Student Succeeds Act (ESSA). It is unclear how many transactions will occur so this amount may require future adjustment

LFO Recommendation Approve the package.

LFO Recommended	-	-	16,897,781	9,309,575	-	-	26,207,356	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	-	-	110,211,801	-	110,211,801	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	-	-	110,211,801	-	110,211,801	-	-
2015-17 Leg Approved Budget (Base)	-	-	-	-	110,211,801	-	110,211,801	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2017-19 Base Budget	-	-	-	-	110,211,801	-	110,211,801	-	-
2017-19 Current Service Level	-	-	-	-	110,211,801	-	110,211,801	-	-
Adjusted 2017-19 Current Service Level	-	-	-	-	110,211,801	-	110,211,801	-	-
Total LFO Recommended Packages	-	-	-	-	6,048,468	-	6,048,468	-	-
2017-19 Legislative Actions	-	-	-	-	116,260,269	-	116,260,269	-	-
Net change from 2015-17 Leg Approved Budget	-	-	-	-	6,048,468	-	6,048,468	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	5.5%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	6,048,468	-	6,048,468	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	5.5%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description This package increases the Nonlimited Other Funds expenditure limitation by \$6,048,468 to match the assumptions used in the Legislative Revenue Office's estimated Common School Fund contribution to local revenues for the school funding formula for 2017-19. This comes from a payment from the Department of State Lands from earnings of the Common School Fund. These are counted as local revenues for the school funding formula and the Department of Education factors this amount for each participating district's local contribution.

LFO Recommendation Approve the package.

LFO Recommended	-	-	-	-	6,048,468	-	6,048,468	-	-
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LFO102 - Work Session Presentation Report  
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 58100-500-00-00-00000  
Early Learning Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	<b>201,539,157</b>	-	<b>11,167,664</b>	<b>130,400,115</b>	-	-	<b>343,106,936</b>	-	-
2015-17 Ebds, SS & Admin Act	23,140,357	-	-	-	-	-	23,140,357	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>224,679,514</b>	-	<b>11,167,664</b>	<b>130,400,115</b>	-	-	<b>366,247,293</b>	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	<b>224,679,514</b>	-	<b>11,167,664</b>	<b>130,400,115</b>	-	-	<b>366,247,293</b>	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
<b>2017-19 Base Budget</b>	<b>224,679,514</b>	-	<b>11,167,664</b>	<b>130,400,115</b>	-	-	<b>366,247,293</b>	-	-
020: Phase In / Out Pgm & One-time Cost	17,540,357	-	-	(9,310,119)	-	-	8,230,238	-	-
030: Inflation & Price List Adjustments	8,264,217	-	413,204	890,002	-	-	9,567,423	-	-
<b>2017-19 Current Service Level</b>	<b>250,484,088</b>	-	<b>11,580,868</b>	<b>121,979,998</b>	-	-	<b>384,044,954</b>	-	-
<b>Adjusted 2017-19 Current Service Level</b>	<b>250,484,088</b>	-	<b>11,580,868</b>	<b>121,979,998</b>	-	-	<b>384,044,954</b>	-	-
<b>Total LFO Recommended Packages</b>	<b>(2,543,387)</b>	-	-	<b>(944,490)</b>	-	-	<b>(3,487,877)</b>	-	-
<b>2017-19 Legislative Actions</b>	<b>247,940,701</b>	-	<b>11,580,868</b>	<b>121,035,508</b>	-	-	<b>380,557,077</b>	-	-
Net change from 2015-17 Leg Approved Budget	23,261,187	-	413,204	(9,364,607)	-	-	14,309,784	-	-
Percent change from 2015-17 Leg Approved Budget	10.4%	0.0%	3.7%	(7.2%)	0.0%	0.0%	3.9%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	(2,543,387)	-	-	(944,490)	-	-	(3,487,877)	-	-
Percent change from 2017-19 Adj Current Service Level	(1.0%)	0.0%	0.0%	(0.8%)	0.0%	0.0%	(0.9%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 111 Internal Operational Realignment**

Package Description This package is a companion to package 111 in Operations. General Fund is reduced from one-time special payments in 2015-17 to pay for personal services changes in the funding for staff who work only on Early Learning programs.

LFO Recommendation Approve the package.

LFO Recommended	(224,604)	-	-	-	-	-	(224,604)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 202 Implementing Child Care Federal Regulatory Requirements**

Package Description This package is a companion package to package 202 in Operations. In that package 18 positions are added to provide for the additional workload anticipated by the increased number and scope of background checks due to the passage of federal regulations around Child Care. Those positions and related costs are paid by reducing the amount of Child Care Development Block Grant funds that flow to the Department of Human Services (DHS) to primarily fund Employment Related Care (ERDC). Also factored into this package is the transfer of the funding (and in some cases the responsibilities for) from ODE to DHS for the Teen Parent child care program, Alcohol and Drug Special Populations program and the MSFW Special Populations program. The transfer also includes using \$3.1 million of ending balance resources for the Block Grant so the ERDC program is funded just above Current Service Level. Overall, there is net \$944,490 reduction in the payments to DHS.

