

CERTIFICATION

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

Oregon Department of Education

Public Service Building, 255 Capitol Street NE, Salem Oregon 97310

AGENCY NAME

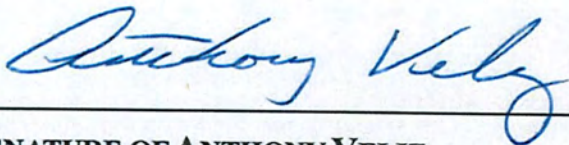
AGENCY ADDRESS



Deputy Superintendent of Public Instruction

SIGNATURE OF COLT GILL

TITLE



Chair, State Board of Education

SIGNATURE OF ANTHONY VELIZ

TITLE

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MISSION STATEMENT AND STATUTORY AUTHORITY

Governance

In accordance with ORS 326.011, the Governor shall appoint a State Board of Education (SBE) consisting of seven members, confirmed by the Senate, who establish policy for the administration and operation of the public elementary and secondary schools in the State of Oregon. The Governor also, per ORS 326.300 and 326.311, serves as the Superintendent of Public Instruction, and acts as executive head of the Oregon Department of Education (ODE).

The Superintendent of Public Instruction, under ORS 326.300, shall appoint a Deputy Superintendent of Public Instruction, who shall perform any act or duty of the Office of Superintendent of Public Instruction designated by the Governor, which includes acting as executive head of the Oregon Department of Education.

Governor Kate Brown, Superintendent of Public Instruction, appointed Colt Gill as Deputy Superintendent of Public Instruction on January 12, 2018. He was confirmed by the Senate during the 2018 Legislative Session.

State Board of Education Mission

The Oregon State Board of Education works to ensure that every Oregon public school student has equal access to high quality educational services that promote lifelong learning and prepare students for their next steps following high school graduation; including college, work, and citizenship.

To accomplish this goal, the Board has established the following expectations for Oregon's education enterprise:

- **A common core of rigorous standards for all** – Set rigorous standards so all students are challenged and acquire the knowledge and skills to be successful in their next steps.
- **An aligned PK-20 education system** – Implement a continuum of learning by creating fluid transitions at every point of the education system so all students have access to high quality life-long learning.
- **A personalized learning experience for each student** – Create safe culturally competent and engaging learning environments in every school, so the individual needs of all students are met.
- **A connected educational community** – Strengthen relationships between schools and local communities, so all students enter school/college ready to learn, and have access to relevant life-long learning experiences.
- **A corps of quality educators prepared and ready to take on new challenges** – Train and support educators and organize schools to support excellent teaching for each student.
- **A system to provide adequate and appropriately allocated resources** – Ensure effective and efficient resource allocation, infrastructure, and governance, to improve achievement.

Oregon Department of Education Mission

The Oregon Department of Education's (ODE's) mission is to foster equity and excellence for every learner through collaborations with educators, partners, and communities. In fulfilling its mission, ODE has a vision to ensure all students have access to, and benefit from, a world-class, well –rounded, and equitable education system.

ODE provides leadership for all elementary and secondary students in Oregon's public schools and education service districts (ESDs). The agency is responsible for developing state standards, guiding school improvement efforts, developing and implementing Oregon's statewide student assessment system, and reporting student performance. Responsibilities also extend to public preschool programs, the Oregon School for the Deaf, regional programs for children with disabilities, education programs for youth in Oregon correctional facilities, and a variety of other federal and state education programs. ODE's activities are funded with a combination of General Fund, lottery funds, federal grants, and miscellaneous other funds; the latter, primarily from grants and fees.

Statutory Authority

Oregon Revised Statutes (ORS), chapters 326 to 348, have provisions granting authorities and duties to the State Board and the Oregon Department of Education.

More specifically, ORS 326.111 establishes the agency and prescribes its general functions, ORS 326.310 prescribes general educational duties for the superintendent, ORS 326.021 establishes the State Board, and ORS 326.051 prescribes the Board's general functions.

Oregon Administrative Rules (OAR), Chapter 581, contains rules adopted by the Board.

AGENCY STRATEGIC PLAN

Background

As the underpinning of education reform efforts began in 2011, the Legislature adopted Senate Bill 253. This frames what has come to be known as the 40-40-20 goal. By 2025, this goal aims for 40 percent of Oregonians to have a baccalaureate degree or higher, for 40 percent to have an associate's degree or certificate in a skilled occupation, and for the remaining 20 percent, without a postsecondary credential, to have at least a high school diploma or its equivalent credential.

The 2012 Legislature continued its effort on defining the 40-40-20 goal, by passing a bill to streamline and strengthen more than two dozen state investments for children from birth to age five, and to help more at-risk youth arrive in kindergarten with the skills and support they need to succeed in school (HB 4165). In 2013, the Legislature furthered these efforts by merging the Early Learning Division and Youth Development Division into ODE, and by increasing strategic investments in support of the 40-40-20 goal (HBs 3232 and 3233).

The 2015 Legislature realigned and reprogrammed the strategic investments made in 2013, to provide focus on increasing teacher effectiveness, closing the achievement gap, and preparing students for post-secondary success. In addition, the Legislature increased investments in early childhood programs and provided funding for a new mixed delivery preschool model to begin in the 2016-17 school year.

Long-Term Goals

To ensure alignment with the current goals and priorities of the Governor, Oregon Legislature, and State Board of Education, ODE has gone through a re-evaluation of the agency's long-term goals. While the previous goals were aligned with the work of the agency, there was a need to more succinctly identify the desired results for those the agency serves. As a result, ODE adopted five agency long-term goals that clearly define who the agency is serving, as well as the intended results of the long-term goals.

1. **Start Strong:** Every student enters school ready to learn.
2. **Be Proficient and Transition Successfully:** Every student is supported and on track to meet expected grade level outcomes through a well-rounded education.
3. **Graduate College and Career Ready:** Every student graduates from high school ready for college, career, and civic life.
4. **Experience Outstanding Customer Service:** Every student, district, and agency employee is supported through high-functioning business operations.
5. **Focus on Equity:** Interrupt and transform historically inequitable systems.

These five agency goals will be measured by Key Performance Measures approved by the Legislature. The Department will continue to use the performance measures proposed for the 2019-21 budget, but will update them to reflect the new goals they are measuring.

Short-Term Goals

ODE is in the process of executing its 2017-19 strategic plan. The plan outlines a variety of strategies with tactical focus areas that are aligned with the agency long-term goals. As ODE outlines its 2019-21 Agency Budget Request, the policy option packages will help form the focus areas for the agency 2019-21 strategic plan. Each of the 2019-21 policy option packages fit into the agency long-term goals as follows. Policy packages in red denote packages that were approved in whole or in part in the Governor's Recommended Budget.

- **Goal 1: Every student enters school ready to learn.**
 - Policy Package 151 – ELD Capacity
 - Policy Package 152 – ELD Preschool
 - Policy Package 153 – ELD Baby Promise
 - Policy Package 154 – Quality Improvement Systems
 - Policy Package 156 – ELD Family Supports
 - Policy Package 157 – Child Care Licensing

- **Goal 2: Every student is supported and on track to meet expected grade-level outcomes through a well-rounded education.**
 - Policy Package 103 – Safe and Effective Schools for All Students
 - Policy Package 105 – Best Practices in Reducing Chronic Absenteeism of Students
 - Policy Package 106 – Well-Rounded, Student-Centered Teaching and Learning
 - Policy Package 107 – Meet the Nutritional Needs of All Students
 - Policy Package 108 – High Quality and Safe School Facilities
 - Policy Package 111 – Professional Development and Best Practices for Educators (placeholder)

- **Goal 3: Every student graduates from high school ready for college, career, and civic life.**
 - Policy Package 101 – Ensure Students Graduate Future Ready
 - Policy Package 109 – Improved Levels of Service for Students with Special Needs
 - Policy Package 110 – Education and Job Reengagement Opportunities

- **Goal 4: Every student, district, and agency employee is supported through high-functioning business operations.**
 - Policy Package 112 – Accountability, Compliance and Efficiency of Business Systems
 - Policy Package 113 – Adequate Levels of Business Services
 - Policy Package 114 – Sustainable Resources for Pupil Transportation Program

➤ **Goal 5: Interrupt and transform historically inequitable systems**

- Policy Package 102 – Support for Historically Marginalized and Underserved Populations Policy Package 112 – Accountability, Compliance and Efficiency of Business Systems
- Policy Package 104 – Protect the Civil Rights of Students

2019-21 SHORT-TERM PLAN

Agency Programs

More information on the following primary programs is located on the agency's website, as well as in other sections of this document. Many of these programs will be impacted by the initiatives discussed in more detail in the policy option packages included in this budget document.

Office of the Deputy Superintendent of Public Instruction

The Office of the Deputy Superintendent provides the overall supervision and management of the Department of Education. In its leadership role, it develops and implements education policy, and ensures the implementation of legislative, executive branch, and federal government policies and procedures are done with fidelity. Elements of the office include:

- State Board of Education
- Office of Indian Education
- Quality Education Commission
- Fair Dismissal Appeals Board
- Communications
- Internal Auditing
- Legal and Legislative Coordination

Office of Equity, Diversity & Inclusion

The Office of Equity, Diversity & Inclusion team works to close the achievement gap, and better serve students of color and English Language Learners, through an intentional focus on equity, diversity and inclusion.

- Civil Rights
- Closing the Achievement Gap
- Limited English and Immigrant
- Migrant Education

Office of Teaching and Learning

The Office of Teaching, Learning and Assessment ensures all components of Oregon's public and private educational enterprise, pre-kindergarten through postsecondary (PK-20), are effectively interconnected to provide appropriate and personalized instruction for each student. In addition, this office manages student assessments across the state. This office provides leadership, professional development for teachers and administrators, and tools for student success to Oregon's districts and schools.

- [Common Core/College and Career Readiness](#)
- [Educator Effectiveness](#)
- [Federal Programs](#)
- [Data, Operations & Grant Management](#)
- [School Improvement](#)
- [Secondary/Post-secondary Transitions](#)
- [Student Assessments](#)

Office of Accountability, Research and Data Analysis

The Accountability, Research and Data Analysis supports ODE's roles of accountability, leadership, and school improvement, represented by data collection from, and reporting on, Schools, Districts, and Educational Service Districts (ESDs).

- [Accountability & Reporting](#)
- [Research & Data Analysis](#)

Office of Student Services

The Office of Student Services supports and monitors programs providing direct services to diverse learners, and assists in the development of strategies to address unique learning differences. Units in this office manage programs including special education, early childhood special education, accountability and program compliance, pupil transportation and fingerprinting, and capacity building and partnerships with community stakeholders. This work is designed to ensure multiple teaching and learning strategies encompass student needs derived from socio-economic, social emotional, linguistic, cultural, ethnic, or other differences.

- [Child Nutrition](#)
- [Early Childhood Education](#)
- [Education Programs & Assessments](#)
- [Special Education General Supervision](#)
- [IDEA Compliance and District Resources](#)
- [Pupil Transportation and Fingerprinting](#)
- [Oregon School for the Deaf](#)
- [Regional Programs / Best Practices](#)

Office of Finance and Information Technology

The Office of Finance and Administration, in addition to traditional business functions, manages the State School Fund and the Office of School Facilities.

- Employee Services
- Budget Services
- Financial Services
- Procurement Services
- Business Services
- School Finance – State School Fund and Common School Fund
- Office Of School Facilities
- Information Technology Services
 - Information System Analysis and Development
 - Network Security and Infrastructure Management
 - Project Management
 - Help Desk Support

Early Learning Division (ELD)

Oregon's Early Learning Division is charged with improving kindergarten readiness and family stability, while making sure multiple systems are more coordinated and aligned to effectively support families. The ELD reports to the Early Learning Council.

- Oregon Prekindergarten Program
- Oregon Early Head Start
- Office of Child Care
- Healthy Families of Oregon
- Relief Nurseries
- Preschool Promise
- Administration and Other Early Learning Initiatives

Youth Development Division (YDD)

The Youth Development Division provides evidence-based/best practice community prevention and intervention services for at-risk middle and high school age youth who are chronically acting out and/or are victims of neglect. The YDD reports to the Youth

Development Council, which was established by House Bill 4165 in 2012, to assist the Chief Education Officer, formerly the Oregon Education Investment Board, in overseeing a unified system that provides services to school-age children. The YDD serves youth age 12 through 24 years of age in a manner that supports academic success, reduces criminal involvement, and is integrated, measurable, and accountable.

Oregon Educator Advancement Council (EAC)

The Governor's budget establishes the Educator Advancement Council in the Department of Education as a separate office, much like the Early Learning and Youth Development divisions.

The Chief Education Office sunsets statutorily on June 30, 2019. The interagency and cross-sector functions of the Chief Education Office are critical to achieving the Governor's vision of a seamless system of education and will be assumed by the Governor as Superintendent of Public Instruction. Under the Governor's direct leadership and authority, continued reform of state government functions to improve student opportunity and outcomes, and greater accountability across the education system will be achieved. The Educator Advancement Council will remain an innovative and independent public- nonprofit partnership supported administratively by the Oregon Department of Education.

2019-21 Agency Initiatives

ODE proposed twenty-one policy option packages within the 2019-21 Agency Request Budget. Of these twenty-one policy option packages, six are directly linked to the Early Learning Division (151, 152, 153, 154, 156 and 157) and one is directly linked to the Youth Development Division (110). The remaining fourteen are specific to ODE's Grant-In-Aid Programs and its remaining Department Operations.

In addition to the twenty-one policy option packages, ODE is recommending fifteen legislative concepts, in which nine (LC 309, 311, 314, 315, 317, 318, 319, 320, and 323) have corresponding policy option packages requesting budgetary resources for the proposed policy change/addition. Three of the fifteen legislative concepts are linked to the Early Learning Division (317, 318, 322), and two are linked to the Youth Development Division (310 and 316).

2019-21 Policy Option Packages

➤ Policy Package 101 – Ensure Students Graduate Future Ready

General Fund: \$16.5 million. FTE: 8.40. Strategic Investments to support increasing graduation rates through the expansion of student access to career and technical education (CTE) and other hands-on learning experiences through Grant-in-Aid and Operations.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 102 – Support for Historically Marginalized and Underserved Populations**

General Fund: \$17.0 million. FTE: 1.84. Strategic Investments provide enhancement to existing supports and programs that focus on improving education success for historically underserved populations through Technical Services, Grant-In-Aid and Operations. *(Legislative Concept 314)*

This package was approved as modified in the Governor's Recommended Budget. \$11.2 million GF, 1 position (0.92 FTE)

➤ **Policy Package 103 – Safe and Effective Schools for ALL Students**

General Fund: \$6.3 million. FTE: 6.44. Strategic Investments to carry out recommendation made by the *Advisory Committee on Safe and Effective Schools for ALL Students* and the *Oregon Task Force on School Safety* which work collectively to provide an inclusive, safe, and welcoming learning environment conducive to learning for all students and staff. *(Legislative Concept 309 and Legislative Concept 315)*

This package was approved as modified in the Governor's Recommended Budget. \$6.3 million GF, 7 positions (6.44 FTE)

➤ **Policy Package 104 – Protect the Civil Rights of Students**

General Fund: \$1.6 million. FTE: 4.18. Strategic Investments to investigate risk; review complaints; ensure compliance; and provide technical assistance and professional development for the civil right of all Oregon students.

This package was approved as modified in the Governor's Recommended Budget. \$1.3 million GF, 4 positions (3.26 FTE)

➤ **Policy Package 105 – Best Practices in Reducing Chronic Absenteeism of Students**

General Fund: \$8.6 million; Other Funds: \$0.4 million. FTE: 3.76. Strategic Investments that expand the use of current best practices and investments targeted to reduce chronic absenteeism, implement trauma informed/social emotional learning practices, and create effective and welcoming learning environments for all students. *(Legislative Concept 320)*

This package was approved as modified in the Governor's Recommended Budget. \$4.9 million GF, 5 positions (3.76 FTE)

➤ **Policy Package 106 – Well-Rounded, Student-Centered Teaching and Learning**

General Fund: \$42.8 million; Other Funds: (\$0.2) million; Federal Funds: (\$12.1) million. FTE: 7.36. Investments focused on promoting student centered teaching and learning through resources that support a balanced system of assessments through expanded continuous improvement supports.

This package was approved as modified in the Governor's Recommended Budget. \$15.2 million GF, \$10.7 million Total Funds, 1 position (0.92 FTE)

➤ **Policy Package 107 – Nutritional Needs of All Students**

General Fund: \$2.5 million FTE: 1.46. Investments focused on ensuring existing Child Nutrition Programs are able to continue providing support to low-income students in receiving healthy and nutritional food. *(Legislative Concept 319)*

This package was approved as modified in the Governor's Recommended Budget. \$0 million GF, \$0.4 million Federal Funds, 2 positions (1.42 FTE)

➤ **Policy Package 108 – High Quality and Safe School Facilities**

General Fund: \$16.2 million; Other Funds: \$65.0 million. FTE: 0.92. Strategic Investments to ensure students are able to learn in safe, accessible, and quality school facilities that optimize their opportunities for success. (Legislative Concept 311)

This package was approved as modified in the Governor's Recommended Budget. \$0 million GF, \$100.9 million OF

➤ **Policy Package 109 – Improved Levels of Service for Students with Special Needs**

General Fund: \$95.0 million; FTE: 9.52. Investments that further enhance existing programs, initiatives and best practices that improve the ability to identify and educate students with specialized needs.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 110 – Education and Job Reengagement Opportunities**

General Fund: \$6.5 million; Other Funds: \$0.6 million. FTE: 6.64. Strategic Investments for collaboration of ODE and Youth Development Division working to increase efforts that work to prevent at-risk youth from becoming disconnected from the education system and/or labor market.

This package was approved as modified in the Governor's Recommended Budget. \$0.3 million GF, \$0.8 million Total Funds, 1 position (0.96 FTE)

➤ **Policy Package 111 – Professional Development and Best Practices for Educators**

General Fund: (Placeholder). FTE: 0.00. This work will be conducted in partnership with the Chief Education Office and the EAC to determine the impact to ODE's 2019-21 Governor's Recommended Budget.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 112 – Accountability, Compliance, and Efficiency of Business Systems**

General Fund: \$1.0 million; Other Funds: \$0.1 million. FTE: 3.66. Investment to improve existing Business Systems to increase the overall customer services to both internal and external customers, and further the ability to conduct research and analysis of student data and information to better inform and direct key state policy and investment strategies.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 113 – Adequate Levels of Business Services**

General Fund: \$2.5 million; Other Funds: \$1.9 million; Federal Funds: \$0.2 million. FTE: 24.48. Strategic Investments for 26 positions (24.48 FTE) – 8 are continuation from 2017-19 – that provide adequate business support services that have not increased at the pace of agency programs, staffing, and initiatives over the last four years.

This package was approved as modified in the Governor's Recommended Budget. \$0.4 million GF, \$2.3 million Total Funds, 13 positions (12.58 FTE)



➤ **Policy Package 114 – Sustainable Resources for Pupil Transportation Programs**

*General Fund: \$0.2 million; Other Funds: \$0.6 million. FTE: 3.68. Strategic Investment that provides adequate resources and staffing to address current workload associated with Pupil Transportation and Fingerprinting Unit. (Legislative Concept 323)
This package was denied in the Governor's Recommended Budget.*

➤ **Policy Package 115 – Program Cleanup Package**

General Fund: (\$0.4) million; Other Funds: \$0.9 million; Federal Funds (\$0.1) million. FTE: (0.60). Technical adjustments that shift funding on positions approved for the Network of Quality Teaching & Learning to realign workloads associated with the programs in NQTL; shifts funding on positions approved for the High School Success and College and Career Readiness Fund (Measure 98) from General Fund to Other Funds; and, requests General Fund backfill for Physical Education grants due to reduction in Master Tobacco Settlement Account (MTSA) funding from DAS.

This package was approved as requested in the Governor's Recommended Budget. -\$0.4 million GF, +\$0.4 million Total Funds, 0 position (-0.60 FTE)

➤ **Policy Package 151 – Early Learning Division - Capacity**

General Fund: (\$0.4) million; Other Funds: \$0.9 million. FTE: 8.36. Strategic Investment that increases the capacity of the Early Learning Division to implement, monitor, and evaluate programs. Includes additional capacity in programmatic and operational positions to increase the ability of the Division to ensure young children and families receive high-quality early care and education supports.

This package was approved as modified in the Governor's Recommended Budget. \$0 GF, \$0.4 million Total Funds, 1 position (0.96 FTE)

➤ **Policy Package 152 - Early Learning Division - Preschool**

General Fund: \$237.0 million. FTE: 10.12. Strategic Investments that expand and align Preschool Promise and Oregon Prekindergarten (OPK) to increase the quality of programs and reach additional children and families.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 153 – Early Learning Division – Baby Promise**

General Fund: \$25.0 million; Federal Funds: \$4.3 million. FTE: 3.68. Strategic Investments that build a Baby Promise demonstration project to increase the number of high-quality infant and toddler child care slots and provide access to high-quality care for low-income families. This will serve approximately 900 infants and toddlers and their families across the state, beginning in 2020. (Legislative Concept 317)

This package was approved as modified in the Governor's Recommended Budget. \$10.0 million GF, \$14.3 million Total Funds, 4 positions (3.68 FTE)

➤ **Policy Package 154 – Early Learning Division – Quality Improvements & Professional Learning Supports**

General Fund: \$26.9 million; Federal Funds: \$6.8 million. FTE: 9.20. Strategic Investments that support all early learning programs by creating networks of family and small child care providers to engage in collaborative improvement; building of substitute pools to ensure programs can participate in quality improvements; and designing incentives to support programs in improving quality. (Legislative Concept 318)

This package was approved as modified in the Governor’s Recommended Budget. \$0 million GF, \$6.8 million Federal Funds, 10 positions (9.20 FTE)

➤ **Policy Package 156 - Early Learning Division – Family Supports**

General Fund: 40.9 million. FTE: 2.76. Strategic Investments that provide families with a variety of supports necessary to ensure they have the tools to positively affect their young children’s development.

