

SB 5522 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Monroe

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

House Vote

Yeas: 8 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith Warner, Williamson

Exc: 3 - Smith G, Stark, Whisnant

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Chief Education Office

2017-19

Budget Summary*

| | 2015-17 Legislatively Approved Budget ⁽¹⁾ | 2017-19 Current Service Level | 2017-19 Committee Recommendation | Committee Change from 2015-17 Leg. Approved | |
|--------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| General Fund | \$ 13,360,803 | \$ 9,982,404 | \$ 4,022,118 | \$ (9,338,685) | (69.9%) |
| Total | \$ 13,360,803 | \$ 9,982,404 | \$ 4,022,118 | \$ (9,338,685) | (69.9%) |

Position Summary

| | | | | |
|----------------------------|-------|-------|------|---------|
| Authorized Positions | 20 | 19 | 14 | (6) |
| Full-time Equivalent (FTE) | 18.25 | 18.50 | 6.75 | (11.50) |

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Emergency Board

| | 2015-17 Legislatively Approved Budget ⁽¹⁾ | 2017-19 Current Service Level | 2017-19 Committee Recommendation | Committee Change from 2015-17 Leg. Approved | |
|--------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| General Fund | \$ - | \$ - | \$ 3,972,118 | \$ 3,972,118 | 100% |
| Total | \$ - | \$ - | \$ 3,972,118 | \$ 3,972,118 | 100% |

Summary of Revenue Changes

The Chief Education Office (CEdO) is funded entirely with General Fund.

Summary of Education Subcommittee Action

CEdO coordinates with education stakeholders to establish a unified public education system with statutory direction regarding office duties and entities with whom collaboration should take place. CEdO is given authority for direction and control over the Deputy Superintendent for Public Instruction, the Executive Director of the Higher Education Coordination Commission, the Early Learning Systems Director, the Youth Development Director and the Executive Director of the Teacher Standards and Practices Commission for matters related to design and organization of multi-agency planning. The Chief Education Officer hires and manages agency staff. The statutory authority for CEdO is scheduled to sunset on June 30, 2019. CEdO includes the Statewide Longitudinal Data System (SLDS) project, which is intended to provide a research tool and data source to measure the effectiveness of various educational investments and the overall education system. The goal is to

have the data system include information on programs from pre-early learning through college/post-secondary, and to tie student information with employment related data in order to measure outcomes.

The Subcommittee approved a budget of \$4,022,118 General Fund and 14 positions (6.75 FTE), reduced from the 2015-17 Legislatively Approved Budget by 69.9 percent and the 2017-19 current service level by 59.7 percent, respectively. This \$4.0 million budget is for the first year of the biennium. A \$3,972,118 General Fund Special Purpose Appropriation to the Emergency Board is included in the bill for the costs of the CEo for the second year of the biennium. The Subcommittee approved the Base budget and essential packages and the following items:

Package 801, LFO Analyst Adjustments. This package makes the following adjustments to the current level of service, resulting in a total reduction of \$1,988,168 General Fund/total funds and five positions (5.25 FTE). Other than the elimination of a vacant SLDS Solutions Architect, the project' budget is not changed. The reductions to the non-SLDS portion of the CEo budget total is \$1,703,670 and making the following adjustments:

- 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. 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.
- 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 CEo to a less expensive 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 these activities.

These adjustments provide a total budget of \$7,994,236 and 14 positions (13.25 FTE). The following table identifies the budget by program.

| | | | |
|----------------------------------|------------------|-----------|--------------|
| SLDS | | | |
| PS | 1,058,722 | 4 | 4.00 |
| Services and Supplies Standard | 2,056,780 | | |
| Subtotal | 3,115,502 | 4 | 4.00 |
| General Program | | | |
| PS | 2,863,749 | 10 | 9.25 |
| Services and Supplies Standard | 1,473,823 | | |
| Services and Supplies Convenings | 541,162 | | |
| Subtotal | 4,878,734 | 10 | 9.25 |
| CEo Total | 7,994,236 | 14 | 13.25 |

Package 802, Review Purpose and Role of Education Office. This package divides the remaining budget into two parts, with the first part appropriated directly to the agency for a year of operations and the second part established in the Emergency Fund as a special purpose appropriation. The first year includes \$50,000 of one-time moving costs. 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 SLDS will be. In addition, there are ongoing discussions on the structure of education governance. Under current law, CEo is scheduled to sunset at the end of the 2017-19 biennium. The following table identifies the budget by program:

| \$ millions | General Fund | | |
|----------------------------------|------------------|------------------|------------------|
| | Year 1 | Year 2 | Total |
| SLDS | | | |
| PS | 529,361 | 529,361 | 1,058,722 |
| Services and Supplies Standard | 1,028,390 | 1,028,390 | 2,056,780 |
| Subtotal | 1,557,751 | 1,557,751 | 3,115,502 |
| General Program | | | |
| PS | 1,431,875 | 1,431,874 | 2,863,749 |
| Services and Supplies Standard | 761,911 | 711,912 | 1,473,823 |
| Services and Supplies Convenings | 270,581 | 270,581 | 541,162 |
| Subtotal | 2,464,367 | 2,414,367 | 4,878,734 |
| CEo Total | 4,022,118 | 3,972,118 | 7,994,236 |