LFO Recommendation

LFO Recommended	-	-	-	(944,490)	-	-	(944,490)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description Funding for the Oregon Prekindergarten and Early Head Start program is funded at CSL or \$152.3 million General Fund. The Healthy Families, Relief Nurseries, and Preschool Promise programs are also funded at CSL. The Kindergarten Partnership and Innovation grants are reduced by 4.1% to \$9.1 million General Fund and funding for Early Learning Hubs is funded at \$15.0 million General Fund or a decrease of 11.1%. Miscellaneous grants with General Fund resources within the Office of Child Care are reduced by 12%.

LFO Recommendation Approve the request.

LFO Recommended	(2,318,783)	-	-	-	-	-	(2,318,783)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	<b>12,108,744</b>	-	<b>6,057,289</b>	<b>3,077,687</b>	-	-	<b>21,243,720</b>	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>12,108,744</b>	-	<b>6,057,289</b>	<b>3,077,687</b>	-	-	<b>21,243,720</b>	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	<b>12,108,744</b>	-	<b>6,057,289</b>	<b>3,077,687</b>	-	-	<b>21,243,720</b>	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
<b>2017-19 Base Budget</b>	<b>12,108,744</b>	-	<b>6,057,289</b>	<b>3,077,687</b>	-	-	<b>21,243,720</b>	-	-
030: Inflation & Price List Adjustments	448,024	-	224,120	113,874	-	-	786,018	-	-
<b>2017-19 Current Service Level</b>	<b>12,556,768</b>	-	<b>6,281,409</b>	<b>3,191,561</b>	-	-	<b>22,029,738</b>	-	-
<b>Adjusted 2017-19 Current Service Level</b>	<b>12,556,768</b>	-	<b>6,281,409</b>	<b>3,191,561</b>	-	-	<b>22,029,738</b>	-	-
<b>Total LFO Recommended Packages</b>	<b>594,323</b>	-	-	<b>(2,441,561)</b>	-	-	<b>(1,847,238)</b>	-	-
<b>2017-19 Legislative Actions</b>	<b>13,151,091</b>	-	<b>6,281,409</b>	<b>750,000</b>	-	-	<b>20,182,500</b>	-	-
Net change from 2015-17 Leg Approved Budget	1,042,347	-	224,120	(2,327,687)	-	-	(1,061,220)	-	-
Percent change from 2015-17 Leg Approved Budget	8.6%	0.0%	3.7%	(75.6%)	0.0%	0.0%	(5.0%)	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	594,323	-	-	(2,441,561)	-	-	(1,847,238)	-	-
Percent change from 2017-19 Adj Current Service Level	4.7%	0.0%	0.0%	(76.5%)	0.0%	0.0%	(8.4%)	0.0%	0.0%



	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description This package changes the funding for the grant programs administered by the Youth Development Division. The Juvenile Crime Prevention grants are funded at \$5.9 million, a 2.6% decrease from CSL while the Youth and Innovation grants are reduced by 7.2% with \$3.2 million General Fund available for grants. The Youth and Community grant are increased to \$3.2 million or by 8.4%.

LFO Recommendation Approve the request.

LFO Recommended	(155,677)	-	-	-	-	-	(155,677)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 803 Technical Changes**

Package Description This package makes technical changes to the Youth Development Grant-in-Aid budget area. These changes are:

- Reduce empty Federal Funds limitation for the Juvenile Crime Prevention program. There is not federal revenue to support the existing limitation.
- Increase the General Fund appropriation for the transfer the \$750,000 General Fund for Gang Prevention grants from Operations to Youth Development Grant-in-Aid.

LFO Recommendation Approve the package.

LFO Recommended	750,000	-	-	(2,441,561)	-	-	(1,691,561)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	1,434,927	-	-	-	-	1,434,927	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	1,434,927	-	-	-	-	1,434,927	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	-	1,434,927	-	-	-	-	1,434,927	-	-
Summary of Base Adjustments	19,851,315	(783,702)	-	-	-	-	19,067,613	-	-
<b>2017-19 Base Budget</b>	19,851,315	651,225	-	-	-	-	20,502,540	-	-
<b>2017-19 Current Service Level</b>	19,851,315	651,225	-	-	-	-	20,502,540	-	-
<b>Adjusted 2017-19 Current Service Level</b>	19,851,315	651,225	-	-	-	-	20,502,540	-	-
<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	-	-
<b>2017-19 Legislative Actions</b>	19,851,315	651,225	-	-	-	-	20,502,540	-	-
Net change from 2015-17 Leg Approved Budget	19,851,315	(783,702)	-	-	-	-	19,067,613	-	-
Percent change from 2015-17 Leg Approved Budget	100.0%	(54.6%)	0.0%	0.0%	0.0%	0.0%	1328.8%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