This package was denied in the Governor’s Recommended Budget.

➤ **Policy Package 157 – Early Learning Division – Child Chare**

General Fund: \$1.5 million; Federal Funds: \$17.6 million. FTE: 29.84. Strategic Investment that increases the amount of federal resources received from the Child Care and Development Fund (CCDF) and more effectively addresses the ratio of licensing staff with licensed child-care programs. In addition, increases funding provided to the Department of Human Services for child-care subsidy and permanently ensuring tandem investigations with DHS.

This package was approved as modified in the Governor’s Recommended Budget. \$1.5 million GF, \$17.6 million Total Funds, 32 positions (29.84 FTE)

2019-21 Legislative Concepts

LC #	Subject	Description
309	Safe & Effective Schools for ALL	Deals with harassment and bullying prevention, social/emotional learning supports, trauma-informed practices and restorative justice practices to better serve all students on their path to graduation.
310	Oregon Youth Challenge	Updates ORS 343.243 and 343.247. Divorce Bend La Pine School District from reporting requirements that apply to schools for students at the Oregon Youth Challenge, and identify alternate method of funding program through the State School Fund distribution formula.
311	Ensuring High Quality and Safe School Facilities: Updating Office of School Facilities	Updates ORS 327.008(8). Eliminates School Facilities Grant established in State School Fund and shifts funding to Hardship grant program for facilities in immediate need of repair and upgrade for health and safety reasons.
312	Changing “Hearing Impairment” Term to “Deaf and Hard of Hearing”	Technical fix to ORS 343.035 and ORS 343.236(1)(a)(B). The Deaf and Hard of Hearing Community consider the term “hearing impairment” implies a negative connotation and is outdated. The term “deaf and hard of hearing” is perceived as an all-inclusive term representing individuals with a wide range of hearing loss and cultural affiliations.
313	Changing Oregon Virtual School District Name	Updates ORS 336.856. Changes the name of the <i>Oregon Virtual School District</i> to <i>Oregon Online</i> , and adds professional development to the statutes to allow staff to establish standards for quality, and support SDs implementing online learning.
314	Alaska Native Education State Plan	Replicates HB 4012 (2015) for the African American Student Success Plan to create the American Indian Alaska Native Education State Plan and grant program.
315	Inclusive Education Bill: Providing Safe and Effective Schools for All Students	Directs the SBE to adopt textbooks and instructional materials that address the contributions and roles of: Native Americans, Americans of European, African, Asian, Pacific Island, Chicano, Latino or Middle Eastern descent, men, women, people with disabilities, immigrants, refugees and individuals who are lesbian, gay, bisexual or transgender, to the economic, political and social development of Oregon and the United States of America. ODE is directed to provide professional development to teachers and administrators on ethnic studies standards.
316	Youth Development Division: Compliance Monitoring Authority	Amends ORS 417.847 to include authority to monitor facilities which detain juveniles to ensure state’s compliance with the Juvenile Justice and Delinquency Prevention (JJDP) Act of 2002.
317	Ensuring Quality Childcare in Oregon/Baby Promise Infant Toddler Care	Establishes Baby Promise Infant-toddler Child Care Program to focus on ensuring quality and safe day care for all children and families served through both licensed and non-licensed day care providers.

LC #	Subject	Description
318	Expanding Oregon Preschool Opportunities	Expansion of Preschool Promise program
319	Meeting the Nutritional Needs of Oregon Students: Funding for Student Meals	Response to HB 3454 (2017) loss of revenues by school districts for implementation of statute.
320	Addressing Chronic Absenteeism: Trauma Informed Pilot Project	Extension and expansion of Trauma Informed pilot program.
321	Medical Statements	Amends ORS343.146 to allow audiologists to issue audiological assessment information to establish special education eligibility in the areas of hearing impairment or deaf/blind. Allow Naturopathic Physicians authority to issue medical information used to establish special education eligibility.
322	Office of Child Care Statutory Revisions	Amends Oregon statutes to expand OCC's authority to conduct inspections of licensed and unlicensed childcare facilities and other technical changes to keep child care facilities safe for children.
323	School Bus or School Activity Vehicle Fees	Amends ORS 820.110 to require ODE-issued certificates for determinations for school bus and school activity vehicle drivers. Allows fees to be charged to support the program.

CRITERIA FOR 2019-21 BUDGET DEVELOPMENT
Principles for Budget Development

- Place the highest priority on activities supporting student achievement and success
- Reflect Governor, State Board, and ODE goals, values, and priorities
- Leverage current employees
- Focus on what works
- Continue to pursue all possible efficiencies
- Ensure a fair and equitable budget that positions the agency and education enterprise for success

OTHER CONSIDERATIONS

Ballot Measures

The department is unaware of any potential ballot measures that would affect current public education programs.

Inmate Work Opportunities

The department uses inmate services for the following: printing and distribution services.

Dispute Resolution

The department ensures certain staff receive training to provide dispute resolution services internally for a variety of programs. The department uses these staff before seeking assistance from outside sources.

SB 5516 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: 11 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

Nays: 1 - Girod

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

**Department of Education
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	\$ 580,091,439	\$ 619,678,874	\$ 798,297,460	\$ 218,206,021	37.6%
General Fund Debt Service	\$ -	\$ 19,851,315	\$ 19,851,315	\$ 19,851,315	100.0%
Lottery Funds	\$ 1,434,927	\$ 651,225	\$ 651,225	\$ (783,702)	(54.6%)
Other Funds Limited	\$ 277,236,218	\$ 194,841,138	\$ 165,596,033	\$ (111,640,185)	(40.3%)
Other Funds Nonlimited	\$ 112,916,253	\$ 112,916,253	\$ 118,964,721	\$ 6,048,468	5.4%
Federal Funds Limited	\$ 1,038,273,686	\$ 1,058,609,260	\$ 1,054,101,527	\$ 15,827,841	1.5%
Federal Funds Nonlimited	\$ 388,007,727	\$ 388,007,727	\$ 388,007,727	\$ -	
Total	\$ 2,397,960,250	\$ 2,394,555,792	\$ 2,545,470,008	\$ 147,509,758	6.2%

Position Summary

Authorized Positions	555	530	547	(8)
Full-time Equivalent (FTE) positions	520.90	510.80	534.58	13.68

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The non-State School Fund Education budget relies primarily on Federal Funds, which provides 55.8 percent of the revenue. General Fund provides 31.7 percent and Other Funds provide 11 percent of the budget. Lottery Funds is only used for debt service and provides less than 0.1 percent of revenues. Other Funds revenues include indirect cost recovery from federal programs, fees, transfers from the State School Fund (SSF) 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, and child nutrition, education for students with disabilities, childcare programs through the Child Care Development Block Grant, and youth development programs.

Summary of Education Subcommittee Action

Senate Bill 5516 provides budget expenditure authority for programs administered by the Oregon Department of Education (ODE). This bill excludes direct funding for the SSF, which was addressed in Senate Bill 5517.

The Subcommittee approved a total funding level of \$2,545,470,008 for the department, excluding the SSF, which is 6.2 percent more than the 2015-17 Legislatively Approved Budget as of December 2016. The primary reason for this growth is the passage of Measure 98 (2016) which

provides \$171.8 million General Fund for grants and related staff costs for dropout-prevention, college-level education opportunities or accelerated learning and career and technical education.

Department Operations

This budget unit includes most of the staff in the agency responsible for the administration of educational programs. The Subcommittee approved a budget of \$199,086,158 total funds, including \$77,167,794 General Fund, \$39,120,017 Other Funds expenditure limitation, \$80,093,895 Federal Funds expenditure limitation, \$2,704,452 Other Funds Nonlimited and 465 positions (458.81 FTE). General Fund increases from the 2015-17 Legislatively Approved Budget by 11.5 percent. Total funds decrease 37.5 percent, primarily due to the movement of the OSCIM program to another unit. The Subcommittee approved the following adjustments to this unit's current service level:

Package 070, Revenue Shortfalls. This package adjusts the 2017-19 current service level to address a shortfall in the 2015-17 current service level. The issue was temporarily addressed in the 2015-17 Legislatively Approved Budget, through the use of Emergency Board appropriations and one-time Federal Funds. The Office of Assessment and Accountability received \$2.2 million General Fund from the Emergency Board to partially backfill a revenue shortfall in its current service level. 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 limitation.

Package 106, Maintaining Oregon's Ability to Measure Student Progress. This package provides \$2.0 million to fund two assessments:

- English Language Proficiency Assessment (ELPA), \$1.2 million - ODE is a lead agency in a multi-state consortium to develop ELPA using a federal grant. The development grant is nearly complete; administering the test will cost \$0.4 million in the 2017-19 biennium. Also, this package would shift funding for an ELL screener from local to state resources. Schools currently pay for these screenings. The ELPA license and screenings are \$0.8 million.
- 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; \$0.8 million is provided to develop an assessment that aligns with the science content standards that meet ESSA standards.

Package 111, Internal Operational Realignment. This package adds \$1.1 million total funds and five positions (8.63 FTE); it shifts funding on nine positions, increases FTE on five positions, abolishes two positions, reclassifies 29 positions, and reduces Services and Supplies to cover resulting personal services costs. Details include:

- Position establishments. All are currently limited duration positions. Six of these positions will continue as limited duration and one Child Nutrition Specialist position will be permanent due to the ongoing revenue source and workload.

- Fund Shifts. Nine current positions shift fund types to reflect their current responsibilities.
- FTE increases. Five part-time positions (most are IT related positions) have their FTE increased to fully fund the workload assigned to the position.
- Abolishments. To offset a portion of the increased FTE, two IT positions are abolished. This will result in having full-time positions to better attract new hires.
- Reclassifications. Twenty-nine positions are reclassified. All 29 positions have had desk audits and were reviewed by the Department of Administrative Services (DAS) Chief Human Resources Office. All are currently working out of class and the reclassifications bring them up to where they currently are paid.

The package does not have a net impact on General Fund over the entire agency budget. Overall, the package has an increase of \$779,683 Other Funds limitation and a total funds impact of \$1.1 million. Reductions in Services and Supplies across the agency provides the General Fund resources for some of these position changes, with a shift of funding from Preschool Promise to fund Early Learning Division related actions.

Package 113, Tribal History and Sovereignty Curriculum. This package adds \$0.2 million General Fund to coordinate the development of a curriculum that recognizes the cultural heritage, history and language of Oregon's nine federally recognized tribes. In this specific package, funding is proposed for contract dollars to assist in the coordination, development and professional training for the curricula. The package in Grant-in-Aid provides funding for grants to develop the specific curriculum in grades K-12 for each of the nine tribal governments.

Package 114, Measure 98 CTE. This package adds \$1.8 million General Fund and eight positions (7.02 FTE) 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 one Operational and Policy Analyst to coordinate the overall work of the program ensuring accountability and program outcomes; one Education Specialist to provide technical assistance, coaching, professional development and support to districts and others regarding the required plans and implementation of the Ballot Measure 98 programs; two Administrative Specialists will provide support to the team as well as provide any rule clarifications required by the districts; and one Research Analyst will address research and data needs for the program, as well as maintaining the data required under the Measure. In addition to the direct program support, one Operations and Policy Analyst will coordinate the Ballot Measure 98 activities of numerous units across the agency. Responsibilities include, but are not limited to, communications, rule-making, legal review, policy development, legislative reporting and other specific program supports. A Procurement and Contract Specialist and part-time Fiscal Analyst will provide the required fiscal and contract responsibilities and oversight. This will be a \$170 million grant program for 2017-19, and will grow in the future. ODE is authorized to receive up to 1.5 percent of the program resources in 2017-19, decreasing to 1.25 percent in succeeding biennia. The \$1.8 million in this package represents 1.0 percent.

Package 202, Implementing Child Care Federal Regulatory Requirements. 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 (FBI). Federal Funds for the ERDC program and other programs at the Department of Human Services (DHS), will be maintained through the federal CCDF ending balance. These repurposed Federal Funds will be used to cover the increased costs of training and for inspections.

Also, fingerprint related background checks are now required for all providers and their employees who have contact with children. These enhanced background checks are estimated to 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 (OSP) for the actual FBI background check and the remaining costs are funded by Child Care block grant fund resources. The actual fee charged to the child care providers will be \$35. The package includes Other Funds expenditure limitation of \$2.9 million, for payment of these costs. The package also retains \$4.0 million in Federal Funds limitation, 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 the agency and they will directly pay for the contracts.

The recommended package 202 establishes 18 positions (18.00 FTE), which is less than the 25 positions in the original request. The positions include:

- Nine Administrative Specialists to perform the background checks, of which five were limited duration in 2015-17 and are permanent for the 2017-19 biennium, for the ongoing workload. Three of the nine positions are limited duration for 2017-19.
- Three Office Specialist positions to support the background and compliance activities, address the increased volume of information requests and assistance in the background activities.
- Three Compliance Specialists to prepare materials for contested cases, 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.

Package 203, Enhancing Operational Efficiency and Program Services – Early Learning Division. This package shifts funding on seven permanent full-time positions and establishes a federally funded Project Manager 3 (1.00 FTE). In the 2015-17 biennium, the seven positions were partially funded with federal Race-to-the-Top funds (18 months) and General Fund for the remaining six months. The intent in approving these positions during the 2015 Legislative Session, was funded entirely with General Fund for 2017-19, as the federal grant funds ran out.

Package 801, LFO Analyst Adjustments. This package reduces administrative costs across the agency including:

- Reducing Personal Services costs by increasing the assumed vacancy savings across the agency by \$0.5 million General Fund. This will result in further delays in hiring or filling positions.
- Decreasing the budget for assessments by \$1.0 million General Fund. The agency is expected to renegotiate with the firm who administers the statewide assessment across the state.
- Reducing the amount available for Services and Supplies and the amount available for professional contracts by 10 percent or \$1.2 million General Fund.
- Eliminating a policy position in the Office of the Deputy Superintendent and reducing the FTE, by 0.50 FTE, on a position in the Office of Finance & Administration (OFA). Further reductions in Services and Supplies for OFA are also taken.
- Adds \$0.8 million General Fund to backfill Services and Supplies costs in information technology previously funded with federal grant funds no longer available.
- Shifts funding (\$0.5 million) for Personal Services from Network for Quality Teaching and Learning resources to General Fund in the Office of Equity.

Package 802, Program Enhancement. This package adds \$1.6 million total funds, including \$1.4 million General Fund. Four positions (3.83 FTE) and \$1.2 million General Fund are added to administer the Chronic Absenteeism Initiative. The Grant-in-Aid program also receives \$6.2 million for grants to districts for the Chronic Absenteeism Initiative. Funding of \$0.2 million Other Funds expenditure limitation is included for the Teaching Empowering Leading Learning (TELL) survey from the Network for Quality Teaching and Learning revenue stream and \$0.2 million General Fund for a contract to assess the need and the current systems available for Early Indicator systems.

Package 803, Technical Changes. This package makes several technical changes to the Operations budget. These include:

- Changing the funding from Federal Funds limitation to Other Funds expenditure limitation on three positions to line up with the duties and responsibilities of the positions.
- Reclassifying a Child Nutrition Program position to an equal classification, resulting in no additional cost.
- Adding \$0.2 million in Federal Funds expenditure limitation for increased costs resulting from moving applications to the State Data Center.

- Adding \$0.6 million in Federal Funds expenditure limitation for increased rent for the proposed new Early Learning Division staff, resulting from new federal regulations (Package 202).
- Increasing the Other Funds expenditure limitation by \$0.5 million for the “Ounce of Prevention” grant funds not entirely spent during 2015-17; this includes one limited duration position.
- Increasing Other Funds expenditure limitation by \$0.4 million for increased background checks for school volunteers (House Bill 2992).
- Transferring \$0.8 million General Fund for Gang Prevention grants from Operations to Youth Development Grant-in-Aid.
- Transferring \$7.0 million Federal Funds expenditure limitation for the Charter School program from Operations to K-12 Grant-in-Aid.

Package 804, Bonding Related Changes. This package transfers outstanding Other Funds limitation for bonds sold during 2015-17 for the Oregon School Capital Improvement Matching program (OSCIM) to the Capital Bonding – School Facilities budget unit. 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.

Package 812: Vacant Position Elimination eliminates positions, which have been vacant for an extended period of time or have been identified by the agency for elimination. All state agencies are participating in this effort. The positions include:

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

Services and Supplies resources associated with these positions are also reduced, although some Services and Supplies resources are added back to offset the public affairs work in the Early Learning Division. The net savings is \$1.1 million General Fund, \$1.9 million total funds and 15 positions (10.2 FTE).

Package 814, IT Security Positions Consolidation. This package transfers two security related information technology positions, and the associated Services and Supplies from ODE to the DAS, Chief Information Officer (OSCIO). The amount transferred is \$0.6 million General Fund. This is the result of a Governor's Executive Order in 2016.

Oregon School for the Deaf

ODE operates the Oregon School for the Deaf (OSD), located in Salem. OSD serves approximately 100 hearing impaired students, many of whom reside at the school, during the school year. The Subcommittee approved a budget of \$18,606,778 total funds, including \$12,317,072 General Fund and 82 positions (75.77 FTE). General Fund is increased from the 2015-17 Legislatively Approved Budget by 3.4 percent. The Subcommittee approved the following adjustments to Oregon School for the Deaf's current service level.

Package 803, Technical Changes. This package makes several technical changes to the OSD's budget. These include:

- Shifting funding from Federal Funds limitation to Other Funds to reflect a decrease in available federal revenues.
- Increasing Other Funds limitation by \$0.3 million, to reflect greater revenues from school districts and ESDs when OSD, staff perform Individual Educational Plans (IEP) 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.

Package 812, Vacant Position Elimination. This package reclassifies two Facility Energy Technicians no longer required given the replacement and modernization of the HVAC systems. The positions will be reclassified to custodians who will provide needed maintenance work, as well as to be a presence for safety reasons during off-hours at this 24-hour facility.

Youth Corrections Educational Program

This program provides funding and staff for educational services to students under the supervision of the Oregon Youth Authority and county juvenile programs. The Subcommittee approved a budget of \$0 total funds and no positions because the funding and positions were moved to other budget units.

Package 803, Technical Changes. This package transfers the Youth Corrections Education Program/Juvenile Detention Education Program (YCEP/JDEP) from this budget unit to the K-12 Grant-in-Aid unit. All YCEP and JDEP services are now administered by school districts and Education Service Districts (ESDs) through grants from ODE. This is a transfer of \$16.8 million Other Funds limitation and \$2.3 million Federal Funds limitation.

Package 812, Vacant Position Elimination. This package eliminates two positions (2.00 FTE), which have been vacant for an extended period or positions identified by the agency as positions available to be eliminated. The positions for Youth Corrections program are a Teaching Assistant and an Office Specialist which are no longer required. All the education services for the Youth Corrections is provided through contracts with school districts or ESDs. The \$0.3 million Other Funds limitation attached to these positions, will be transferred to K-12 Grant-in-Aid budget unit.

Grant-in-Aid and District Support

The Grant-in-Aid budget unit includes most of the K-12 funding, not including the State School Fund, distributed to school districts, ESDs and other entities. The Subcommittee approved a budget of \$1,790,274,686 total funds, including \$447,720,802 General Fund. General Fund increases 70.8 percent and total funds by 16.0 percent from the 2015-17 Legislatively Approved Budget primarily due to the new Ballot Measure 98 related grants.

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

Package 113, Tribal History and Sovereignty Curriculum. This package adds \$1.8 million General Fund for grants to the nine tribal governments to develop the curriculum in grades K-12. Coordination, development and professional development for the curriculum is funded in the Operations unit.

Package 114, Measure 98 CTE. This package appropriates \$170 million General Fund to the High School Graduation and College and Career Readiness Fund established by Ballot Measure 98. 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. Staff and other resources are funded in the Operations budget unit.

The \$170 million represents approximately 60 percent of the amount 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 on how districts should phase in the programs, the administrative rules allow for spending some of the first school year's allocation in the second year.

Package 801, LFO Analyst Adjustments. This package makes several changes to the many programs under the K-12 grant-in-aid programs for a total funds reduction of \$6.9 million (including a \$9.5 million reduction in General Fund).