The second year of funding, \$3,972,118 General Fund, is established as a Special Purpose Appropriation to the Emergency Board.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Chief Education Office
 Emergency Board
 Lisa Pearson -- 503-373-7501

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|-----------------------|---------------|-------------|-------------|---------------|-------------|--------------------|------------|----------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2015-17 Legislatively Approved Budget at Dec 2016 * | \$ 13,360,803 | \$ - | \$ - | \$ - | \$ - | \$ - | 13,360,803 | 20 | 18.25 |
| 2017-19 Current Service Level (CSL)* | \$ 9,982,404 | \$ - | \$ - | \$ - | \$ - | \$ - | 9,982,404 | 19 | 18.50 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 001 - Chief Education Office | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (1,258,481) | \$ - | \$ - | \$ - | \$ - | \$ - | (1,258,481) | (5) | (5.25) |
| Services and Supplies | \$ (729,687) | \$ - | \$ - | \$ - | \$ - | \$ - | (729,687) | | |
| Package 802: Program Enhancement | | | | | | | | | |
| Personal Services | \$ (1,961,235) | \$ - | \$ - | \$ - | \$ - | \$ - | (1,961,235) | - | (6.50) |
| Services and Supplies | \$ (2,010,883) | \$ - | \$ - | \$ - | \$ - | \$ - | (2,010,883) | | |
| TOTAL ADJUSTMENTS | \$ (5,960,286) | \$ - | \$ - | \$ - | \$ - | \$ - | (5,960,286) | (5) | (11.75) |
| SUBCOMMITTEE RECOMMENDATION * | \$ 4,022,118 | \$ - | \$ - | \$ - | \$ - | \$ - | 4,022,118 | 14 | 6.75 |
| % Change from 2015-17 Leg Approved Budget | (69.9%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | (69.9%) | (30.0%) | (63.0%) |
| % Change from 2017-19 Current Service Level | (59.7%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | (59.7%) | (26.3%) | (63.5%) |

*Excludes Capital Construction Expenditures

Emergency Board

| Description | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|---------------------|---------------|-------------|-------------|---------------|-------------|------------------|-----|-----|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| Special Purpose Appropriation for Chief Education Office 2nd Year Expenditures | \$ 3,972,118 | \$ - | \$ - | \$ - | \$ - | \$ - | 3,972,118 | | |
| TOTAL ADJUSTMENTS | \$ 3,972,118 | \$ - | \$ - | \$ - | \$ - | \$ - | 3,972,118 | | |
| SUBCOMMITTEE RECOMMENDATION* | \$ 3,972,118 | \$ - | \$ - | \$ - | \$ - | \$ - | 3,972,118 | | |

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 7/1/2017 6:47:18 PM

Agency: Chief Education Office

Mission Statement:

Build and coordinate a seamless system of education that meets the diverse learning needs of every Oregonian from cradle to career.

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2018 | Target 2019 |
|---|-----------------------------|-----------------------|----------------------|-------------|-------------|
| 1. Percentage of students not chronically absent - 6th grade. | | Approved | 87% | 92% | 92% |
| 2. Percentage of students not chronically absent - 9th grade | | Approved | 82% | 87% | 87% |
| 3. Increase the percentage of educators who are culturally and linguistically diverse | | Approved | 10.20% | 22% | 22% |
| 4. CUSTOMER SERVICE - Increase the percentage of stakeholders who rate the quality of the research and policy service as "great" or "excellent" | | Approved | 63% | 70% | 75% |
| 5. Customer Service - Increase the percentage of customers who rate agency service as "great" or "excellent" | Helpfulness | Approved | 76% | 80% | 80% |
| | Availability of Information | | 56% | 80% | 80% |
| | Expertise | | 70% | 80% | 80% |
| | Timeliness | | 60% | 80% | 80% |
| | Accuracy | | 66% | 80% | 80% |
| | Overall | | | 66% | 80% |
| 1. Increase reading readiness for students entering kindergarten | | Legislatively Deleted | 17.70 | 25 | TBD |
| 4. Increase the number of high schools offering college credit | | Legislatively Deleted | 221 | 220 | TBD |
| 5. Increase the number of systemic educational barriers identified and addressed | | Legislatively Deleted | No Data | 15 | TBD |
| 6. Increase the percentage of college and university graduates employed within 1 year | | Legislatively Deleted | No Data | 77% | TBD |
| 9. BEST PRACTICES - Total best practices met by the OEIB | | Legislatively Deleted | No Data | TBD | TBD |

LFO Recommendation:

The agency is proposing to five KPMs. Four of them have similar measures in one of the other education agencies and are more appropriately placed in those agencies where their programs are specifically scoped to what the KPM is measuring. The fifth KPM is the Best Practices KPM which all Boards and Commissions are to measure as a KPM. Since the Oregon Education Investment Board or OEIB was abolished, the Chief Education Office does not need this KPM.

The remaining KPMs more clearly measure the activities of the Office. Targets have been updated on all other measures.

SubCommittee Action:

Approve the LFO recommendation.