

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**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: Capital Construction Subcommittee
From: Doug Wilson, Legislative Fiscal Office
Date: July 1, 2017
Subject: SB 5522-- Chief Education Office
Work Session Recommendations

Chief Education Office – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	\$20,421,275	\$13,357,142	\$9,982,404	\$4,022,118
Total Funds	\$20,421,275	\$13,357,142	\$9,982,404	\$4,022,118
Positions	15	20	19	13
FTE	15.00	18.25	18.50	6.40

Note: The LFO Recommended Budget also includes a special purpose appropriation to the Emergency Board of \$3,972,118 General Fund for the second year of expenditures for the Chief Education Office.

Background Information

The Oregon Education Investment Board (OEIB) was established in 2011 as a primary focus point and advisory board to both the Governor and the Legislature on education issues spanning from pre-kindergarten through post-secondary education (P-20). The Board is chaired by the Governor. During the 2015 Session, the OEIB was abolished replaced in part by the Chief Education Office (CEdO) which did not have a governing or advisory board. The CEdO has authority for “direction and control...for matters related to the design and organization of the state’s education system” over the various other education officials in state government. The CEdO’s budget also includes funding for the development of the Statewide Longitudinal Data System (SLDS), an informational system that should be completed by the end of 2017. It will be used to measure and determine the effectiveness of educational policies and programs and will be able to track information over extended periods once fully populated. All information in the SLDS will not be identifiable for specific individuals.

The current Chief Education Officer is not only the agency head of the CEEdO, but also the Governor's Education Policy Advisor.

Adjustments to Current Service Level (CSL):

The CSL for the CEEdO is \$9.98 million General Funds.

See attached "Work Session Presentation Report.

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 5522. (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)

Recommended Changes

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

General Fund	\$ 4,022,118
Special Appropriation to the Emergency Board	\$ <u>3,972,118</u>
Total General Fund	\$ 7,994,236

MOTION: I move adoption of the -1 amendment to SB 5522. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5522, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5522, 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: 52400-001-00-00-00000
Chief Education Office

	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	6,239,594	-	-	-	-	-	6,239,594	17	14.64
2015-17 Ebds, SS & Admin Act	7,121,209	-	-	-	-	-	7,121,209	3	3.61
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	13,360,803	-	-	-	-	-	13,360,803	20	18.25
2015-17 Leg Approved Budget (Base)	13,357,142	-	-	-	-	-	13,357,142	20	18.25
Summary of Base Adjustments	3,054,937	-	-	-	-	-	3,054,937	(1)	0.25
2017-19 Base Budget	16,412,079	-	-	-	-	-	16,412,079	19	18.50
010: Non-PICS Pers Svc/Vacancy Factor	132,362	-	-	-	-	-	132,362	-	-
020: Phase In / Out Pgm & One-time Cost	(6,960,200)	-	-	-	-	-	(6,960,200)	-	-
030: Inflation & Price List Adjustments	398,163	-	-	-	-	-	398,163	-	-
2017-19 Current Service Level	9,982,404	-	-	-	-	-	9,982,404	19	18.50
Adjusted 2017-19 Current Service Level	9,982,404	-	-	-	-	-	9,982,404	19	18.50
Total LFO Recommended Packages	(5,960,286)	-	-	-	-	-	(5,960,286)	(6)	(12.10)
2017-19 Legislative Actions	4,022,118	-	-	-	-	-	4,022,118	13	6.40
Net change from 2015-17 Leg Approved Budget	(9,338,685)	-	-	-	-	-	(9,338,685)	(7)	(11.85)
Percent change from 2015-17 Leg Approved Budget	(69.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	(69.9%)	(35.0%)	(64.9%)
Net change from 2017-19 Adj Current Service Level	(5,960,286)	-	-	-	-	-	(5,960,286)	(6)	(12.10)
Percent change from 2017-19 Adj Current Service Level	(59.7%)	0.0%	0.0%	0.0%	0.0%	0.0%	(59.7%)	(31.6%)	(65.4%)

	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 the Offices budget by \$1,988,168 General Fund/Total Funds and six positions (5.75 FTE). Other than the elimination of a vacant Solutions Architect position, the Statewide Longitudinal Data System project is untouched. The reductions to the non-SLDS portion of the Chief Education Office (CEdO) budget total \$1,703,670, leaving \$4,594,236 for the general operations of the Office. The Reductions are:

- Eliminates the Interagency Policy Research Director, Board administrator, Research Assistant for the Innovation Officer, the Statewide Longitudinal Data System Solutions Architect and an Executive Support Specialist beginning July 1, 2017. The Solutions Architect position is currently vacant. These actions save \$1.1 million General Fund.
- Phases-out the Operations Director after six months, resulting in a 0.75 FTE reduction. This action saves \$155,319 General Fund. After that date, the Oregon Department of Education will assist Office in its financial and business activities.
- Reclassifies a Research Analyst 3 position to a Research Analyst 4 position following a Department of Administrative Services review of duties. This action increases the position cost by \$8,771 General Fund.
- Eliminates services and supplies associated with the position reductions, saving \$144,000 General Fund.
- Moves CEdO to cheaper space in the Public Services building, saving \$176,849 General Fund.
- Eliminates Regional Achievement Compact support and reduces convening funding for a total savings of \$408,838, leaving \$541,162 for convenings.

LFO Recommendation Approve the package.

LFO Recommended	(1,988,168)	-	-	-	-	-	(1,988,168)	(6)	(5.75)
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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 Review Purpose and Role of Education Office

Package Description This package reduces the budget for the CEo for the second year of the biennium. The amount reduced in this package is appropriated to the Emergency Board for the expenses of the Office in the second of the year. This package reduces the budget for the CEo for the second year of the biennium. The amount reduced in this package is appropriated to the Emergency Board for the expenses of the Office in the second of the year. The estimated moving costs that will take place in the first year is factored into the split in funding between the first and second year of the biennium. The total FTE for the Office is reduced accordingly but the position total does not change. A total reduction of \$3,972,118 General Fund and 6.35 FTE is made by this package.

Passage of this package will allow the Legislature and other policy makers to determine what the proper role of the agency is to be as well as where the long term home of the Statewide Longitudinal Data System (SLDS). In addition, there are ongoing discussions on the structure of education governance. Under current law, the CEo is scheduled to sunset at the end of the 2017-19 biennium.

LFO Recommendation Apoprove the package.

LFO Recommended	(3,972,118)	-	-	-	-	-	(3,972,118)	-	(6.35)
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