- Student Success Grants. Two reading programs -- Start Making a Reader Today and the Reach Out to Read are reduced by 50 percent from current service level. The Supporting Accelerated Learning Opportunities, which assists in paying for Advanced

Placement and International Baccalaureate tests, is reduced by nine percent, while Accelerated Learning and Regional Promise grants are maintained at the current service level. These programs support district efforts around Ballot Measure 98. The General Fund for the Physical Education grants is increased by \$0.6 million to offset the loss of a portion of the Tobacco Master Settlement Agreement (TMSA) 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. Due to limits in General Fund resources, various STEM and CTE related programs were reduced by 10 percent. CTE Revitalization grants were increased by almost 11 percent, in part because of its importance in supporting Ballot Measure 98 programs and because the CTE Summer programs were folded into the Revitalization grants. The CTE Mentoring program is eliminated, as is the Course Equivalent pilot program.
- Nutritional Programs. The Farm-to-School is not funded in this budget but House Bill 2038 includes General Fund resources for this purpose. Other General Fund in the Nutrition programs, are reduced by approximately \$0.4 million recognizing the agency usually reverts more 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 for both the Leadership Training Program and Effective Teacher Prep Program are eliminated, and combined NQTL funding for the two programs is \$2.5 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 percent to \$6.0 million, while the Tribal Attendance program is continued at the current service level of \$1.6 million. The English Language Learners program is continued at \$10.4 million Other Funds limitation, as a carve-out from the SSF. 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. Besides 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.

Package 802, Program Enhancement. This package adds funding to three Grant-in-Aid programs. First, \$6.0 million General Fund and \$1.7 million Federal Funds expenditure limitation, is added for the EI/ECSE. Funding has not kept pace with caseload and cost increases. Second, \$6.2 million General Fund is directed to the implementation of the Chronic Absenteeism initiative. There is a related \$1.2 million package in the Operations budget unit for the staff and related costs for this initiative. Finally, \$1.0 million in NQTL resources (Other Funds expenditure limitation) is directed to Trauma Informed pilot projects begun in the 2015-17 biennium.

Package 803, Technical Changes. This package makes technical changes to the Grant-in-Aid budget area. These changes are:

- Transfers YCEP and JDEP from its own budget area to the K-12 Grant-in-Aid area. All the YCEP and JDEP services are now administered by school districts and ESDs through grants from ODE. This is a transfer of \$17.1 million Other Funds expenditure limitation and \$2.3 million Federal Funds expenditure limitation.
- Transfers the \$7.0 million Federal Funds Charter School program funding from the Operations budget unit to the K-12 Grant-in-Aid budget unit.
- Reduces \$159,770 Other Funds expenditure limitation from the 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 to meet the requirements for the minimum minutes spent each week in Physical Education related activities.
- Increases Other Funds expenditure limitation to pay the difference in costs between what the SSF will pay for transporting Foster Care children by school districts and the actual cost. The Department of Human Services will be providing the resources. It is unclear how many transactions will occur so this amount may require future adjustment.
- Shifts a portion of the funding for the Physical Education grants from Other Funds to General Fund because of falling TMSA revenues. The reduction in Other Funds expenditure limitation is in this package while the General Fund increase is in package 801.

The table on the following page shows the final budget figures for Grant in Aid Programs following these adjustments:

GRANT IN AID (\$ millions)					
Program	General Fund	Total Funds	Program	General Fund	Total Funds
Network Quality Teaching and Learning (NQTL)*	\$ -	\$ 82.7			
Student Success Grants			Nutritional Programs		
Start Making A Reader Today (SMART)	0.3	0.3	Federal Reimbursement Programs	-	388.0
Reach Out to Read Program	0.1	0.1	After School Meal/Snack Program	0.5	0.5
Supporting Accelerated Learning Opportunities	2.6	2.6	Breakfast & Summer Lunch Programs	1.6	1.6
Accelerated Learning	0.3	0.3	SUBTOTAL	\$ 2.1	\$ 390.1
Regional Promise Grants	3.1	3.1	Closing the Achievement Gap		
PE Grants	1.0	4.4	African American Education Plan	6.0	6.0
Measure 98 Grants	170.0	170.0	Tribal Attendance	1.6	1.6
Chronic Absenteeism (Senate Bill 183)	6.2	6.2	Native American Curriculum	1.8	1.8
Student Transitional Supports	-	-	English Language Learners	-	10.4
Charter Schools	-	7.0	Low Income: Title I, Part A	-	300.0
YCEP/JDEP	-	19.4	Title I - School Improvement Grants	-	10.0
Other Federal/Other Funds Grants	-	61.3	Migrant Education: Title I, Part C	-	21.5
SUBTOTAL	\$ 183.6	\$ 274.7	English Language Acquisition: Title III	-	22.8
STEM and CTE Related Programs			Title IV-B 21st Century Community Learning Ce	-	18.1
STEM/CTE Regional Network Grants	\$ 4.7	\$ 5	SUBTOTAL	9.4	392.2
CTE Revitalization Grants	10.3	10.3	Special Education Programs		
STEM/CTE Career Pathway Fund	8.2	8.2	Early Intervention/Early Childhood Ed	175.0	207.3
STEM/CTE Innovation Grants	4.4	4.4	Regional Programs	27.7	60.4
Student Leadership Centers	0.7	0.7	Blind & Visually Impaired	1.0	6.0
For Inspiration & Recognition of Science & Tech (FIRST)	0.5	0.5	Individuals with Disabilities Act (IDEA)	-	261.6
CTE Vocational Education Grant: Perkins Grant	-	32.2	Hospital Programs	1.4	9.5
			Long Term Care and Treatment	18.9	44.8
SUBTOTAL	\$ 28.8	\$ 61.0	SUBTOTAL	\$ 224.0	\$ 589.6

Within the Grant in Aid total are amounts funded with the carve-out for the Network for Quality Teaching and Learning (NTQL). The following table summarizes those amounts.

NQTL (Educator Effectiveness)	Other Funds
Trauma Informed (SB 183)	1.0
Dyslexia	1.9
School Dist Collaboration Grant	13.5
Mentoring Grants	11.5
Leadership Training & Effective Teacher Prep	2.5
School & Dist Turnaround Grants	2.0
Low Performing Schools	2.5
SUBTOTAL	\$ 34.9

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 SSF distribution formula. ODE receives the funds from the Department of State Lands. These are counted as local revenues for the school funding formula and ODE factors this amount for each participating district's local contribution. The Subcommittee approved an Other Funds Nonlimited budget of \$116,260,269. This is a 5.5 percent increase from the 2015-17 Legislatively Approved Budget. The Subcommittee approved the following adjustment to this budget unit's current service level:

Package 801, LFO Analyst Adjustments. This package increases the Nonlimited Other Funds 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.

Early Learning Grant-in-Aid

The Subcommittee approved a budget of \$380,557,077 total funds, including \$247,940,701 General Fund. This is a 3.9 percent total funds and 10.4 percent General Fund increase from the 2015-17 Legislatively Approved Budget. This set of programs, which was established in ODE by House Bill 3234 (2013), funds services to children ages zero to six. Other Funds expenditure limitation and Federal Funds expenditure limitation 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 (DHS). The Subcommittee approved the following adjustments to this budget unit:

Package 111, Internal Operational Realignment. This package reduces expenditures by \$0.2 million General Fund. It 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 the Preschool Promise Program.

Package 202, Implementing Child Care Federal Regulatory Requirements. In a corresponding package in the Operations budget unit, 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 flowing to DHS to primarily fund 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 factoring \$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 a \$0.9 million net reduction in the special payments made by ODE.

Package 801, LFO Analyst Adjustments. This package reduces funding for grants by \$2.3 million General Fund, due to state revenue constraints. The Kindergarten Partnership and Innovation grants are reduced by 4.1 percent 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 percent from current service level. Miscellaneous grants with General Fund

resources, within the Office of Child Care, are reduced by 12 percent. Funding for the Oregon Pre-kindergarten and Early Head Start program is funded at the current service level or \$152.3 million General Fund. The Healthy Families, Relief Nurseries, and Preschool Promise programs are also funded at the current service level.

The following table shows the final budget figures for the Early Learning Division, following these adjustments:

Early Learning Division	General Fund	Total Funds
Oregon Prekindergarten/Early Head Start	152.3	152.3
Healthy Families	24.8	29.5
Office of Child Care	2.1	125.2
Relief Nurseries	8.9	11.0
Kindergarten Partnership Initiative	9.1	9.1
Early Learning HUBs	15.0	17.8
Early Learning Service Providers Capacity Building	-	-
Preschool Promise	35.7	35.7
TOTAL	\$ 247.9	\$ 380.6

Youth Development Grant-in-Aid

The Subcommittee approved a budget of \$20,182,500 total funds, including \$13,151,091 General Fund for the Youth Development programs, which was established in ODE by House Bill 3231 (2013). This is a 5.0 percent total funds and an 8.6 percent General Fund increase from the 2015-17 Legislatively Approved Budget. This set of programs 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 this budget unit:

Package 801, LFO Analyst Adjustments. This package reduces funding for Juvenile Crime Prevention grants and the Youth and Innovation grants and increases the Youth and Community grant for a net reduction of \$0.2 million total funds. The Juvenile Crime Prevention grants are funded at \$5.9 million, a 2.6 percent decrease from the current service level, while the Youth and Innovation grants are reduced by 7.2 percent with \$3.2 million General Fund available for grants. The Youth and Community grant are increased to \$3.2 million or by 8.3 percent.

Package 803, Technical Changes. 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 \$0.8 million General Fund for Gang Prevention grants from Operations to Youth Development Grant-in-Aid.

The following table shows the final budget figures for Youth Development Division following these adjustments:

Youth Development Division	General Fund	Total Funds
Juvenile Crime Prevention	5.9	6.6
Gang Prevention & Intervention Grants	0.8	0.8
Youth & Community	3.2	9.5
Youth & Innovation	3.2	3.2
Community Schools	0.1	0.2
TOTAL	\$ 13.2	\$ 20.3

Debt Related Costs

The Subcommittee approved a budget of \$20,502,540 total funds for existing debt service. This includes \$19,851,315 General Fund and \$651,225 Lottery Funds. The Lottery Funds is for debt approved by the 1997 and 1999 Legislative Assemblies. The General Fund is for debt resulting from the OSCIM program. The Subcommittee approved the amount required by the debt service schedule.

Summary of Performance Measure Action

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

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Education

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 *	\$ 580,091,439	\$ 1,434,927	\$ 277,236,218	\$ 112,916,253	\$ 1,038,273,686	\$ 388,007,727	\$ 2,397,960,250	555	520.90
2017-19 Current Service Level (CSL)*	\$ 639,530,189	\$ 651,225	\$ 194,841,138	\$ 112,916,253	\$ 1,058,609,260	\$ 388,007,727	\$ 2,394,555,792	530	510.80
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 100 - Department Operations									
Package 070: Revenue Shortfalls									
Services and Supplies	\$ 3,800,000	\$ -	\$ -	\$ -	\$ (3,900,000)	\$ -	\$ (100,000)		
Package 106: Measure Student Progress									
Services and Supplies	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000		
Package 111: Internal Operational Alignment									
Personal Services	\$ 835,141	\$ -	\$ 779,683	\$ -	\$ 97,141	\$ -	\$ 1,711,965	5	8.63
Services and Supplies	\$ (610,537)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (610,537)		
Package 113: Tribal History Curriculum									
Services and Supplies	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000		
Package 114: Measure 98									
Personal Services	\$ 1,325,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,325,309	8	7.02
Services and Supplies	\$ 444,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,770		
Package 202: Child Care Federal Regulations									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 2,529,626	\$ -	\$ 2,529,626	18	18.00
Services and Supplies	\$ -	\$ -	\$ 2,867,500	\$ -	\$ 1,478,374	\$ -	\$ 4,345,874		
Package 203: Early Learning Operations Efficiency									
Personal Services	\$ 1,386,756	\$ -	\$ -	\$ -	\$ (1,191,996)	\$ -	\$ 194,760	1	1.00
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (287,560)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (287,560)	(1)	(1.50)
Services and Supplies	\$ (1,792,478)	\$ -	\$ (500,000)	\$ -	\$ (1,359,938)	\$ -	\$ (3,652,416)		
Package 802: Program Enhancement									
Personal Services	\$ 721,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 721,877	4	3.83
Services and Supplies	\$ 641,342	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 841,342		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 803: Technical Changes									
Personal Services	\$ -	\$ -	\$ 927,240	\$ -	\$ (671,136)	\$ -	256,104	1	1.00
Services and Supplies	\$ (750,000)	\$ -	\$ 686,396	\$ -	\$ 837,775	\$ -	774,171		
Special Payments (Dist. to Local School Districts)			\$ -	\$ -	\$ (7,004,935)	\$ -	(7,004,935)		
Package 804: Bonding Related Changes									
Special Payments (Dist. to Local School Districts)			\$ (39,312,315)	\$ -			(39,312,315)		
Package 812: Vacant Position Elimination									
Personal Services	\$ (1,017,408)	\$ -	\$ (328,657)	\$ -	\$ (393,053)	\$ -	(1,739,118)	(15)	(10.20)
Services and Supplies	\$ (110,722)	\$ -	\$ (34,000)	\$ -	\$ (23,630)	\$ -	(168,352)		
Package 814: IT Security Positions Consolidation									
Personal Services	\$ (550,520)	\$ -	\$ -	\$ -	\$ -	\$ -	(550,520)	(2)	(2.00)
Services and Supplies	\$ (46,135)	\$ -	\$ -	\$ -	\$ -	\$ -	(46,135)		
SCR 200 - Oregon School for the Deaf									
Package 803: Technical Changes									
Personal Services	\$ -	\$ -	\$ 77,553	\$ -	\$ (77,553)	\$ -	-	0	0.00
Services and Supplies	\$ -	\$ -	\$ 1,972,715	\$ -	\$ (172,715)	\$ -	1,800,000		
Package 812: Vacant Position Elimination									
Personal Services	\$ (95,894)	\$ -	\$ -	\$ -	\$ -	\$ -	(95,894)	0	0.00
SCR 250 - Youth Corrections Educational Program									
Package 803: Technical Changes									
Services and Supplies	\$ -	\$ -	\$ (458,209)	\$ -	\$ -	\$ -	(458,209)		
Special Payments (Dist. to Local School Districts)			\$ (16,309,794)	\$ -	\$ (2,304,640)	\$ -	(18,614,434)		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (345,448)	\$ -	\$ -	\$ -	(345,448)	(2)	(2.00)
SCR 300 - Grant in Aid									
Package 113: Tribal History Curriculum									
Special Payments (Dist. to Local School Districts)	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	1,800,000		
Package 114: Measure 98									
IntraAgency General Fund Transfer	\$ 170,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	170,000,000		
Package 801: LFO Analyst Adjustments									
Special Payments (Dist. to Local School Districts)	\$ (9,505,180)	\$ -	\$ 2,634,450	\$ -	\$ -	\$ -	(6,870,730)		
Package 802: Program Enhancement									
Special Payments (Dist. to Local School Districts)	\$ 12,178,889	\$ -	\$ 1,000,000	\$ -	\$ 1,725,423	\$ -	14,904,312		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 803: Technical Changes									
Services and Supplies		\$	458,209		\$	-	458,209		
Special Payments (Dist. to Local School Districts)	\$ -	\$ -	16,655,242	\$ -	2,304,640	\$ -	18,959,882		
Special Payments	\$ -	\$ -	(215,670)	\$ -	7,004,935	\$ -	6,789,265		
SCR 450 -Common School Fund									
Package 801: LFO Analyst Adjustments									
Special Payments (Dist. to Local School Districts)	\$ -	\$ -		\$ 6,048,468	\$ -	\$ -	6,048,468		
SCR 500 -Early Learning Division									
Package 111: Internal Operational Alignment									
Special Payments	\$ (224,604)	\$ -	\$ -	\$ -	\$ -	\$ -	(224,604)		
Package 202: Child Care Federal Regulations									
Other Special Payments	\$ -	\$ -	\$ -	\$ -	(944,490)	\$ -	(944,490)		
Package 801: LFO Analyst Adjustments									
Other Special Payments	\$ (2,318,783)	\$ -	\$ -	\$ -	\$ -	\$ -	(2,318,783)		
Package 803: Technical Changes									
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		
SCR 550 - Youth Development Division									
Package 801: LFO Analyst Adjustments									
Other Special Payments	\$ (155,677)	\$ -	\$ -	\$ -	\$ -	\$ -	(155,677)		
Package 803: Technical Changes									
Other Special Payments	\$ 750,000	\$ -	\$ -	\$ -	(2,441,561)	\$ -	(1,691,561)		
SCR 850 - Debt Service Costs									
None.									
TOTAL ADJUSTMENTS	\$ 178,618,586	\$ -	(29,245,105)	\$ 6,048,468	(4,507,733)	\$ -	150,914,216	17	23.78
SUBCOMMITTEE RECOMMENDATION *	\$ 818,148,775	\$ 651,225	165,596,033	\$ 118,964,721	\$ 1,054,101,527	\$ 388,007,727	2,545,470,008	547	534.58
% Change from 2015-17 Leg Approved Budget	41.0%	(54.6%)	(40.3%)	5.4%	1.5%	0.0%	6.2%	(1.4%)	2.6%
% Change from 2017-19 Current Service Level	27.9%	0.0%	(15.0%)	5.4%	(0.4%)	0.0%	6.3%	3.2%	4.7%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 7/18/2017 1:44:33 PM

Agency: Education, Department of

Mission Statement:

Increase Achievement for All Students

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. QUALITY LEARNING ENVIRONMENTS - Increase the number of early learning and development programs participating in the statewide Quality Rating and Improvement System		Approved	1,342	1,500	1,675
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	33%	40%	45%
3. KINDERGARTEN ASSESSMENT - Increase performance of entering kindergarten students on the Kindergarten Assessment	a) Increase in the average number of letter names that children are able to identify in one minute	Legislatively Deleted	18.50	TBD	TBD
	b) Increase in the average number of letter sounds that children are able to identify in one minute		7.40	TBD	TBD
	c) Increase in the average number of math questions that children are able to correctly respond to		8.50	TBD	TBD
	d) Increase in the average Approaches to Learning score that children receive		3.60	TBD	TBD
3. KINDERGARTEN ASSESSMENT - Increase performance of entering kindergarten children on the Kindergarten Assessment	Percent of students entering kindergarten who can identify 18 uppercase English letters	Approved	No Data	60%	70%
	Percent of students entering kindergarten who can identify 15 lowercase English letters		No Data	60%	70%
	Percent of students entering kindergarten who can identify at least 3 letter sounds		No Data	60%	70%
	percent of students entering kindergarten who can respond correctly to 8 math questions		No Data	60%	70%
	percent of students entering kindergarten who fall into either the Approaching or Demonstrating & Above benchmark levels in Self-Regulation		No Data	85%	95%
	percent of students entering kindergarten who fall into either the Approaching or Demonstrating & Above benchmark levels in Interpersonal Skills		No Data	95%	95%
4. EARLY LITERACY - Percentage of students meeting or exceeding statewide academic achievement standards in 3rd grade reading	a) All Students	Approved	48.50%	51%	53%
	b) Students of Color		29.10%	30%	32%
	c) Special Ed Students		25.50%	29%	30%
5. STUDENTS ON TRACK TO GRADUATE - Percentage of 9th grade students on track to graduate.	a) All Students	Approved	83.50%	90%	93%
	b) Students of Color		77.70%	75%	77%
	c) Special Ed Students		68.60%	73%	75%
6. HIGH SCHOOL COMPLETION - Percentage of students who complete high school within five years	a) All Students	Legislatively Deleted	76.50%	82%	TSD 5516 A

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
	b) Students of Color		70%	74%	TBD
	c) Special Ed Students		58.40%	52%	TBD
6. HIGH SCHOOL COMPLETION - Percentage of students who complete high school within four years	All students	Approved	No Data	81%	81%
	Students of color		No Data	74%	77%
	Special Education students		No Data	61%	64%
7. COLLEGE GOING - College-going rate of Oregon residents into post-secondary institutions		Approved	62.90%	63%	65%
8. 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	73%	30%	50%
9. HIGH QUALITY STAFF - Percentage of ODE staff performing at or above standard on evaluation		Approved	91.10%	75%	80%
10. STAFF SATISFACTION - Percentage of ODE staff rating their satisfaction with internal customer service as "good" or "excellent"	Accuracy	Legislatively Deleted	84%	TBD	TBD
	Overall		77%	TBD	TBD
	Timeliness		69%	TBD	TBD
	Availability of Information		68%	TBD	TBD
	Expertise		84%	TBD	TBD
	Helpfulness		78%	TBD	TBD
10. CUSTOMER SERVICE - Percentage of customers rating the agency's customer service as "good" or "excellent"	Overall	Approved	78%	85%	85%
	Expertise		77%	85%	85%
	Helpfulness		82%	85%	85%
	Timeliness		68%	85%	85%
	Accuracy		74%	85%	85%
	Availability of Information		73%	85%	85%

LFO Recommendation:

LFO recommends the targets outlined above. They are based on recent trends of the information that is collected. One measure is recommended to be deleted. Existing KPM #10 measures staff satisfaction. This is an internal measure and does not necessarily measure the direct performance of the agency. Staff satisfaction is an important measure and current agency leadership is re-evaluating how to measure its as an internal measure. LFO recommends the deletion of this KPM.

Two measures are proposed to be replaced and LFO recommends their replacement:

- Existing KPM #3 is replaced with a similar KPM measuring the performance of students entering into kindergarten as indicated by the Kindergarten Assessment tool. The new metrics reflect the state standards adopted by the Early Learning Council.
- Existing KPM #6 is replaced with a similar KPM which measures the percentage of students graduating from high school within a certain number of years. The existing KPM was within five years and proposed KPM uses a four year period which is more in line with the standard expectations of completion.

Two other items that LFO suggests being evaluated in the upcoming biennium:

- KPM #9 measures the percentage of staff performing at or above standard on evaluation. The agency is reviewing the efficacy of this KPM and LFO suggest that they come back during the 2019 Legislative Session with a recommendaion on whether to continue this KPM or replace it. SB 5516 A

2. One area of responsibility of the agency is not captured directly by the current set of KPMs. While Youth Development programs are not a large part of the agency's budget, they do represent a key area of keeping youth on track for graduation and successful employment experience. LFO recommends that the agency return to the 2019 Legislative Session with a recommended KPM for this key area of the agency's duties and responsibilities.

SubCommittee Action:

Approve LFO recommendations.

SB 5517 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Smith Warner

Joint Committee On Ways and Means

Action Date: 06/06/17

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 6 - Gomberg, Holvey, Nathanson, Rayfield, Smith Warner, Williamson

Nays: 4 - Huffman, McLane, Smith G, Whisnant

Exc: 1 - Stark

Senate Vote

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

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Department of Education

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	6,925,296,093	\$ 7,543,537,881	\$ 7,684,226,325	\$ 758,930,232	11.0%
Lottery Funds	447,703,907	469,087,606	452,292,849	\$ 4,588,942	1.0%
Other Funds Limited	3,260,692	3,260,692	67,341,193	\$ 64,080,501	1965.2%
Total	\$ 7,376,260,692	\$ 8,015,886,179	\$ 8,203,860,367	\$ 827,599,675	11.2%

Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The School Formula revenue consists of state support and certain local revenues. Formula revenue is available for general school operations and does not include bond revenue or categorical aid. State support through the State School Fund (SSF) includes General Fund from income and capital gains taxes and Lottery Funds from net lottery proceeds. Other Funds revenue includes \$3,860,367 associated with the Local Option Equalization Grants Account, \$63,080,000 in resources from marijuana taxes and \$400,826 is state related timber revenues available to the State School Fund. The marijuana revenues depend on passage of Senate Bill 845 or a similar bill, which dedicates revenues to the SSF and not the Common School Fund. Senate Bill 5517 reflects only the SSF – the state’s share of School Formula funding. Local revenues (primarily property taxes) are not reflected in the state budget, but are expected to provide \$3.98 billion in the 2017-19 biennium as estimated by the Legislative Revenue Office. This local revenue portion remains with the districts where collected, but is considered as a part of the formula revenue for allocation purposes. Local revenue also includes distributions from the Common School Fund, which is managed by the State Land Board.

Summary of Education Subcommittee Action

The Subcommittee approved a total state funding level of \$8,203,860,367 for the SSF. Of this \$8.2 billion, \$7,684,226,325 is General Fund, \$452,292,849 Lottery Funds and \$67,341,193 Other Funds expenditure limitation. These SSF resources are in addition to local revenues and state, federal and other categorical aid. Together, SSF resources and local funding provides a School Formula budget of \$12.2 billion before specific distributions and “carve-outs.” At \$8.2 billion, the state contribution is \$827.6 million (11.2 percent) more

than the 2015-17 Legislatively Approved Budget. It assumes adjustments for educator compensation, increased Public Employee Retirement System contributions, number of students and characteristics of students (e.g. special education, remote schools).

These School Formula revenues are, for the most part, allocated to school districts and education service districts according to the formula prescribed in statute. The Subcommittee approved 50 percent of the SSF resources being allocated in the 2017-18 school year and 50 percent being allocated in the 2018-19 school year. The amount transferred for the Local Option Equalization Account established in ORS 327.339 is set at \$3,860,367, the amount estimated by the Oregon Department of Education to be sufficient to make payments based on the levies currently in place. A corresponding amount of Other Funds limitation is included so these payments can be made to the appropriate school districts.

Specific distributions or “carve-outs” are reduced from the amount of the SSF used in the distribution formula to the school districts and Education Service Districts (ESDs). Many of these specific distributions are still distributed to school districts, but outside the general formula. These distributions are generally authorized in chapter 327 of the Oregon Revised Statutes (ORS), but this bill does change the amount or authorize a new distribution as follows:

- Up to \$968,000 from the SSF may be expended for 10th grade assessments as described in ORS 329.488.
- Up to \$1,600,000 from the SSF may be expended for the purposes of the Oregon Virtual School District.
- Up to \$2,470,000 from the SSF may be expended to provide lunches at no cost to the student, for students eligible for reduced price lunches under the current United States Department of Agriculture’s Income Eligibility Guidelines.

The distribution for the Network for Quality Teaching and Learning was established at \$33 million in 2013, but includes an escalator where the amount distributed increases each biennium equal to the amount of growth in the SSF from the previous biennium. Based on the SSF growth in this bill, the estimated amount available for the Network in 2017-19, is \$39.5 million.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Education
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 *	\$ 6,925,296,093	\$ 447,703,907	\$ 3,260,692	\$ -	\$ -	\$ -	\$ 7,376,260,692	0	0.00
2017-19 Current Service Level (CSL)*	\$ 7,543,537,881	\$ 469,087,606	\$ 3,260,692	\$ -	\$ -	\$ -	\$ 8,015,886,179	0	0.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 400 - School Funding									
Package 801: LFO Analyst Adjustments									
Special Payments (Dist. to Local School Districts)	\$ 140,688,444	\$ (16,794,757)	\$ 64,080,501	\$ -	\$ -	\$ -	\$ 187,974,188		
TOTAL ADJUSTMENTS	\$ 140,688,444	\$ (16,794,757)	\$ 64,080,501	\$ -	\$ -	\$ -	\$ 187,974,188	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ 7,684,226,325	\$ 452,292,849	\$ 67,341,193	\$ -	\$ -	\$ -	\$ 8,203,860,367	0	0.00
% Change from 2015-17 Leg Approved Budget	11.0%	1.0%	1965.2%	0.0%	0.0%	0.0%	11.2%		
% Change from 2017-19 Current Service Level	1.9%	-3.6%	1965.2%	0.0%	0.0%	0.0%	2.3%		

*Excludes Capital Construction Expenditures

SB 5506 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Smith G

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do Pass the A-Eng bill.

House Vote

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

Exc: 3 - Smith G, Stark, Whisnant

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 1 - Thomsen

Prepared By: Jean Gabriel, Department of Administrative Services

Reviewed By: Amanda Beitel, Legislative Fiscal Office

Capital Construction – Various Agencies

2017-19

Capital Construction – Department of Administrative Services

2015-17

Capital Construction – Department of Veterans’ Affairs

2015-17

Capital Construction – Department of Transportation

2013-15

Budget Summary

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
Other Funds Capital Construction	\$ 579,755,952	\$ 738,319,541	\$ 158,563,589	27.4%
Federal Funds Capital Construction	\$ 34,888,304	\$ 4,792,500	\$ (30,095,804)	-86.3%
Total	\$ 614,644,256	\$ 743,112,041	\$ 128,467,785	20.9%

2015-17 Supplemental Expenditure Limitation Adjustments

Department of Administrative Services

Capital and Tenant Improvements for 550 Building (Other Funds) \$ 1,400,000 \$ 1,400,000

Oregon Department of Veterans' Affairs

The Dalles Veterans' Home Renovation (Other Funds) \$ 965,429 \$ 965,429

The Dalles Veterans' Home Renovation (Federal Funds) \$ 497,588 \$ 497,588

2013-15 Supplemental Expenditure Limitation Adjustments

Department of Transportation

Salem Baggage Depot Renovation (Other Funds) \$ 94,483 \$ 94,483

Salem Baggage Depot Renovation (Federal Funds) \$ 825,517 \$ 825,517

⁽¹⁾ Includes adjustments through December 2016

Revenue Summary

Other Fund revenues include proceeds from the issuance of general obligation bonds authorized under Article XI-Q, XI-G, and XI-F (1) of Oregon’s Constitution, the depreciation component of the Uniform Rent program and other deposits in the Department of Administrative Services Capital Projects Fund established by ORS 276.005, reserves of the Veterans’ Home Program, Oregon Military Department Capital Construction Account (surplus property sale proceeds), aircraft registration fees assessed in accordance with ORS 837.040 and 837.045, donations, and state gasoline tax and driver and vehicle related fees. Federal Funds revenues are from the U.S. Department of Veterans’ Affairs construction grant program, the Federal Transit Administration grant program, the Federal Aviation Administration’s General Aviation Entitlement Program, and the Federal Airport Improvement Program.

Summary of Capital Construction Subcommittee Action

SB 5506 provides six-year expenditure limitation for capital construction projects. Projects in excess of \$1.0 million for the acquisition of land and the acquisition, planning, constructing, altering, repairing, furnishing, and equipping of building and facilities are categorized as capital construction projects. In addition, SB 5506 extends the six-year expiration dates and expenditure limitations for specified projects.

Oregon Department of Administrative Services

Mission Critical Facility Yellow Lot Building: \$4,579,431 Other Funds (Capital Projects Fund) is approved for planning for a seismically resilient facility to be located on the yellow lot to protect critical state government operations in the event of an earthquake.

Department of Human Services Building Upgrades: \$3,743,000 Other Funds (Capital Projects Fund) is approved to upgrade the electrical and plumbing systems, replace lights with LED's and new controls, and replace water heaters.

Employment Building Upgrades: \$6,236,000 Other Funds (Capital Projects Fund) is approved to upgrade the electrical system, roof and restrooms and replace the plumbing, flooring, chillers, cooling tower, and air conditioning units.

Electrical Upgrades and Replacements: \$3,890,000 Other Funds (Capital Projects Fund) is approved to upgrade electrical panels, increase electrical capacity, and replace lights with LED's and new controls in several state buildings.

Capitol Mall Parking Structure Study and Upgrades: \$2,926,000 Other Funds (Capital Projects Fund) is approved for a study, replacing the membrane on the parking structure roof, an engineering assessment, and renovation of concrete spalling and rebar damage.

Planning: \$500,000 Other Funds (Capital Projects Fund) is approved to contract with various architects, engineers, and other specialists to develop feasibility analysis and reliable cost information; to prepare preliminary design for small to medium-sized projects; and to evaluate options to address maintenance problems.

Boiler and Heating Upgrades: \$1,234,000 Other Funds (Capital Projects Fund) is approved to replace and upgrade hot water heaters and boilers in several state buildings.

Portland Crime Lab Upgrade: \$1,162,000 Other Funds (Capital Projects Fund) is approved to upgrade the chiller, pumps, and cooling tower to increase the cooling HVAC systems capacity.

Parking Lot Upgrades: \$3,500,000 Other Funds (Capital Projects Fund) is approved to install EV charging stations and perform surface replacement and upgrades in multiple state-owned parking lots.

Portland State Office Building Renovation: \$13,146,000 Other Funds (Article XI-Q Bonds) is approved to renovate the building exterior, including replacement of the windows and roof; upgrade security, electrical and HVAC systems; painting; and renovating restrooms.

State Data Center Power Upgrades: \$11,000,000 Other Funds (State Information Technology Operating Fund) is approved to upgrade power and increase capacity of the data center.

Elected Official Staff Relocation: \$6,300,000 Other Funds (Capital Projects Fund) is approved to renovate the historic State Library building for relocation of the Office of the Governor's staff from the Oregon State Capitol. The work is scheduled to occur in three phases beginning in July 2017.

Capital and Tenant Improvements for 550 Building: \$1,400,000 Other Funds (Capital Projects Fund) is approved as an increase to the 2015-17 capital construction limitation for capital and tenant improvements that exceed the \$4,000,000 established for the project by the May 2016 Emergency Board.

The Subcommittee approved the extension of the project expiration date and expenditure limitation for Department of Environmental Quality and Public Health Laboratory Roof Replacement (Other Funds) to June 30, 2018 and Capital and Tenant Improvements for 550 Building (Other Funds) to June 30, 2018.

Oregon Military Department

Regional Armory Emergency Enhancement: \$8,534,400 Other Funds (Article XI-Q Bonds) is approved for making structural improvements to bring the following three facilities to essential facility standards for seismic events: Coos Bay Armory, Newport Armory, and the Anderson Readiness Center in Salem. The project includes seismic structural upgrades, backup power and water systems, and emergency equipment and fuel storage for the three facilities.

Grants Pass Armory Service Life Extension: \$3,270,356 Other Funds (Article XI-Q Bonds) is approved for a service life extension project to renovate the facility. The project is for design and construction of additions and alterations to the Grants Pass Armory to bring the building into conformance with current building code. The project will upgrade mechanical, electrical and plumbing systems; remodel the existing classrooms, administrative space, latrines and showers, equipment storage areas, kitchen, and assembly hall areas; replace failed paving areas; and replace existing site lighting, landscaping and fencing.

Future Readiness Center Sites: \$1,730,000 Other Funds (Capital Construction Account) is approved for the purchase of two parcels of land necessary to construct two new Readiness Centers as replacements for the Hillsboro and Redmond Armories. One property is located in Washington County and the other is located in Deschutes County.

The Subcommittee approved the extension of the project expiration date and expenditure limitation for The Dalles Readiness Center (Other Funds) to June 30, 2018 and The Dalles Readiness Center (Federal Funds) to June 30, 2018.

The Subcommittee also approved the proposal from the Oregon Military Department, as required by ORS 396.515 (4), for the sale of the Burns Armory and 40 acres of land in La Grande.

Oregon Youth Authority

Capital Improvements: \$17,168,249 Other Funds (Article XI-Q Bonds) is approved for capital improvements to permanent structures and fixtures to address needs identified by the Facility Condition Assessment completed on the department's facilities.

MacLaren West 7 Cottages Renovation: \$21,177,200 Other Funds (Article XI-Q Bonds) is approved for capital improvements to renovate and remodel seven living units on the west side of the campus at MacLaren Youth Correctional Facility. Article XI-Q bonds have been approved in SB 5505 to finance Phase 1 of this project with \$15,177,200 of bond proceeds in 2017-19.

Rogue Valley Facility Improvements: \$10,973,465 Other Funds (Article XI-Q Bonds) is approved for capital improvements to renovate and remodel four living units at the Rogue Valley Youth Correctional Facility. Article XI-Q bonds have been approved in SB 5505 to finance Phase 1 of this project with \$6,973,465 of bond proceeds in 2017-19.

Department of Corrections

Capital Improvements and Renewal: \$26,293,534 Other Funds (Article XI-Q bonds) is approved to make improvements in several facilities including roofs, HVAC, surveillance, and infrastructure improvements to address needs identified in the Facility Condition Assessment completed on the department's facilities.

Technology Infrastructure: \$12,200,000 Other Funds (Article XI-Q bonds) is approved for the VOIP Telephony Upgrade and Install project to upgrade and install technology infrastructure that will support a voice-over-internet protocol telephone system.

Oregon Department of Veterans' Affairs

Roseburg Veterans' Home: \$10,500,000 Other Funds (Article XI-Q Bonds) is approved to build a new Veterans' home in Roseburg.

Oregon Veterans' Home Capital Improvements: \$2,450,000 Other Funds (Article XI-Q Bonds) is approved to fund the following two projects: The Dalles Veterans' Home Capital Improvements: \$1,150,000 Other Funds is approved for construction of a new educational building and daycare building, upgrades to wireless and security infrastructure, and phone system replacement; and Lebanon Veterans' Home Parking Lot: \$1,300,000 Other Funds is approved to build a new parking lot at the veteran's home in Lebanon.

The Dalles Veterans' Home Renovation: \$497,588 Federal Funds (U.S. Department of Veterans' Affairs construction grant) and \$965,429 Other Funds (Veterans' Home Program reserves) are approved as increases to 2015-17 capital construction limitation for major renovations to the state veterans' home located in The Dalles. Federal Funds capital construction limitation is increased from \$2,805,303 to \$3,302,891 and Other Funds capital construction limitation is increased from \$1,510,547 to \$2,475,976 to accommodate higher construction costs.

Department of Transportation

Toledo Maintenance Station Phase I: \$6,300,000 Other Funds (fee revenue) is approved to fund Phase 1 of the project for a new maintenance station in the Toledo area to replace the Ona Beach maintenance station. Phase 1 includes land acquisition, site preparation, design, and construction of buildings that will be shared by the Oregon Department of Forestry.

Salem Baggage Depot Renovation: \$94,483 Other Funds (donation) and \$825,517 Federal Funds (Federal Transit Administration grant) are approved as increases to 2013-15 capital construction limitations established by the May 2014 Emergency Board for renovations to the Salem Baggage Depot. Other Funds capital construction limitation is increased from \$278,841 to \$373,324 and Federal Funds capital construction limitation is increased from \$1,590,307 to \$2,415,824.

The Subcommittee approved the extension of the project expiration date and expenditure limitation for the Salem Baggage Depot Renovations (Other Funds) to June 30, 2019 and the Salem Baggage Depot Renovations (Federal Funds) to June 30, 2019.

Department of Aviation

Bandon Electrical, Gate, Obstruction Removal: \$1,732,500 Federal Funds (Federal Aviation Administration) and \$192,500 Other Funds (aircraft registration fees) is approved to conduct renovations at the Bandon State Airport. This project includes removing trees on both ends of the runway that have encroached upon the approach slope, replacing the precision approach indicators and the medium intensity runway lights, and installing a vehicle automated gate for safety.

McDermitt State Airport Runway and Taxi: \$1,080,000 Federal Funds (Federal Aviation Administration) and \$120,000 Other Funds (aircraft registration fees) is approved to conduct rehabilitation at the McDermitt State Airport. This project includes rehabilitating the runway and replacing lighting and the beacon tower, which are needed to meet federal standards for safe operating conditions. The project also includes pavement work for the taxiways, apron and the safety area as well as adding an edge drain system and new lighted signs.

Chiloquin Taxi and Fencing: \$990,000 Federal Funds (Federal Aviation Administration) and \$110,000 Other Funds (aircraft registration fees) is approved to conduct rehabilitation at the Chiloquin State Airport. This project includes rehabilitation of the taxiway and installation of a complete perimeter fence, which are needed to meet federal standards for safe operating conditions.

Lebanon Taxi and Apron Rehabilitation: \$990,000 Federal Funds (Federal Aviation Administration) and \$110,000 Other Funds (aircraft registration fees) is approved to conduct rehabilitation at the Lebanon State Airport. This project includes rehabilitation of the taxiway and apron, which are needed to meet federal standards for safe operating conditions.

Oregon Department of Fish and Wildlife

Deferred Maintenance: \$10,000,000 Other Funds (Article XI-Q bonds) is approved to make capital improvements to address deferred maintenance or replacement of multiple facilities, including hatcheries.

The Subcommittee approved the extension of the project expiration date and expenditure limitation for the Ruby Pipeline (Other Funds) to June 30, 2019.

Oregon Department of Forestry

Toledo Facility Replacement: \$3,832,965 Other Funds (Article XI-Q bonds) is approved to replace the Unit Office Facilities Compound located in Toledo and relocate it to a more centrally located area that will be outside of the mapped tsunami inundation zone, a project which is expected to be part of a larger co-locate project with the Oregon Department of Transportation. Article XI-Q bonds have been approved in SB 5505 to finance a portion of this project with \$1,800,000 of bond proceeds in 2017-19.

Oregon Housing and Community Services

Family Affordable Housing: \$80,000,000 Other Funds (Article XI-Q Bonds) is approved to acquire, construct, remodel, equip or furnish real property in which the department will take either an ownership or operational interest to provide affordable housing for low-income Oregonians, as well as citizens in historically underserved communities and communities of color. This may include providing zero percent loans to eligible applicants through the Local Innovation and Fast Track (LIFT) Housing Program.

Oregon Department of Education

Oregon School for the Deaf Facility Improvements: \$4,297,558 Other Funds (Article XI-Q bonds) is approved for capital improvements to the Oregon School for the Deaf facility which includes roof replacements at six campus buildings and ADA compliance to address accessibility of campus restrooms in eight facilities.

Legislative Administration Committee

Capitol Accessibility, Maintenance, and Safety: \$13,720,642 Other Funds (Article XI-Q bonds) is approved to finance capital improvements to the State Capitol Building.

Oregon Judicial Department

Multnomah County Courthouse Furnishings and Equipment: \$8,900,000 Other Funds (Article XI-Q bonds) is approved to acquire equipment and furnishings for the Multnomah County Courthouse.

Oregon Supreme Court Building Renovation: \$6,000,000 Other Funds (Article XI-Q bonds) is approved to renovate the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades.

Higher Education Coordinating Commission (HECC)

HECC - Public Universities

The Subcommittee approved a \$330,825,000 Other Funds Capital Construction six-year expenditure limitation for the Higher Education Coordinating Commission for distribution of general obligation bond proceeds to public universities. This amount corresponds to the total project amounts for the 17 new university projects authorized and an increase in one project reauthorized in SB 5505. Projects are funded with proceeds from the issuance of Article XI-G bonds, Article XI-Q bonds, and Article XI-F (1) bonds and will be disbursed as grants or loans, as applicable, pursuant to grant contracts and loan agreements between HECC and each university. Project descriptions are included in SB 5505. The expenditure limitation expires June 30, 2023.

HECC - Community Colleges

The Subcommittee approved a \$101,397,241 Other Funds Capital Construction six-year expenditure limitation for the Higher Education Coordinating Commission for distribution of Article XI-G general obligation bond proceeds to community colleges. This amount corresponds to the total project amounts for the 12 new community college projects and three carryover projects authorized in SB 5505. Projects are funded with proceeds from the issuance of Article XI-G bonds and will be disbursed as grants pursuant to grant agreements between HECC and each community college. Project descriptions are included in SB 5505. The expenditure limitation expires June 30, 2023.

The Subcommittee also approved the extension of the project expiration dates and existing Other Funds Capital Construction expenditure limitations for the following community college projects. All projects are funded with proceeds from the issuance of Article XI-G bonds:

- Lane Community College Science, Technology, Engineering and Math Classrooms and Labs through June 30, 2018;
- Rogue Community College Manufacturing and Fabrication Flex Lab through June 30, 2018;
- Umpqua Community College Roseburg Regional Health Occupations Training Center through June 30, 2018; and
- Portland Community College Health Professions Center through June 30, 2021.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5506-A

Various Agencies

Jean Gabriel 503-378-3107

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>							
<u>EDUCATION PROGRAM AREA</u>							
<u>Higher Education Coordinating Commission</u>							
All - Capital Improvement and Renewal	\$ -	\$ -	\$ 50,000,000	\$ -	\$ 50,000,000	0	0.00
EOU - Loso Hall Renovation Phase 1	\$ -	\$ -	\$ 5,500,000	\$ -	\$ 5,500,000	0	0.00
EOU - Track and Field Facilities Restoration	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	0	0.00
OIT - Ctr for Exc in Engineering & Tech/Cornett Hall Ph 2	\$ -	\$ -	\$ 40,000,000	\$ -	\$ 40,000,000	0	0.00
OIT - Student Recreation Center	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00
OIT - Oregon Manufacturing Innovation Center R&D Facility	\$ -	\$ -	\$ 3,875,000	\$ -	\$ 3,875,000	0	0.00
OSU - Cordley Hall Renovation Phase 1	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000	0	0.00
OSU - Fairbanks Hall Renovation	\$ -	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000	0	0.00
OSU - Gilkey Hall Renovation	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	0	0.00
OSU - Cascades Expansion - Site Reclamation	\$ -	\$ -	\$ 9,000,000	\$ -	\$ 9,000,000	0	0.00
OSU - Quality Foods and Beverages Center	\$ -	\$ -	\$ 9,000,000	\$ -	\$ 9,000,000	0	0.00
PSU - Graduate School of Education Facility	\$ -	\$ -	\$ 51,000,000	\$ -	\$ 51,000,000	0	0.00
PSU - Residence Hall at 12th & Market	\$ -	\$ -	\$ 53,500,000	\$ -	\$ 53,500,000	0	0.00
PSU - Land Acquisition for University Center Building	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00
SOU - Central Hall Capital Improvements	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	0	0.00
UO - Campus for Accelerating Scientific Impact Phase 1	\$ -	\$ -	\$ 50,000,000	\$ -	\$ 50,000,000	0	0.00
WOU - Information Technology Center Renovation Phase 3	\$ -	\$ -	\$ 5,500,000	\$ -	\$ 5,500,000	0	0.00
WOU - Oregon Military Building Renovation Phase 2	\$ -	\$ -	\$ 7,700,000	\$ -	\$ 7,700,000	0	0.00
BMCC - Facility for Agricultural Resource Management, Ph 2	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00
Chemeketa CC - Agricultural Complex	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	0	0.00
Clackamas CC - DeJardin Building Addition	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
Clackamas CC - Student Services & Community Commons	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
Clatsop CC - Marine Science Center Renovation & Expansion	\$ -	\$ -	\$ 7,996,994	\$ -	\$ 7,996,994	0	0.00
CGCC - Middle College Prototype Facility 15-17 reauthorize	\$ -	\$ -	\$ 7,320,000	\$ -	\$ 7,320,000	0	0.00
LCC - Health Care Village Facility	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00

LBCC - Student Advising and Campus Safety Center	\$ -	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000	0	0.00
Mt Hood CC - Maywood Park Center	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
OSCC - Workforce Education and Resiliency Center	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
PCC - Health Technology Building Renovation	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
RCC - Elk Building Science Facility Renovation & Expansion	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	0	0.00
SWOCC - Dellwood Hall Remodel and Expansion	\$ -	\$ -	\$ 2,749,997	\$ -	\$ 2,749,997	0	0.00
TVCC - Workforce Vocational Center 15-17 reauthorize	\$ -	\$ -	\$ 2,830,250	\$ -	\$ 2,830,250	0	0.00
UCC - Industrial Technology Building 15-17 reauthorize	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00

Oregon Department of Education

Oregon School for the Deaf Facility Improvements	\$ -	\$ -	\$ 4,297,558	\$ -	\$ 4,297,558	0	0.00
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ADMINISTRATION PROGRAM AREA

Department of Administrative Services

Mission Critical Facility Yellow Lot Building	\$ -	\$ -	\$ 4,579,431	\$ -	\$ 4,579,431	0	0.00
Human Services Building Upgrades	\$ -	\$ -	\$ 3,743,000	\$ -	\$ 3,743,000	0	0.00
Employment Building Upgrades	\$ -	\$ -	\$ 6,236,000	\$ -	\$ 6,236,000	0	0.00
Electrical Upgrades and Replacements	\$ -	\$ -	\$ 3,890,000	\$ -	\$ 3,890,000	0	0.00
Capitol Mall Parking Structure Study and Upgrades	\$ -	\$ -	\$ 2,926,000	\$ -	\$ 2,926,000	0	0.00
Planning	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	0	0.00
Boiler and Heating Upgrades	\$ -	\$ -	\$ 1,234,000	\$ -	\$ 1,234,000	0	0.00
Portland Crime Lab Upgrade	\$ -	\$ -	\$ 1,162,000	\$ -	\$ 1,162,000	0	0.00
Parking Lot Upgrades	\$ -	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000	0	0.00
Portland State Office Building Renovation	\$ -	\$ -	\$ 13,146,000	\$ -	\$ 13,146,000	0	0.00
State Data Center Power Upgrades	\$ -	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000	0	0.00
Elected Official Staff Relocation	\$ -	\$ -	\$ 6,300,000	\$ -	\$ 6,300,000	0	0.00

PUBLIC SAFETY PROGRAM AREA

Oregon Military Department

Regional Armory Emergency Enhancement	\$ -	\$ -	\$ 8,534,400	\$ -	\$ 8,534,400	0	0.00
Grants Pass Armory Service Life Extension	\$ -	\$ -	\$ 3,270,356	\$ -	\$ 3,270,356	0	0.00
Future Readiness Center Sites	\$ -	\$ -	\$ 1,730,000	\$ -	\$ 1,730,000	0	0.00

Oregon Youth Authority

Capital Improvements	\$ -	\$ -	\$ 17,168,249	\$ -	\$ 17,168,249	0	0.00
MacLaren West Cottages Renovation	\$ -	\$ -	\$ 21,177,200	\$ -	\$ 21,177,200	0	0.00
Rogue Valley Facility Improvements	\$ -	\$ -	\$ 10,973,465	\$ -	\$ 10,973,465	0	0.00

Department of Corrections

Capital Improvements and Renewal	\$ -	\$ -	\$ 26,293,534	\$ -	\$ 26,293,534	0	0.00
Technology Infrastructure	\$ -	\$ -	\$ 12,200,000	\$ -	\$ 12,200,000	0	0.00

ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

Oregon Housing and Community Services

Family Affordable Housing	\$ -	\$ -	\$ 80,000,000	\$ -	\$ 80,000,000	0	0.00
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Oregon Department of Veterans' Affairs

Veterans' Home Capital Improvements	\$ -	\$ -	\$ 2,450,000	\$ -	\$ 2,450,000	0	0.00
Roseburg Veterans' Home	\$ -	\$ -	\$ 10,500,000	\$ -	\$ 10,500,000	0	0.00

TRANSPORTATION PROGRAM AREA

Department of Transportation

Toledo Maintenance Station Phase I	\$ -	\$ -	\$ 6,300,000	\$ -	\$ 6,300,000	0	0.00
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Department of Aviation

Bandon Electrical, Gate, Obstruction Removal	\$ -	\$ -	\$ 192,500	\$ 1,732,500	\$ 1,925,000	0	0.00
McDermitt State Airport Runway and Taxi	\$ -	\$ -	\$ 120,000	\$ 1,080,000	\$ 1,200,000	0	0.00
Chiloquin State Airport Taxi and Fencing	\$ -	\$ -	\$ 110,000	\$ 990,000	\$ 1,100,000	0	0.00
Lebanon State Airport Taxi and Apron Rehabilitation	\$ -	\$ -	\$ 110,000	\$ 990,000	\$ 1,100,000	0	0.00

NATURAL RESOURCES PROGRAM AREA

Oregon Department of Fish and Wildlife

Deferred Maintenance	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	0	0.00
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Oregon Department of Forestry

Toledo Facility Replacement	\$ -	\$ -	\$ 3,832,965	\$ -	\$ 3,832,965	0	0.00
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JUDICIAL PROGRAM AREA

Oregon Judicial Department

Oregon Supreme Court Building Renovations	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	0	0.00
Multnomah County Courthouse Equipment & Furnishings	\$ -	\$ -	\$ 8,900,000	\$ -	\$ 8,900,000	0	0.00

LEGISLATIVE PROGRAM AREA

Legislative Administration Committee

Capitol Accessibility, Maintenance, and Safety	\$ -	\$ -	\$ 13,720,642	\$ -	\$ 13,720,642	0	0.00
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TOTAL	\$ -	\$ -	\$ 738,319,541	\$ 4,792,500	\$ 743,112,041	0	0.00
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2015-17 Supplemental Expenditure Limitation Adjustments

Department of Administrative Services

Capital and Tenant Improvements for 550 Building	\$ -	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	0	0.00
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Oregon Department of Veterans' Affairs

The Dalles Veterans' Home Renovation	\$ -	\$ -	\$ 965,429	\$ 497,588	\$ 1,463,017	0	0.00
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2013-15 Supplemental Expenditure Limitation Adjustments

Department of Transportation

Salem Baggage Depot Renovation	\$ -	\$ -	\$ 94,483	\$ 825,517	\$ 920,000	0	0.00
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SB 5505 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Holvey

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do Pass the A-Eng bill.

House Vote

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

Exc: 3 - Smith G, Stark, Whisnant

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 1 - Thomsen

Prepared By: Jean Gabriel, Department of Administrative Services

Reviewed By: Amanda Beitel, Legislative Fiscal Office

**Various
2017-19**

Budget Summary

None.

Summary of Capital Construction Subcommittee Action

Senate Bill 5505 limits the maximum amount of bonds and third party financing agreements state agencies may issue and the amount of revenue state agencies may raise from such issuance. The proceeds from the issuance of bonds are included as revenues in agency budgets. This bill also allocates the federal tax-exempt private activity bond volume cap allowed under the Internal Revenue Code of 1986, as amended, to certain state agencies and the Private Activity Bond Committee established in ORS 286A.615.

The Subcommittee reviewed amendments to Senate Bill 5505 for the following purposes:

General Fund Obligations

1. The Subcommittee approved Article XI-G general obligation bond authority of \$204,570,000 to fund grants to Public Universities and Community Colleges to finance seven new capital projects for Public Universities, 12 new capital projects for Community Colleges, and three reauthorized capital projects approved during previous legislative sessions for Community Colleges. The proceeds of the bonds will be used to provide grants through grant programs administered by the Higher Education Coordinating Commission (HECC). Projects are described later in this report.
2. The Subcommittee approved Article XI-M general obligation bond authority of \$101,180,000, which includes net proceeds of \$100,000,000 and \$1,180,000 for costs of issuing bonds and approved Article XI-N general obligation bond authority of \$20,430,000, which includes net proceeds of \$20,000,000 and \$430,000 for costs of issuing bonds. The proceeds of the Article XI-M bonds will be used to provide grants for Seismic Rehabilitation of Public Education Buildings, and the proceeds of the Article XI-N bonds will be used to provide grants for Seismic Rehabilitation of Emergency Services Buildings through grant programs administered by the Oregon Business Development Department.
3. The Subcommittee approved Article XI-P general obligation bond authority of \$100,985,000, which includes \$100,000,000 in net proceeds and \$985,000 for costs of issuing bonds, to fund matching grants to school districts for capital costs including construction, improvement, or remodel of facilities and acquisition of equipment through a grant program administered by the Oregon Department of Education.

4. The Subcommittee approved General Fund supported Article XI-Q general obligation bond authority of \$563,839,225 to finance the capital costs of projects for real or personal property owned or operated by the state. The projects and agencies are listed below, with the exception of HECC; projects funded by grants from the HECC to Public Universities are described later in this report.
- Department of Human Services, ONE Integrated Eligibility and Medicaid Eligibility System: approved \$34,045,000 Article XI-Q bonds to finance \$33,523,000 of project costs and \$522,000 for costs of issuing the bonds. The project is to implement an IT system to integrate the determination of client eligibility for multiple programs into one system, including eligibility for TANF, ERDC, SNAP, and to expand Medicaid eligibility to include non-MAGI Medicaid populations. The Subcommittee also approved additional funding of \$11,477,000 for this project through the repurpose of \$6,500,000 of bond proceeds originally issued for the Oregon Military Department (OMD) Regional Training Institute and \$4,977,000 of bond proceeds originally issued for the OMD Youth Challenge project.
 - Department of Justice, Child Support Enforcement Automated System: approved \$16,585,000 Article XI-Q bonds to finance \$16,267,633 of project costs and \$317,367 for costs of issuing the bonds. The project is to develop and implement a new automated system for the Oregon Child Support Program that will function as a case management system, an accounting and distribution system, and a data exchange system which interfaces with multiple agencies within Oregon and nationwide.
 - Department of Revenue, Core Tax Revenue Systems Replacement: approved \$4,855,000 Article XI-Q bonds to finance \$4,781,944 of project costs and \$73,056 for costs of issuing the bonds. The project is to implement an IT system to replace outdated and disparate systems into one integrated system for improved tracking and reporting of tax revenues. This funding will complete implementation of the system in 2017-19.
 - Legislative Administration Committee, Capitol Accessibility, Maintenance, and Safety: approved \$13,960,000 Article XI-Q bonds to finance \$13,720,642 of project costs and \$239,358 for costs of issuing the bonds. The project is to make capital improvements to the State Capitol Building, including improvements to ADA accessibility and safety.
 - Oregon Judicial Department, Multnomah County Courthouse: approved \$102,495,000 Article XI-Q bonds to finance \$101,500,000 of project costs and \$995,000 for costs of issuing the bonds. Project costs of \$92,600,000 will be the final state matching funds to complete the construction of a new courthouse in Multnomah County. The remaining \$8,900,000 will be used to purchase state-owned furnishings and equipment.
 - Oregon Judicial Department, Lane County Courthouse: approved \$5,115,000 Article XI-Q bonds to finance \$5,000,000 of project costs and \$115,000 for costs of issuing the bonds. The project is to support replacement of the Lane County Courthouse, including making improvements to the new courthouse site to prepare it for construction.

- Oregon Judicial Department, Oregon Supreme Court Building Renovation: approved \$6,125,000 Article XI-Q bonds to finance \$6,000,000 of project costs and \$125,000 for costs of issuing the bonds. The project is to renovate the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades.
- Oregon Military Department, Regional Armory Emergency Enhancement: approved \$8,675,000 Article XI-Q bonds to finance \$8,534,400 of project costs and \$140,600 for costs of issuing the bonds. The project involves making structural improvements to bring the following three facilities to essential facility standards for seismic events: Coos Bay Armory, Newport Armory, and the Anderson Readiness Center in Salem.
- Oregon Military Department, Grants Pass Armory Service Life Extension: approved \$3,330,000 Article XI-Q bonds to finance \$3,270,356 of project costs and \$59,644 for costs of issuing the bonds. The project is for design and construction of additions and alterations to the Grants Pass Armory to bring the building into conformance with current building code.
- Oregon Military Department, Resiliency Grant Fund: approved \$5,070,000 Article XI-Q bonds to finance \$5,000,000 of project costs and \$70,000 for costs of issuing the bonds. The proceeds will be used to purchase emergency preparedness equipment, which will be owned by OMD and distributed to local governments and other federal tax-exempt qualified recipients.
- Oregon Military Department, Regional Training Institute: approved \$6,630,000 Article XI-Q bonds to finance \$6,500,000 of project costs and \$130,000 for costs of issuing the bonds. The project is to refurbish existing buildings in Umatilla to serve as the new Regional Training Institute. Article XI-Q bonds were authorized and issued for this project in 2015-17; however, it was subsequently determined that tax-exempt bond proceeds could not be used to finance the project. Thus, this project is being reapproved to issue taxable bonds in 2017-19.
- Oregon Military Department, Youth Challenge Armory: approved \$5,095,000 Article XI-Q bonds to finance \$4,977,000 of project costs and \$118,000 for costs of issuing the bonds. The project is for expansion and renovation of the existing facility in Bend to increase capacity for at-risk youths participating in the Youth Challenge Program. Article XI-Q bonds were authorized and issued for this project in 2015-17; however, it was subsequently determined that tax-exempt bond proceeds could not be used to finance the project. Thus, this project is being reapproved to issue taxable bonds in 2017-19.
- Oregon Department of Veterans' Affairs, The Dalles Veterans' Home Capital Improvements: approved \$1,195,000 Article XI-Q bonds to finance \$1,150,000 of project costs and \$45,000 for costs of issuing the bonds. The project involves construction of a new educational building and daycare building, upgrades to wireless infrastructure, and phone system replacement.

- Oregon Department of Veterans' Affairs, Lebanon Veterans' Home Parking Lot: approved \$1,345,000 Article XI-Q bonds to finance \$1,300,000 of project costs and \$45,000 for costs of issuing the bonds. The project is to build a new parking lot at the veteran's home in Lebanon.
- Oregon Department of Veterans' Affairs, Roseburg Veterans' Home: approved \$10,720,000 Article XI-Q bonds to finance \$10,500,000 of project costs and \$220,000 for costs of issuing the bonds. The project is to design and construct a new veterans' home in Roseburg.
- Department of Corrections, Capital Improvements and Renewal: approved \$26,770,000 Article XI-Q bonds to finance \$26,293,534 of project costs and \$476,466 for costs of issuing the bonds. The project involves facility improvements in several facilities including electrical systems, water systems, roofs, HVAC, surveillance, fire systems and infrastructure improvements to address needs identified in the Facility Condition Assessment completed on the department's facilities.
- Department of Corrections, Technology Infrastructure: approved \$12,445,000 Article XI-Q bonds to finance \$12,200,000 of project costs and \$245,000 for costs of issuing the bonds. The project is to upgrade and install technology infrastructure that will support a voice-over-internet protocol telephony system.
- Oregon Youth Authority, Capital Improvements: approved \$17,450,000 Article XI-Q bonds to finance \$17,168,249 of project costs and \$281,751 for costs of issuing the bonds. The project involves capital improvements to permanent structures and fixtures to address needs identified by the Facility Condition Assessment completed on OYA facilities.
- Oregon Youth Authority, MacLaren West Cottages Renovation, Phase 1: approved \$15,450,000 Article XI-Q bonds to finance \$15,177,200 of project costs and \$272,800 for costs of issuing the bonds. Phase 1 of the project involves capital improvements to renovate and remodel five of the seven living units on the west side of the campus at MacLaren Youth Correctional Facility.
- Oregon Youth Authority, Rogue Valley Facility Improvements, Phase 1: approved \$7,095,000 Article XI-Q bonds to finance \$6,973,465 of project costs and \$121,535 for costs of issuing the bonds. Phase 1 of the project involves capital improvements to renovate and remodel two of the four living units at the Rogue Valley Youth Correctional Facility.
- Oregon Department of Education, Oregon School for the Deaf Facility Improvements: approved \$4,365,000 Article XI-Q bonds to finance \$4,297,558 of project costs and \$67,442 for costs of issuing the bonds. The project is to make capital improvements to the Oregon School for the Deaf facility which includes roof replacements at six campus buildings and ADA compliance to address accessibility of campus restrooms in eight facilities.

- Oregon Department of Forestry, Toledo Facility Replacement: approved \$774,225 Article XI-Q general obligation bonds to finance \$753,300 of project costs and \$20,925 for costs of issuing the bonds. The project is to replace the Unit Office Facilities Compound located in Toledo and relocate it to a more centrally located area that will be outside of the mapped tsunami inundation zone, a project which is expected to be part of a larger co-locate project with the Oregon Department of Transportation (ODOT).
 - Oregon Department of Fish and Wildlife, Deferred Maintenance: approved \$10,215,000 Article XI-Q general obligation bonds to finance \$10,000,000 of project costs and \$215,000 for costs of issuing the bonds. The project involves addressing deferred maintenance needs in multiple facilities owned by the department.
 - Oregon Housing and Community Services, Local Innovation and Fast Track (LIFT) Housing Program: approved \$81,090,000 Article XI-Q general obligation bonds to finance \$80,000,000 of project costs and \$1,090,000 for costs of issuing the bonds. The bond proceeds will be used to acquire, construct, remodel, repair, equip or furnish real property in which the department will take an operational or ownership interest to provide affordable housing for low income citizens.
5. The Subcommittee approved Article XI-H general obligation bond authority of \$10,300,000, which includes \$10,000,000 in net proceeds and \$300,000 for costs of issuing the bonds, for the Department of Environmental Quality (DEQ) to finance pollution control facilities or related activities. Net proceeds will replenish DEQ's Orphan Site Account, which is used to investigate and cleanup highly contaminated sites.
 6. The Subcommittee approved Certificates of Participation (COP) authority of \$100,985,000, which includes \$100,000,000 in net proceeds and \$985,000 for costs of issuing the bonds, for the Department of Forestry to finance the release of a portion of the Elliott Forest from restrictions from ownership of the common school fund to preserve non-economic benefits of the forest for the public such as recreation, wildlife and habitat preservations, and other environmental considerations.

Dedicated Fund Obligations

7. The Subcommittee approved a \$120,000,000 authorization to the Department of Veterans' Affairs for issuance of Article XI-A general obligation bonds to finance farm and home loans to veterans.
8. The Subcommittee approved Article XI-F(1) general obligation bond authority of \$86,570,000 to fund loans to Public Universities through the HECC to finance four new capital projects and two reauthorized capital projects approved during prior legislative sessions. Projects are described later in this report.

9. The Subcommittee approved a \$10,000,000 authorization to the Department of Environmental Quality for issuance of Article XI-H general obligation bonds to finance pollution control facilities or related activities. Bond proceeds provide match for federal Clean Water State Revolving Fund (CWSRF) capitalization grants.
10. The Subcommittee approved a \$25,000,000 authorization to the Housing and Community Services Department for issuance of Article XI-I (2) general obligation bonds to provide financing for multi-family housing for the elderly and for disabled persons.
11. The Subcommittee approved Article XI-Q general obligation bond authority of \$14,435,775 to finance a portion of the following projects:
 - Department of Administrative Services, Portland State Office Building Capital Improvements: approved \$13,360,000 Article XI-Q bonds to finance \$13,146,000 of project costs and \$214,000 for costs of issuing the bonds. The project is to renovate the building exterior, including replacement of the windows and roof; upgrade security, electrical and HVAC systems; painting; and renovating restrooms. Debt service on the bonds will be paid using agency resources (Other Funds).
 - Oregon Department of Forestry, Toledo Facility Replacement: approved \$1,075,775 Article XI-Q bonds to finance \$1,046,700 of project costs and \$29,075 for costs of issuing the bonds. The project is to replace the Unit Office Facilities Compound located in Toledo and relocate it to a more centrally located area that will be outside of the mapped tsunami inundation zone, a project which is expected to be part of a larger co-locate project with the Oregon Department of Transportation (ODOT). Debt service on the bonds will be paid using agency resources (Other Funds).
12. The Subcommittee approved Certificates of Participation (COP) authority of \$10,000,000 for issuance of other financing agreements (capital leases) for the Department of Administrative Services.

Revenue Bonds

13. The Subcommittee approved the Housing and Community Services Department direct revenue bond authority of \$300,000,000 and pass-through revenue bond authority of \$325,000,000.
14. The Subcommittee approved the Oregon Business Development Department direct revenue bond authority of \$30,000,000 for the Oregon Infrastructure Finance Authority Bond Bank Program. Pass-through revenue bond authority of \$400,000,000 for Industrial Development bonds and \$10,000,000 for the Beginning and Expanding Farmer Loan Program was also approved.
15. The Subcommittee approved Department of Administrative Services, Lottery Revenue Bond limit of \$199,860,000. This amount provides funding for 31 projects authorized in Senate Bill 5530 and one project authorized in House Bill 2278 (2015). A complete list of Lottery Revenue Bond projects can be found in SB 5530.

16. The Subcommittee approved pass-through revenue bond authority of \$1,350,000,000 for the Oregon Facilities Authority.

Other Legislative Changes

The Subcommittee approved statutory changes to ORS chapter 286A related to the administration of the state's bond programs. Amendments clarify the Department of Administrative Services' role as the bond program administrator for the Article XI-F Higher Education general obligation bond program, including specifying the department is responsible to request bonds to be issued.

The Subcommittee also approved an amendment to ORS 283.085 to authorize the use of Certificates of Participation to finance: (i) the release of all or a portion of the Elliott Forest from restrictions resulting from ownership of that forest by the common school fund, or (ii) compensation paid to the common school fund for the preservation of non-economic benefits of the forest through the imposition, transfer or sale of restrictions such as easements, use requirements or other methods that preserve non-economic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation, or other environmental and quality of life considerations.

The Subcommittee approved a project scope change for the Higher Education Coordinating Commission, University of Oregon Klamath Hall Renovation, originally approved in HB 5005 (2015), to allow the use of the Article XI-Q and Article XI-G bond proceeds to renovate Klamath Hall, an academic and research building, to bring research facilities up-to-date and accommodate increased enrollment in chemistry and other sciences. The original project plan included the renovation of one floor and construction of an additional floor that would be used to house office space and classrooms displaced due to the renovation. However, due to increased construction costs, it is more cost effective to renovate the one floor as originally proposed, but use existing facilities for the displaced functions rather than adding a new floor.

Detail of projects authorized for the Higher Education Coordinating Commission through bond financing is included below.

Higher Education Coordinating Commission

HECC - Public Universities

The Subcommittee approved 17 new capital projects and reauthorized two projects approved in prior biennia for public universities to finance total project costs of \$345,856,225. The projects are included in the budget for the Higher Education Coordinating Commission (HECC). The proceeds of Article XI-G and Article XI-Q bonds will be used to provide grants from HECC to the applicable public university, and the debt service on these bonds will be paid with General Fund. Each university must provide the constitutionally required match for the Article XI-G bonds before the bonds can be issued. The proceeds of Article XI-F(1) bonds will be used to provide loans from HECC to the applicable public university, and the debt service on the Article XI-F(1) bonds will be paid by HECC with Other Funds using loan repayments received from the applicable university made with university resources. The approved projects are listed below.

All Public Universities

The Subcommittee approved the following project for the seven public universities, to be allocated to each individual university by HECC:

- Capital Improvement and Renewal: approved \$50,620,000 Article XI-Q general obligation bonds to finance \$50,000,000 of project costs and \$620,000 for costs of issuing the bonds. The capital improvement projects will address deferred maintenance, code compliance, safety issues, and Americans with Disabilities Act (ADA) accessibility improvements for campus facilities. The projects will not involve: acquisition of buildings, structures, or land; classroom or lab modernization; or improvements to auxiliary facilities, which are typically self-supporting.

Eastern Oregon University

- Loso Hall Renovation, Phase 1: approved \$5,575,000 Article XI-Q general obligation bonds to finance \$5,500,000 of project costs and \$75,000 for costs of issuing the bonds. The project is to renovate Loso Hall and will improve or replace theater department performance and practice spaces, stages and support spaces, equipment, lighting and staging systems. The project will also make ADA accessibility improvements in theater seating and building access.
- Track and Field Facilities Restoration: approved \$790,000 Article XI-F(1) general obligation bonds to finance \$750,000 of project costs and \$40,000 for costs of issuing the bonds. The project will include removal of the existing track and field athletic surfaces and associated asphalt and concrete underlayment and installation of a new rock base and drainage system with a permeable asphalt base surface. New permeable track and field competition athletic surfaces will be installed over the asphalt base. The project will also include a scorer's station at the track finish line, restroom facilities, and guest seating. The university expects to support loan repayments to HECC for debt service on the bonds through tuition and fee revenues.

Oregon Institute of Technology

- Center for Excellence in Engineering and Technology / Cornett Hall Renovation, Phase 2: approved \$38,475,000 Article XI-Q general obligation bonds to finance \$38,000,000 of project costs and \$475,000 for costs of issuing the bonds and \$2,050,000 Article XI-G general obligation bonds to finance \$2,000,000 of project costs and \$50,000 for costs of issuing the bonds. The Center for Excellence in Engineering and Technology (CEET) will feature classrooms, laboratory, office, and project spaces focused on applied research and teaching in advanced engineering, manufacturing and sustainable systems. The project will also complete the renovation, building envelope and ADA accessibility improvements to Cornett Hall. The university will provide the constitutionally required match for the Article XI-G bonds.
- Oregon Manufacturing Innovation Center (OMIC) Research and Development Facility: approved \$3,940,000 Article XI-Q general obligation bonds to finance \$3,875,000 of project costs and \$65,000 for costs of issuing the bonds. The project is to renovate the OMIC Research and Development facility, providing industrial levels of electrical infrastructure, internal temperature controls and systems, storage and management facilities for specialty gas, manufacturing support equipment, structural modifications to support heavy equipment, testing equipment, and ADA compliance.
- Student Recreation Center: approved \$5,115,000 Article XI-F(1) general obligation bonds to finance \$5,000,000 of project costs and \$115,000 for costs of issuing the bonds. The project will re-use existing Athletics Facilities, updating, expanding, and restoring fitness facilities on campus. The university expects to support loan repayments to HECC for debt service on the bonds through building fees assessed to all students enrolled on the Klamath Falls campus.

Oregon State University

- Cordley Hall Renovation, Phase 1: approved \$15,250,000 Article XI-Q general obligation bonds to finance \$15,000,000 of project costs and \$250,000 for costs of issuing the bonds. The renovation project will replace mechanical and electrical systems as well as upgrade fire and life safety systems, including a fire suppression system and modern fire alarms for the approximately 236,000 GSF research building.
- Fairbanks Hall Renovation: approved \$11,220,000 Article XI-Q general obligation bonds to finance \$11,000,000 of project costs and \$220,000 for costs of issuing the bonds. The renovation project will create critically needed space in the currently unutilized fourth floor and make the building fully accessible. The project includes improvements to the building's all-wood structure, plumbing, and ventilation systems, expansion of fire protection systems, and improved fire and life safety egress.
- Gilkey Hall Renovation: approved \$1,045,000 Article XI-Q general obligation bonds to finance \$1,000,000 of project costs and \$45,000 for costs of issuing the bonds and \$2,050,000 Article XI-G bonds to finance \$2,000,000 of project costs and \$50,000 for costs of issuing the bonds. The renovation project will provide a general interior space renewal for the academic directors for undergraduate studies, the

academic success center, the writing center, computer lab, and international programs. The project also includes upgrades to fire and life safety, plumbing, and HVAC systems. The university will provide the constitutionally required match for the Article XI-G bonds.

- Quality Foods and Beverage Center: approved \$9,100,000 Article XI-G general obligation bonds to finance \$9,000,000 of project costs and \$100,000 for costs of issuing the bonds. The project is to construct a 28,500 GSF building which will include three new research and learning pilot facilities for brewing science, wine science, and dairy science. The university will provide the constitutionally required match for the Article XI-G bonds.
- Cascades Expansion – Site Reclamation: approved \$9,145,000 Article XI-Q general obligation bonds to finance \$9,000,000 of project costs and \$145,000 for costs of issuing the bonds. The site restoration project will include partial fill and compaction of a pumice mine to bring the site to a condition ready for infrastructure development. The property, a 46-acre pumice mine site, is adjacent to the 10-acre Cascades Campus and is near downtown Bend.

Portland State University

- Graduate School of Education Facility: approved \$9,145,000 Article XI-Q general obligation bonds to finance \$9,000,000 of project costs and \$145,000 for costs of issuing the bonds, \$36,485,000 Article XI-G general obligation bonds to finance \$36,000,000 of project costs and \$485,000 for costs of issuing the bonds, and \$6,080,000 Article XI-F(1) bonds to finance \$6,000,000 of project costs and \$80,000 for costs of issuing the bonds. The project involves construction of a new Graduate School of Education located at 4th and Montgomery Streets in Portland. The facility will be a seven to ten story mixed use building with approximately 205,000 GSF of space. The project includes acquisition of land and the design and construction of the new building, including equipment and furnishings. The project involves partnership commitments from Portland Community College, City of Portland, and Oregon Health and Sciences University. The university will use partnership contributions and other funds legally available to the university for the constitutionally required match for the Article XI-G bonds. The university expects to support loan repayments to HECC for debt service on the bonds with retail lease income.
- Corbett Building Purchase: reauthorized \$5,100,000 Article XI-F(1) bonds originally authorized in 2015-17 to finance \$5,031,225 of project costs and \$68,775 for costs of issuing the bonds. The project is to purchase the Corbett Building, at 2828 SW Corbett Avenue in Portland, which is currently leased by PSU for its Business Accelerator program. The building is owned by the PSU Foundation through a subsidiary. The university expects to support loan repayments to HECC for debt service on the bonds through savings from lease payments that will no longer be incurred.
- Residence Hall at 12th & Market: approved \$54,225,000 Article XI-F(1) general obligation bonds to finance \$53,500,000 of project costs and \$725,000 for costs of issuing the bonds. The project will involve construction of a new six story housing building on the corner of SW 12th and Market in Portland. The building will be approximately 144,000 GSF of space and result in 201 units and 11,000 GSF for dining services. The university expects to support loan repayments to HECC for debt service on the bonds through student housing revenue.

- Land Acquisition for University Center Building: reauthorized \$10,220,000 Article XI-F(1) bonds originally authorized in 2013-15 and reauthorized in 2015-17, and authorized an additional \$5,040,000 Article XI-F(1) bonds to finance \$15,000,000 of project costs and \$260,000 for costs of issuing the bonds. The project is to purchase land under the university-owned University Center building. The university expects to support loan repayments to HECC for debt service on the bonds through savings from lease payments that will no longer be incurred.

Southern Oregon University

- Central Hall Capital Improvements: approved \$6,125,000 Article XI-Q general obligation bonds to finance \$6,000,000 of project costs and \$125,000 for costs of issuing the bonds. The project includes replacing the HVAC system and electrical systems, upgrading the fire alarm system to meet current code requirements, and addressing water penetration of the exterior concrete façade. The project scope also includes ADA accessibility improvements.

University of Oregon

- Campus for Accelerating Scientific Impact, Phase 1: approved \$50,620,000 Article XI-G general obligation bonds to finance \$50,000,000 of project costs and \$620,000 for costs of issuing the bonds. The project includes construction of the initial phase of the Campus which includes new science lab facilities located north of Franklin Boulevard and other construction, improvements, or acquisitions to support the Campus. The new science lab facilities are expected to be two research structures totaling approximately 150,000 GSF and will house core shared scientific facilities as well as labs. The project is expected to include construction of a sky bridge to connect the science campus to the main campus for safe crossing of Franklin Boulevard. This is phase one of a \$100 million project expected to be completed by June 2020. The university will provide the constitutionally required match for the Article XI-G bonds.

Western Oregon University

- Information Technology Center Renovation, Phase 3: approved \$5,070,000 Article XI-Q bonds to finance \$5,000,000 of project costs and \$70,000 for costs of issuing the bonds and approved \$540,000 Article XI-G bonds to finance \$500,000 of project costs and \$40,000 for costs of issuing the bonds. The project includes seismic improvements to the building structure and replacement of mechanical, electrical and plumbing systems. The first two floors will be remodeled to maximize function, improve access, and comply with current building codes. The university will provide the constitutionally required match for the Article XI-G bonds.
- Oregon Military Building Renovation, Phase 2: approved \$7,335,000 Article XI-Q bonds to finance \$7,200,000 of project costs and \$135,000 for costs of issuing the bonds and approved \$540,000 Article XI-G bonds to finance \$500,000 of project costs and \$40,000 for costs of issuing the bonds. The project includes a redesign and repurpose of the existing military training facility, located within the north perimeter of the

campus, for year-round academic program use, improve ADA accessibility throughout the facility and upgrade mechanical, electrical and plumbing systems. The university will provide the constitutionally required match for the Article XI-G bonds.

HECC - Community Colleges

The Subcommittee approved 12 new capital projects and reauthorized three capital projects approved in prior biennia for community colleges to finance total project costs of \$101,397,241. The projects are included in the budget for the Higher Education Coordinating Commission (HECC). The proceeds of Article XI-G bonds will be used to provide grants from HECC to the applicable community college, and the debt service on the bonds will be paid with General Fund. Each community college must provide the constitutionally required match for the Article XI-G bonds before the bonds can be issued. Match funds may come from a variety of sources including grants, donations, partnership contributions, local bond levies, or some combination of sources. The approved projects are listed below.

- Blue Mountain Community College – Facility for Agricultural Resource Management (FARM) Phase 2: approved \$5,115,000 Article XI-G bonds to finance \$5,000,000 of project costs and \$115,000 for costs of issuing the bonds. The project is to design and construct a new facility to support animal science programs, including veterinary assistant/technician, equine and the livestock judging and rodeo teams. The community college will provide the constitutionally required match for the Article XI-G bonds through various possible revenues.
- Chemeketa Community College – Agricultural Complex: approved \$6,125,000 Article XI-G bonds to finance \$6,000,000 of project costs and \$125,000 for costs of issuing the bonds. The project is to construct a new agricultural complex on the main Salem campus. The complex will include a classroom and office building, storage space, a greenhouse, hoop houses, learning and research gardens, and an incubator farm. The community college will provide the constitutionally required match for the Article XI-G bonds with their Capital Development Reserve Funds.
- Clackamas Community College – DeJardin Building Addition: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The project is to construct an 18,500 sq. ft. addition to the DeJardin building to house state-of-the-art science laboratories for chemistry, biology, and microbiology along with informal learning space lab support/shared preparation space for staff efficiency and general purpose classroom. The project scope also includes renovation and repurpose of approximately 20,000 sq. ft. of lab space in Pauling, which will be vacated after the DeJardin addition is complete, to support other STEM programs such as engineering. The community college will provide the constitutionally required match for the Article XI-G bonds with funds from 2017 tax supported bonds approved by voters in 2014.
- Clackamas Community College – Student Services and Community Commons: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The project includes replacement of the current community center with a new building that will provide approximately 54,500 sq. ft., doubling the current square footage for programs and services. The Student Services and Community Commons will house community common event space; multi-purpose meetings rooms and classrooms; informal learning and study lounges; student support services offices; student government and student organizations offices; and consolidation of the

bookstore and dining facilities. The community college will provide the constitutionally required match for the Article XI-G bonds with funds from 2017 tax supported bonds approved by voters in 2014.

- Clatsop Community College - Marine Science Center Renovation and Expansion: approved \$8,135,000 in Article XI-G bonds to finance \$7,996,994 of projects costs and \$138,006 for costs of issuing the bonds. The project is to renovate and expand the Marine Science Center building on the Marine and Environmental Research Training Station (MERTS) campus, including the addition of a second floor, labs, and expanded faculty and support space. The project scope also includes updated infrastructure throughout and in support of the new building and programs space. The community college will provide the constitutionally required match for the Article XI-G bonds through various funding options, including bonds and a capital campaign.
- Columbia Gorge Community College – Middle College Prototype Facility: reauthorized \$7,400,000 in Article XI-G bonds to finance \$7,320,000 of project costs and \$80,000 for costs of issuing the bonds. This project was approved as a scope change in HB 5202 (2016) to the originally approved Advanced Technology Center project, which was authorized in SB 5507 (2013) and reauthorized in HB 5005 (2015). The project is to construct a Middle College Prototype facility to be used by the college and the North Wasco School District to focus on grades 11 through 14 and the transition between high school and post-secondary education. The project involves: a Treaty Oak Regional Skills Center, which will include a high-bay skills center, portable equipment stations, CTE training and business incubator; equipment bay for the fire science training program; fitness facilities and a track/soccer field; and on-campus workforce housing for CGCC enrollees, Mid-Col. Fire & Rescue District response personnel and trainees. The community college will provide the constitutionally required match for the Article XI-G bonds through a combination of direct private and public investment.
- Lane Community College – Health Care Village Facility: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The project is to construct a new facility on the main campus for the dental clinic, dental lab, medical office assistant, faculty offices, and support spaces. This facility is expected to provide sufficient space for program consolidation, sterilization, student workspace, and modern equipment/technology for the dental programs. The community college will to provide the constitutionally required match for the Article XI-G bonds through a local bond levy and/or private fundraising.
- Linn-Benton Community College – Student Advising and Campus Safety Center: approved \$7,635,000 Article XI-G bonds to finance \$7,500,000 of project costs and \$135,000 for costs of issuing the bonds. The project involves renovation of the student affairs and campus safety spaces, including creation of a new Student Advising Center and expanding space for public safety and disability services. This project also includes renovation of the career technical center and classroom space. The community college will provide the constitutionally required match for the Article XI-G bonds with proceeds from a 2014 bond issuance.
- Mt. Hood Community College – Maywood Park Center: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The project is to construct a new 60,000 sq. ft. building, the Maywood Park Center, to replace the current Maywood Park building. The new facility will provide space for classrooms, student services, workforce support, administration,

community meetings, and building support space. The building will house the college's western district workforce training, certificate and degree programs. The community college will provide the constitutionally required match for the Article XI-G bonds through various possible revenue sources which may include grants, donations, partnership contributions, a local bond levy, or some combination of sources.

- Oregon Coast Community College – Workforce Education and Resiliency Center: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The project is to construct a new 30,000 sq. ft., two story building to provide space for workforce development academic programs, student study areas, as well as administrative and faculty offices. The community college will provide the constitutionally required match for the Article XI-G bonds through various revenues, including a local bond levy and a capital construction campaign.
- Portland Community College – Health Technology Building Renovation: approved \$8,140,000 Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. The renovation project is to demolish the 55,800 sq. ft. interior space, reconstruct instructional spaces, replace restroom fixtures and locker rooms, incorporate seismic standards, and replace non code compliant mechanical, electrical and plumbing systems. The community college will provide the constitutionally required match for the Article XI-G bonds with proceeds from a 2008 bond levy and a 2017 bond levy (if approved).
- Rogue Community College – Elk Building Science Facility Renovation and Expansion: approved \$6,125,000 Article XI-G bonds to finance \$6,000,000 of project costs and \$125,000 for costs of issuing the bonds. The project includes renovation of the existing 10,086 sq. ft. Elk Building science facility and adding 16,000 sq. ft. of space to provide the nursing and allied health programs with a more modern science facility. The project will increase instructional capacity, redesign lab spaces, and expand infrastructure to meet current and future academic needs. The community college will provide the constitutionally required match for the Article XI-G bonds with proceeds from a May 2016 bond.
- Southwestern Oregon Community College – Dellwood Hall Remodel and Expansion: approved \$2,805,000 Article XI-G bonds to finance \$2,749,997 of project costs and \$55,003 for costs of issuing the bonds. The project is to remodel Dellwood Hall including construction of a 12,100 sq. ft. second floor onto the existing one story building. The project will integrate all student services into one building to create a comprehensive Student Services Center. The community college will provide the constitutionally required match for the Article XI-G bonds with private funds, grants, and possibly a bond levy.
- Treasure Valley Community College – Workforce Vocational Center: reauthorized \$2,865,000 in Article XI-G bonds to finance \$2,830,250 of project costs and \$34,750 for costs of issuing the bonds. This project was originally approved in SB 5507 (2013) and was reauthorized in HB 5005 (2015). The project involves construction of a new facility to expand space for welding training and to house natural resource, renewable energy, wild land fire, construction trades, and waste water management programs. The community college will provide the constitutionally required match for the Article XI-G bonds with grants, fundraising, and/or a district bond levy.

- Umpqua Community College – Industrial Technology Building: reauthorized \$8,140,000 in Article XI-G bonds to finance \$8,000,000 of project costs and \$140,000 for costs of issuing the bonds. This project was originally approved in SB 5507 (2013) and was reauthorized in HB 5005 (2015). The project is to construct a new two-story, 68,000 sq. ft. building that will bring together automotive, welding/fabrication, and manufacturing programs into one facility. The project includes a 20-bay automotive service shop, tools room, auto classroom, lab, small lobby, and four faculty offices. The community college will provide the constitutionally required match for the Article XI-G bonds with a bond levy and/or fundraising.

Senate Bill 5505, SECTIONS 1 - 3.

Program Designation	2015-17 Legislatively Approved	2017-19 Governor's Budget	2017-19 Committee Recommendations	Changes from Governor's Budget
GENERAL OBLIGATION BONDS				
General Fund Obligations				
Higher Education Coordinating Comm. - PU (Art. XI-G)	\$ 92,450,000	\$ 121,690,000	\$ 101,385,000	\$ (20,305,000)
Higher Education Coordinating Comm. - CC (Art. XI-G)	\$ 58,401,600	\$ 102,795,250	\$ 103,185,000	\$ 389,750
Oregon Health and Science University (Art. XI-G)	\$ 200,035,000	\$ -	\$ -	\$ -
Dept of Environmental Quality (Art. XI-H)	\$ -	\$ 10,300,000	\$ 10,300,000	\$ -
Oregon Business Development Dept. (Art. XI-M)	\$ 176,870,000	\$ 161,680,000	\$ 101,180,000	\$ (60,500,000)
Oregon Business Development Dept. (Art. XI-N)	\$ 30,440,000	\$ 40,580,000	\$ 20,430,000	\$ (20,150,000)
Oregon Department of Education (Art. XI-P)	\$ 126,210,000	\$ 120,065,000	\$ 100,985,000	\$ (19,080,000)
Department of Administrative Services (Art. XI-Q)	\$ 433,460,000	\$ 411,752,389	\$ 563,839,225	\$ 152,086,836
Oregon Department of Transportation (Art. XI, Sec. 7)	\$ 35,475,000	\$ -	\$ -	\$ -
Dedicated Fund Obligations				
Department of Veterans' Affairs (Art. XI-A)	\$ 100,000,000	\$ 120,000,000	\$ 120,000,000	\$ -
Higher Education Coordinating Comm. (Art. XI-F(1))	\$ 74,225,000	\$ 81,470,000	\$ 86,570,000	\$ 5,100,000
Dept of Environmental Quality (Art. XI-H)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
Water Resources Department (Art. XI-I(1))	\$ 30,520,000	\$ -	\$ -	\$ -
Housing and Community Services Dept (Art. XI-I(2))	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ -
Department of Energy/OBDD (Art. XI-J)	\$ 25,000,000	\$ -	\$ -	\$ -
Department of Administrative Services (Art. XI-Q)	\$ 17,275,000	\$ 2,607,611	\$ 14,435,775	\$ 11,828,164
Total General Obligation Bonds	\$ 1,435,361,600	\$ 1,207,940,250	\$ 1,257,310,000	\$ 49,369,750
REVENUE BONDS				
Direct Revenue Bonds				
Housing and Community Services Department	\$ 300,000,000	\$ 300,000,000	\$ 300,000,000	\$ -
Department of Transportation				
Highway User Tax	\$ 393,160,000	\$ -	\$ -	\$ -
Oregon Business Development Department	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ -
Department of Administrative Services				
Lottery Revenue Bonds	\$ 213,125,000	\$ 219,915,000	\$ 199,860,000	\$ (20,055,000)
Total Direct Revenue Bonds	\$ 936,285,000	\$ 549,915,000	\$ 529,860,000	\$ (20,055,000)

Pass Through Revenue Bonds

Oregon Business Development Department				
Industrial Development Bonds	\$ 200,000,000	\$ 400,000,000	\$ 400,000,000	\$ -
Beginning and Expanding Farmer Loan Program	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
Oregon Facilities Authority	\$ 950,000,000	\$ 1,350,000,000	\$ 1,350,000,000	\$ -
Housing and Community Services Department	\$ 250,000,000	\$ 250,000,000	\$ 325,000,000	\$ 75,000,000
Total Pass Through Revenue Bonds	\$ 1,410,000,000	\$ 2,010,000,000	\$ 2,085,000,000	\$ 75,000,000
Total Revenue Bonds	\$ 2,346,285,000	\$ 2,559,915,000	\$ 2,614,860,000	\$ 54,945,000

OTHER FINANCING AGREEMENTS

Department of Administrative Services	\$ 46,500,000	\$ 10,000,000	\$ 110,985,000	\$ 100,985,000
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Senate Bill 5505, SECTION 4

Private Activity Bond Allocation for Calendar Years 2018 and 2019

Allocation For:	2015-17 Legislatively Approved Budget		2017-19 Committee Recommendations	
	2016 Calendar Year	2017 Calendar Year	2018 Calendar Year	2019 Calendar Year
Oregon Business Development Department, Industrial Development Bonds	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Oregon Business Development Department, Beginning and Expanding Farmer Loan Program	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Oregon Housing & Community Services Department	\$ 125,000,000	\$ 125,000,000	\$ 125,000,000	\$ 125,000,000
State Department of Energy	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
Private Activity Bond Committee	\$ 222,023,900	\$ 222,023,900	\$ 239,346,500	\$ 239,346,500
Totals	\$ 397,023,900	\$ 397,023,900	\$ 409,346,500	\$ 409,346,500

HB 5006 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Devlin

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 1 - Thomsen

House Vote

Yeas: 7 - Gomberg, Holvey, Huffman, Nathanson, Rayfield, Smith Warner, Williamson

Nays: 1 - McLane

Exc: 3 - Smith G, Stark, Whisnant

Prepared By: Laurie Byerly and Gregory Jolivette, Legislative Fiscal Office

Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board

2017-19

Various Agencies

2015-17

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Emergency Board</u>			
General Fund - General Purpose	-	\$ 50,000,000	\$ 50,000,000
General Fund - Special Purpose Appropriations			
State Agencies for state employee compensation	-	\$ 100,000,000	\$ 100,000,000
State Agencies for non-state worker compensation	-	\$ 10,000,000	\$ 10,000,000
Reduction to SB 505 special purpose appropriation	-	\$ (600,000)	\$ (600,000)
 <u>ADMINISTRATION PROGRAM AREA</u>			
<u>Department of Administrative Services</u>			
General Fund	-	\$ 9,091,000	\$ 9,091,000
General Fund Debt Service	-	\$ (4,962,907)	\$ (4,962,907)
Lottery Funds	-	\$ 180,000	\$ 180,000
Lottery Funds Debt Service	-	\$ (2,317,505)	\$ (2,317,505)
Other Funds	-	\$ 23,939,750	\$ 23,939,750
Other Funds Debt Service	-	\$ 1,080,828	\$ 1,080,828
 <u>Advocacy Commissions Office</u>			
General Fund	-	\$ 10,471	\$ 10,471
 <u>Employment Relations Board</u>			
General Fund	-	\$ (29,574)	\$ (29,574)
Other Funds	-	\$ (16,497)	\$ (16,497)
 <u>Oregon Government Ethics Commission</u>			
Other Funds	-	\$ (28,614)	\$ (28,614)
 <u>Office of the Governor</u>			
General Fund	-	\$ (525,236)	\$ (525,236)
Lottery Funds	-	\$ (138,447)	\$ (138,447)
Other Funds	-	\$ (110,630)	\$ (110,630)
 <u>Oregon Liquor Control Commission</u>			
Other Funds	-	\$ (1,458,427)	\$ (1,458,427)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Public Employees Retirement System,</u>			
Other Funds	-	\$ (2,508,616)	\$ (2,508,616)
<u>Racing Commission</u>			
Other Funds	-	\$ (89,929)	\$ (89,929)
<u>Department of Revenue</u>			
General Fund	-	\$ (5,581,902)	\$ (5,581,902)
General Fund Debt Service	-	\$ (6,870,670)	\$ (6,870,670)
Other Funds	-	\$ 7,676,661	\$ 7,676,661
<u>Secretary of State</u>			
General Fund	-	\$ (346,704)	\$ (346,704)
Other Funds	-	(1,030,747)	\$ (1,030,747)
Federal Funds	-	\$ (472,720)	\$ (472,720)
<u>State Library</u>			
General Fund	-	\$ 128,123	\$ 128,123
Other Funds	-	\$ (137,871)	\$ (137,871)
Federal Funds	-	\$ (1,625)	\$ (1,625)
<u>State Treasurer</u>			
General Fund	-	\$ 1,013,497	\$ 1,013,497
Other Funds	-	\$ (1,557,357)	\$ (1,557,357)
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>			
<u>State Board of Accountancy</u>			
Other Funds	-	\$ (56,046)	\$ (56,046)
<u>Chiropractic Examiners Board</u>			
Other Funds	-	\$ (51,085)	\$ (51,085)

Budget Summary*

	2015-17 Legislatively Approved Budget	2017-19 Committee Recommendation	Committee Change
<u>Consumer and Business Services</u>			
Other Funds	-	\$ (5,252,286)	\$ (5,252,286)
Federal Funds	-	\$ (475,260)	\$ (475,260)
<u>Construction Contractors Board</u>			
Other Funds	-	\$ (461,875)	\$ (461,875)
<u>Board of Dentistry</u>			
Other Funds	-	\$ (38,848)	\$ (38,848)
<u>Health Related Licensing Boards</u>			
Other Funds	-	\$ (83,199)	\$ (83,199)
<u>Bureau of Labor and Industries</u>			
General Fund	-	\$ (127,909)	\$ (127,909)
Other Funds	-	\$ (278,736)	\$ (278,736)
Federal Funds	-	\$ (960)	\$ (960)
<u>Licensed Professional Counselors and Therapists. Board of</u>			
Other Funds	-	\$ (24,871)	\$ (24,871)
<u>Licensed Social Workers, Board of</u>			
Other Funds	-	\$ (25,841)	\$ (25,841)
<u>Medical Board</u>			
Other Funds	-	\$ (345,981)	\$ (345,981)
<u>Board of Nursing</u>			
Other Funds	-	\$ (450,604)	\$ (450,604)
<u>Board of Pharmacy</u>			
Other Funds	-	\$ (261,147)	\$ (261,147)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Psychologist Examiners Board</u>			
Other Funds	-	\$ (26,589)	\$ (26,589)
<u>Public Utility Commission</u>			
Other Funds	-	\$ (1,156,876)	\$ (1,156,876)
Federal Funds	-	\$ (6,858)	\$ (6,858)
<u>Real Estate Agency</u>			
Other Funds	-	\$ (276,826)	\$ (276,826)
<u>Tax Practitioners Board</u>			
Other Funds	-	\$ (18,835)	\$ (18,835)
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>			
<u>Oregon Business Development Department</u>			
General Fund	-	\$ 3,628,465	\$ 3,628,465
General Fund Debt Service	-	\$ (1,481,045)	\$ (1,481,045)
Lottery Funds	-	\$ (247,934)	\$ (247,934)
Lottery Funds Debt Service	-	\$ (1,410,613)	\$ (1,410,613)
Other Funds	-	\$ 151,174,323	\$ 151,174,323
Other Funds Nonlimited	-	\$ 30,000,000	\$ 30,000,000
Federal Funds	-	\$ (13,232)	\$ (13,232)
<u>Employment Department</u>			
Other Funds	-	\$ (3,490,798)	\$ (3,490,798)
Federal Funds	-	\$ (4,403,080)	\$ (4,403,080)
<u>Housing and Community Services Department</u>			
General Fund	-	\$ 21,433,916	\$ 21,433,916
General Fund Debt Service	-	\$ 2,640,239	\$ 2,640,239
Lottery Funds	-	\$ 350,000	\$ 350,000
Other Funds	-	\$ 25,972,449	\$ 25,972,449
Federal Funds	-	\$ (7,227,385)	\$ (7,227,385)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Veterans' Affairs</u>			
General Fund	-	\$ (136,724)	\$ (136,724)
Lottery Funds	-	\$ -	\$ -
Other Funds	-	\$ (140,617)	\$ (140,617)
Federal Funds	-	\$ -	\$ -
<u>EDUCATION PROGRAM AREA</u>			
<u>Department of Education</u>			
General Fund	-	\$ (1,685,086)	\$ (1,685,086)
General Fund Debt Service	-	\$ (1,587,898)	\$ (1,587,898)
Other Funds	-	\$ 270,433,393	\$ 270,433,393
Federal Funds	-	\$ (957,295)	\$ (957,295)
<u>State School Fund</u>			
General Fund	-	\$ (30,372,945)	\$ (30,372,945)
Lottery Funds	-	\$ 12,465,745	\$ 12,465,745
Other Funds	-	\$ 17,907,200	\$ 17,907,200
<u>Higher Education Coordinating Commission</u>			
General Fund	-	\$ 8,532,950	\$ 8,532,950
General Fund Debt Service	-	\$ (13,840,783)	\$ (13,840,783)
Lottery Funds Debt Service	-	\$ (73,975)	\$ (73,975)
Other Funds	-	\$ 6,614,787	\$ 6,614,787
Federal Funds	-	\$ (430,293)	\$ (430,293)
<u>Chief Education Office</u>			
General Fund	-	\$ (369,306)	\$ (369,306)
<u>Teacher Standards and Practices</u>			
Other Funds	-	\$ (214,668)	\$ (214,668)

Budget Summary*

HUMAN SERVICES PROGRAM AREA

Commission for the Blind

	2015-17 Legislatively Approved Budget	2017-19 Committee Recommendation	Committee Change
General Fund	-	\$ (41,304)	\$ (41,304)
Other Funds	-	\$ (11,467)	\$ (11,467)
Federal Funds	-	\$ (157,969)	\$ (157,969)

Oregon Health Authority

General Fund	-	\$ (59,956,387)	\$ (59,956,387)
General Fund Debt Service	-	\$ 4,001	\$ 4,001
Lottery Funds	-	\$ (4,617)	\$ (4,617)
Other Funds	-	\$ 71,374,612	\$ 71,374,612
Federal Funds	-	\$ (9,456,614)	\$ (9,456,614)

Department of Human Services

General Fund	-	\$ (8,487,786)	\$ (8,487,786)
General Fund Debt Service	-	\$ 10,521,010	\$ 10,521,010
Other Funds	-	\$ 45,175,634	\$ 45,175,634
Federal Funds	-	\$ 138,153,153	\$ 138,153,153

Long Term Care Ombudsman

General Fund	-	\$ (272,509)	\$ (272,509)
Other Funds	-	\$ (2,593)	\$ (2,593)

Psychiatric Security Review Board

General Fund	-	\$ (33,233)	\$ (33,233)
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JUDICIAL BRANCH

Judicial Department

General Fund	-	\$ (7,171,498)	\$ (7,171,498)
General Fund Debt Service	-	\$ (2,555,411)	\$ (2,555,411)
Other Funds	-	\$ 195,971,790	\$ 195,971,790

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Commission on Judicial Fitness and Disability</u>			
General Fund	-	\$ (577)	\$ (577)
<u>Public Defense Services Commission</u>			
General Fund	-	\$ 1,060,699	\$ 1,060,699
<u>LEGISLATIVE BRANCH</u>			
<u>Legislative Administration Committee</u>			
General Fund	-	\$ 4,109,449	\$ 4,109,449
General Fund Debt Service	-	\$ (445,481)	\$ (445,481)
Other Funds	-	\$ 239,358	\$ 239,358
Other Funds Debt Service	-	\$ (28,305)	\$ (28,305)
<u>Legislative Assembly</u>			
General Fund	-	\$ (1,324,394)	\$ (1,324,394)
<u>Legislative Commission on Indian Services</u>			
General Fund	-	\$ (1,750)	\$ (1,750)
<u>Legislative Counsel</u>			
General Fund	-	\$ (232,754)	\$ (232,754)
Other Funds	-	\$ (59,154)	\$ (59,154)
<u>Legislative Fiscal Office</u>			
General Fund	-	\$ (183,583)	\$ (183,583)
Other Funds	-	\$ (124,420)	\$ (124,420)
<u>Legislative Revenue Office</u>			
General Fund	-	\$ (18,516)	\$ (18,516)
<u>Legislative Policy and Research Office</u>			
General Fund	-	\$ (45,374)	\$ (45,374)

Budget Summary*

NATURAL RESOURCES PROGRAM AREA

State Department of Agriculture

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
General Fund	-	\$ (1,066,655)	\$ (1,066,655)
Lottery Funds	-	\$ (231,617)	\$ (231,617)
Other Funds	-	\$ (2,054,053)	\$ (2,054,053)
Federal Funds	-	\$ (388,340)	\$ (388,340)

Columbia River Gorge Commission

General Fund	-	\$ 24,081	\$ 24,081
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State Department of Energy

Other Funds	-	\$ (538,561)	\$ (538,561)
Federal Funds	-	\$ (72,012)	\$ (72,012)

Department of Environmental Quality

General Fund	-	\$ (352,190)	\$ (352,190)
Lottery Funds	-	\$ (77,348)	\$ (77,348)
Other Funds	-	\$ (3,614,762)	\$ (3,614,762)
Federal Funds	-	\$ (461,243)	\$ (461,243)

State Department of Fish and Wildlife

General Fund	-	\$ 182,646	\$ 182,646
Lottery Funds	-	\$ (167,378)	\$ (167,378)
Other Funds	-	\$ (3,153,172)	\$ (3,153,172)
Federal Funds	-	\$ (3,058,576)	\$ (3,058,576)

Department of Forestry

General Fund	-	\$ (1,201,103)	\$ (1,201,103)
General Fund Debt Service	-	\$ (410,919)	\$ (410,919)
Lottery Funds Debt Service	-	\$ (5,594)	\$ (5,594)
Other Funds	-	\$ 96,885,643	\$ 96,885,643
Other Funds Debt Service	-	\$ 79,996	\$ 79,996
Federal Funds	-	\$ (495,371)	\$ (495,371)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Geology and Mineral Industries</u>			
General Fund	-	\$ (104,725)	\$ (104,725)
Other Funds	-	\$ (141,422)	\$ (141,422)
Federal Funds	-	\$ (65,496)	\$ (65,496)
<u>Department of Land Conservation and Development</u>			
General Fund	-	\$ (395,929)	\$ (395,929)
Other Funds	-	\$ (1,373)	\$ (1,373)
Federal Funds	-	\$ (108,803)	\$ (108,803)
<u>Land Use Board of Appeals</u>			
General Fund	-	\$ 266	\$ 266
<u>Oregon Marine Board</u>			
Other Funds	-	\$ (335,800)	\$ (335,800)
Federal Funds	-	\$ (1,373)	\$ (1,373)
<u>Department of Parks and Recreation</u>			
Lottery Funds	-	\$ (1,881,005)	\$ (1,881,005)
Lottery Funds Debt Service	-	\$ (895,019)	\$ (895,019)
Other Funds	-	\$ 3,232,341	\$ 3,232,341
Federal Funds	-	\$ (7,925)	\$ (7,925)
<u>Department of State Lands</u>			
General Fund	-	\$ 5,000,000	\$ 5,000,000
Other Funds	-	\$ 11,149,657	\$ 11,149,657
Federal Funds	-	\$ (3,183)	\$ (3,183)
<u>Water Resources Department</u>			
General Fund	-	\$ (748,813)	\$ (748,813)
Lottery Funds Debt Service	-	\$ (2,078,875)	\$ (2,078,875)
Other Funds	-	\$ 21,943,095	\$ 21,943,095
Federal Funds	-	\$ -	\$ -

Budget Summary*

Watershed Enhancement Board

	2015-17 Legislatively Approved Budget	2017-19 Committee Recommendation	Committee Change
Lottery Funds	-	\$ (205,451)	\$ (205,451)
Federal Funds	-	\$ (1,136)	\$ (1,136)

PUBLIC SAFETY PROGRAM AREA

Department of Corrections

General Fund	-	\$ (23,762,896)	\$ (23,762,896)
General Fund Debt Service	-	\$ 1,268,059	\$ 1,268,059
Other Funds	-	\$ 272,630	\$ 272,630
Federal Funds	-	\$ (10,323)	\$ (10,323)

Oregon Criminal Justice Commission

General Fund	-	\$ (87,794)	\$ (87,794)
Other Funds	-	\$ (1,137)	\$ (1,137)
Federal Funds	-	\$ (3,503)	\$ (3,503)

District Attorneys and their Deputies

General Fund	-	\$ (23,359)	\$ (23,359)
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Department of Justice

General Fund	-	\$ (3,386,309)	\$ (3,386,309)
General Fund Debt Service	-	\$ 3,235,629	\$ 3,235,629
Other Funds	-	\$ 15,825,892	\$ 15,825,892
Federal Funds	-	\$ 29,064,361	\$ 29,064,361

Oregon Military Department

General Fund	-	\$ 932,333	\$ 932,333
General Fund Debt Service	-	\$ (802,765)	\$ (802,765)
Other Funds	-	\$ 4,796,923	\$ 4,796,923
Other Funds Debt Service	-	\$ 448,429	\$ 448,429
Federal Funds	-	\$ (1,156,392)	\$ (1,156,392)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Oregon Board of Parole</u>			
General Fund	-	\$ (340,944)	\$ (340,944)
<u>Oregon State Police</u>			
General Fund	-	\$ (2,667,382)	\$ (2,667,382)
Lottery Funds	-	\$ (240,268)	\$ (240,268)
Other Funds	-	\$ (26,542)	\$ (26,542)
Federal Funds	-	\$ (142,526)	\$ (142,526)
<u>Department of Public Safety Standards and Training</u>			
Other Funds	-	\$ (1,183,157)	\$ (1,183,157)
Federal Funds	-	\$ 464,466	\$ 464,466
<u>Oregon Youth Authority</u>			
General Fund	-	\$ (4,902,061)	\$ (4,902,061)
General Fund Debt Service	-	\$ 1,925,787	\$ 1,925,787
Other Funds	-	\$ 567,980	\$ 567,980
Federal Funds	-	\$ (218,984)	\$ (218,984)
<u>TRANSPORTATION PROGRAM AREA</u>			
<u>Department of Aviation</u>			
Other Funds	-	\$ (39,973)	\$ (39,973)
Federal Funds	-	\$ (1,538)	\$ (1,538)
<u>Department of Transportation</u>			
General Fund	-	\$ (389,942)	\$ (389,942)
General Fund Debt Service	-	\$ (1,037,553)	\$ (1,037,553)
Lottery Funds Debt Service	-	\$ (6,039,258)	\$ (6,039,258)
Other Funds	-	\$ (1,415,838)	\$ (1,415,838)
Other Funds Debt Service	-	\$ 10	\$ 10
Federal Funds	-	\$ (227,030)	\$ (227,030)

Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
2017-19 Budget Summary			
General Fund Total	-	\$ 58,172,743	\$ 58,172,743
General Fund Debt Service	-	\$ (14,400,707)	\$ (14,400,707)
Lottery Funds Total	-	\$ 9,801,680	\$ 9,801,680
Lottery Funds Debt Service	-	\$ (12,820,839)	\$ (12,820,839)
Other Funds Total	-	\$ 938,856,278	\$ 938,856,278
Other Funds Debt Service	-	\$ 1,580,778	\$ 1,580,778
Other Funds Nonlimited	-	\$ 30,000,000	\$ 30,000,000
Federal Funds Total	-	\$ 137,654,935	\$ 137,654,935

* Excludes Capital Construction

	<u>2015-17 Legislatively Approved Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
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2015-17 Supplemental Appropriations**Commission on Judicial Fitness and Disability**

General Fund	-	\$ 35,000	\$ 35,000
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Department of Transportation

Other Funds	-	\$ 45,500,000	\$ 45,500,000
Federal Funds	-	\$ 8,100,000	\$ 8,100,000

2017-19 Position Summary

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
ADMINISTRATION PROGRAM AREA			
<u>Department of Administrative Services</u>			
Authorized Positions	-	6	6
Full-time Equivalent (FTE) positions	-	6.00	6.00
<u>Public Employees Retirement System</u>			
Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	0.92	0.92
<u>Department of Revenue</u>			
Authorized Positions	-	33	33
Full-time Equivalent (FTE) positions	-	9.00	9.00
<u>State Treasurer</u>			
Authorized Positions	-	2	2
Full-time Equivalent (FTE) positions	-	2.34	2.34
CONSUMER AND BUSINESS SERVICES PROGRAM AREA			
<u>Consumer and Business Services</u>			
Authorized Positions	-	11	11
Full-time Equivalent (FTE) positions	-	9.68	9.68
<u>Bureau of Labor and Industries</u>			
Authorized Positions	-	3	3
Full-time Equivalent (FTE) positions	-	2.50	2.50
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA			
<u>Housing and Community Services Department</u>			
Authorized Positions	-	3	3
Full-time Equivalent (FTE) positions	-	0.75	0.75

2017-19 Position Summary

2015-17 Legislatively
Approved Budget

2017-19 Committee
Recommendation

Committee Change

HUMAN SERVICES PROGRAM AREA

Oregon Health Authority

Authorized Positions	-	63	63
Full-time Equivalent (FTE) positions	-	51.46	51.46

Department of Human Services

Authorized Positions	-	113	113
Full-time Equivalent (FTE) positions	-	74.33	74.33

JUDICIAL BRANCH

Judicial Department

Authorized Positions	-	4	4
Full-time Equivalent (FTE) positions	-	2.00	2.00

NATURAL RESOURCES PROGRAM AREA

Oregon Department of Agriculture

Authorized Positions	-	(1)	(1)
Full-time Equivalent (FTE) positions	-	(1.00)	(1.00)

Department of Fish and Wildlife

Authorized Positions	-	6	6
Full-time Equivalent (FTE) positions	-	5.33	5.33

Department of Forestry

Authorized Positions	-	4	4
Full-time Equivalent (FTE) positions	-	3.50	3.50

Department of State Lands

Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	1.00	1.00

<u>2017-19 Position Summary</u>	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Water Resources Department</u>			
Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	1.00	1.00
PUBLIC SAFETY PROGRAM AREA			
<u>Department of Justice</u>			
Authorized Positions	-	68	68
Full-time Equivalent (FTE) positions	-	54.99	54.99
<u>Oregon Military Department</u>			
Authorized Positions	-	2	2
Full-time Equivalent (FTE) positions	-	2.00	2.00
<u>Oregon State Police</u>			
Authorized Positions	-	27	27
Full-time Equivalent (FTE) positions	-	25.32	25.32

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2017 economic and revenue forecast by the Department of Administrative Services, Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in HB 3470, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

HB 5006 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budgets and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$50 million General Fund to the Emergency Board for general purposes.

HB 5006 makes two special purpose appropriations to the Emergency Board, totaling \$110 million General Fund; the bill also adjusts a special purpose appropriation already approved in a different bill:

- \$100 million General Fund for state employee compensation changes.
- \$10 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees.
- Reduces the special purpose appropriation made by SB 505 for costs associated with the requirement to record grand jury proceedings, by \$600,000 General Fund. The budget for the Judicial Department is increased by this amount.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2018, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2017-19 Agency Budgets

STATEWIDE ADJUSTMENTS

Statewide adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services assessments and charges for services, Attorney General rates, certain services and supplies, and additional vacancy savings expected as a result of a hiring slowdown. Statewide adjustments also reflect net reductions to debt service realized through interest rate savings on bond sales and refunding of outstanding general obligation and lottery revenue bonds. Total savings are \$135.8 million General Fund, \$16.7 million Lottery Funds, \$105.5 million Other Funds, and \$35.6 million Federal Funds.

Specific adjustments include \$126 million total funds savings from implementing a hiring slowdown implemented across all three branches of government; \$25 million in General Fund and Lottery Funds savings from eliminating most inflation on services and supplies implemented across all three branches of government; \$9.3 million total funds from a 10% reduction to travel in Executive Branch agencies to implement the Governor's previously announced cost containment effort; \$68 million total funds reduction from lower Department of Administrative Services assessments and service rates; and \$13 million total funds from lower Attorney General rates.

Section 145 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the individual agency narratives, although they are included in the table at the beginning of the budget report.

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved various one-time General Fund appropriations to the Department of Administrative Services (DAS) for the following purposes:

- \$1,895,000 for disbursement to the Rogue River Valley Irrigation District for the Bradshaw Drop Irrigation Canal project to pipe over three miles of irrigation canal to conserve water and provide pressurized water to district patrons.
- \$1,836,000 for disbursement to the City of John Day to extend a fiber optic line along US 395 from US 20 to John Day.
- \$1,000,000 for disbursement to the JPR Foundation, Inc. for the Holly Theater restoration project in Medford.
- \$1,000,000 for disbursement to the Deschutes Rim Clinic Foundation for the Rim Health Clinic in Maupin to supplement capacity at the current facility.
- \$750,000 for disbursement to the Medford Youth Baseball Society for improvements at Harry and David Baseball Park.
- \$500,000 for disbursement to the City of Mosier for a joint use facility, encompassing a city hall, main fire station, and multi-use community space to be built on land donated by Union Pacific Railroad.
- \$500,000 for disbursement to the Oregon Wine Board for marketing and increasing the market access of Oregon produced wine.
- \$420,000 for disbursement to the City of John Day for operations of a public safety answering point through the 2017-19 biennium.
- \$400,000 for disbursement to the Greater Portland YWCA for the Family Preservation Project.
- \$250,000 for disbursement to the Southern Oregon Veterans Benefit organization for construction of a replica of the Vietnam Memorial Traveling Wall.
- \$200,000 for disbursement to the Mid-Columbia Health Foundation for a hospital modernization and expansion project involving a regional rural community hospital in The Dalles that was built in 1859.
- \$50,000 for disbursement to the World of Speed organization as transition funding for the High School Automotive Career Technical Education program as the organization seeks other support for the program.
- \$50,000 for disbursement to the Family YMCA of Marion and Polk Counties for the YMCA Youth and Government program.
- \$50,000 for disbursement to the Bag and Baggage Productions, a professional theater located in Hillsboro, for its Cultural Innovation Project involving the purchase and installation of a 360 degree digitally immersive projection system.
- \$40,000 for disbursement to the Cities of Turner, Aumsville, and Salem, for use as flood mitigation planning match.

A total of \$28,177,202 Other Funds expenditure limitation was added by the Subcommittee for the one-time cost of issuance and special payments associated with the disbursement of proceeds from Lottery Bond sales; projects are detailed below and approved in SB 5530. Cost of issuance for these projects totals \$707,202. There is no debt service allocated in the 2017-19 biennium, as the bonds will not be sold until the

spring of 2019. Total debt service on all the projects described below is estimated at a total of \$4,743,599 Lottery Funds for the 2017-19 biennium and \$47,153,969 over the life of the bonds.

- \$12,235,018 Other Funds for disbursement to the YMCA of Marion and Polk counties for construction of a new YMCA facility in Salem.
- \$6,125,396 Other Funds for disbursement to the Eugene Civic Alliance to redevelop the site of the former Civic Stadium into a community sports and recreation complex.
- \$2,050,587 Other Funds for disbursement to the Gresham Redevelopment Commission for the construction of an innovation and workforce training center in the Rockwood neighborhood in Gresham.
- \$2,050,587 Other Funds for disbursement to the Family Nurturing Center (Rogue Valley Children’s Relief Nursery) to purchase and rehabilitate affordable housing adjacent to the Center’s campus.
- \$1,042,655 Other Funds for disbursement to the Cascade AIDS Project for the acquisition and renovation of a primary care and mental health center for the lesbian, gay, bisexual, transgender, queer, and other minority gender identities and sexual orientation community.
- \$1,041,303 Other Funds for disbursement to the City of Independence for the Independence Landing Revitalization Project.
- \$1,041,303 Other Funds for disbursement to Klamath County for construction of the Klamath Youth Inspiration Program residential treatment center in Klamath Falls.
- \$1,041,303 Other Funds for disbursement to the City of Woodburn to develop a community center in Woodburn.
- \$784,922 Other Funds for disbursement to The Dalles Civic Auditorium Preservation Commission to continue reconstruction of The Dalles Civic Auditorium theater.
- \$764,128 Other Funds for disbursement to the City of Spray to construct a public safety and emergency services center, which includes fire protection and emergency medical services.

The Subcommittee approved two one-time increases to existing subsidy programs funded through the DAS budget: \$150,000 General Fund was added to the special payments made to the Oregon Historical Society, increasing its total state support in 2017-19 to \$900,000 General Fund. The Subcommittee also approved increasing the 2017-19 special payments to county fairs by \$180,000 Lottery Funds, which provides county fairs with a total of \$3,828,000 Lottery Funds in 2017-19.

To complete projects approved in SB 5506, the capital construction bill, the Subcommittee approved the establishment of five limited duration Project Manager 2 positions (5.00 FTE) and one limited duration Project Manager 3 position (1.00 FTE) within the DAS Planning and Construction Management program. This is position establishment authority only, as all position costs will be charged against project funding.

The Subcommittee approved \$1,080,818 in additional Other Funds Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for renovations at the Portland State Office Building, and an Other Funds expenditure limitation increase of \$214,000 for the cost of issuance of the bonds.

Public Employees Retirement System

An Other Funds expenditure limitation increase of \$209,443 was approved by the Subcommittee, which supports one permanent full-time Principal Executive Manager G (0.92 FTE) to serve as the agency's Chief Financial Officer, with the understanding that the agency competitively recruit for, and hire, a Certified Public Accountant for this position.

Department of Revenue

The Subcommittee approved funding for the final project phase to replace most of the agency's core information technology systems (Core Systems Replacement project). The final phase includes: Timber tax; electrical cooperative tax; rail car tax; gas and oil production tax; County Assessment Funding Assistance; Green Light; Non-profit homes; court fines and assessments; and revenue accounting. The scheduled implementation date is November 13, 2017.

The Subcommittee approved \$8,383,109 of Other Funds expenditure limitation and the establishment of 32 limited duration positions (8.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in SB 5505 (\$4,781,944). Project revenues also include an estimated \$3,501,165 in bond proceeds that were authorized and issued during the 2015-17 biennium, but remained unexpended, and \$100,000 of state marijuana tax revenue. The Department of Administrative Services is directed to unschedule \$276,599 of Other Funds expenditure limitation associated with the Core Systems Replacement project, which may be rescheduled upon the approval of the Legislative Fiscal Office.

The Subcommittee appropriated \$1,000,000 General Fund for vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation and \$60,000 General Fund for non-bondable expenditures related to the project; these are one-time costs that should be phased out for 2019-21.

To support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for the project, the Subcommittee appropriated \$796,311 in additional General Fund Debt Service and added \$73,056 Other Funds expenditure limitation for the cost of issuance of the bonds.

The Subcommittee increased the General Fund appropriation by \$276,906 and Other Funds expenditure limitation by \$24,079 for one permanent full-time Principal Executive Manager F position (1.00 FTE) to restore funding for the agency's Finance Manager position, a long-term vacancy that was eliminated in SB 5535, with the understanding that the agency competitively recruit for, and fill, this position.

To balance available revenues with Other Funds expenditure limitation, the Subcommittee decreased Other Funds expenditure limitation by \$187,277 for services and supplies in the Property Tax Division.

The Subcommittee increased Other Funds expenditure limitation by \$244,058 for services and supplies in the Marijuana Program. Of the increase, \$200,000 is for a remodel of the cash transaction space in the Salem headquarters building. This will bring the total estimated project

costs to \$1.33 million, of which \$1 million will be funded during the 2017-19 biennium. This is a one-time expense. The remaining \$44,058 is for services and supplies approved by the Emergency Board in May of 2016.

Oregon Advocacy Commissions Office

To restore a reduction in services and supplies included in the budget bill for the Oregon Advocacy Commissions Office (SB 5501), the Subcommittee approved \$17,000 General Fund.

State Library

The Subcommittee approved a \$197,488 General Fund appropriation to restore a reduction to the Ready to Read Grant program included in the budget bill for the State Library (HB 5018). The Ready to Read Grant program provides grants to public libraries for early literacy services and summer reading programs.

State Treasurer

For the Oregon Retirement Savings Board, the Subcommittee increased General Fund by \$1,056,224 and established three permanent full-time positions (2.84 FTE) for additional implementation work. The positions are: one permanent full-time Operations and Policy Analyst 4 to serve as a Public Engagement Manager (1.00 FTE); one permanent full-time Operations and Policy Analyst 3 to serve as a Compliance Manager (0.92 FTE); and one permanent full-time Executive Support Special 1 (0.92 FTE). The Subcommittee abolished one permanent part-time Program Analyst 1 position, a long-term vacant position (-0.50 FTE). A General Fund appropriation is required to fund the Board's operating expenses until the Retirement Savings Plan Administrative Fund has sufficient revenue to support the Board. General Fund expenditures are to be repaid with future administrative fees.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

The Subcommittee approved an increase in Other Funds expenditure limitation of \$154,056 for the Department of Consumer and Business Services (DCBS), Division of Financial Regulation and authorized the establishment of a limited duration Operation and Policy Analyst 3 position (0.88 FTE). This position will support work required by the passage of HB 2391, which requires DCBS to establish a reinsurance program for individual and group health insurance policies. The position will assist existing staff at the agency with the additional rulemaking process required to establish the reinsurance program and with the application to the US Department of Health and Human Services for a 1332 waiver to implement the Oregon Reinsurance Program.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$1,748,149 for the DCBS Building Codes Division and the establishment of 10 positions (8.80 FTE). Three of the positions, two Operations and Policy Analyst 3 and a Professional Engineer 2, are for building code development. These positions will provide policy and technical research, analysis, and subject matter expertise related to developing statewide standards, and provide support on special projects related to statewide consistency and uniformity within the building

code. Two Administrative Specialist 2 positions will support analysts, engineers, and subject matter experts in the process of statewide code development, and facilitate and coordinate on special projects, permit services, and project tracking. Two Plans Examiner 2 positions will provide technical expertise and support to special projects, by reviewing plans and specifications for those projects and providing additional support to operational programs in the Pendleton and Coos Bay field offices. One Structural and Mechanical Inspector, a Plumbing Inspector, and one Electrical Inspector will provide field support for site-built construction in the Pendleton and Coos Bay field offices.

Bureau of Labor and Industries

General Fund in the amount of \$413,787 is added to the budget of the Bureau of Labor and Industries for anticipated investigatory and enforcement provisions related to the passage of SB 828. The funding supports a permanent Civil Rights Field Representative (0.75 FTE), and a Permanent Compliance Specialist (0.75 FTE). In addition, funding to support a limited duration Training and Development Specialist 2 position (1.00 FTE) is also included; this position will develop notice materials for posting in the work place, and provide employer training opportunities on the new requirements.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee established a one-time \$1,650,000 General Fund appropriation for the Arts Commission to distribute grants to the following cultural institutions in the following amounts:

- APANO Cultural Center - \$300,000
- Benton County Historical Society & Museum - Corvallis Museum - \$500,000
- Cottage Theatre Expansion - \$125,000
- High Desert Museum - By Hand Through Memory Exhibit - \$125,000
- Liberty Theatre Foundation - Theatre Restoration in La Grande - \$200,000
- Oregon Coast Council for the Arts - Newport Performing Arts Center - \$300,000
- Portland Institute of Contemporary Art - Capital Campaign NE Hancock \$100,000

The Subcommittee established a one-time \$2,000,000 General Fund appropriation for a grant to the Crescent Sanitary District to support a sewer system/wastewater treatment facility project. To supplement support for the Regional Accelerator Innovation Network (RAIN), the Subcommittee increased the one-time Lottery Funds expenditure limitation by \$500,000. With the expenditure increase in this bill, total support in the budget for RAIN will total \$1,000,000. The Subcommittee also established a one-time Other Funds expenditure limitation of \$3,000,000 to support operating and research expenses of the Oregon Manufacturing Innovation Center (OMIC). The source of these funds are moneys transferred from the Connect Oregon Fund in the Department of Transportation. With the expenditure increase in this bill, support in the Oregon Business Development Department budget for OMIC operations will total \$6.6 million of combined Lottery Funds and Other Funds expenditures.

The Subcommittee increased Other Funds expenditures for distribution of bond proceeds authorized in SB 5505 and SB 5530, and HB 2278 (2015 Session). These expenditures include expenditures for the following projects for the following amounts:

- Seismic Rehabilitation Grants - \$120 million total, including \$100 million for school facilities and \$20 million for emergency services facilities.
- Port of Coos Bay - Channel Deepening Project - \$15,000,000
- Oregon Manufacturing Innovation Center Roads - \$3,390,000
- City of Sweet Home - Wastewater Treatment Plant Upgrade - \$2,000,000
- Crescent Sanitary District Sewer System - \$3,000,000
- Portland Art Museum 0 Connection Campaign - \$1,000,000
- Eugene Ballet Company - Midtown Arts Center - \$700,000
- Friends of the Oregon Caves & Chateau - Balcony Restoration Project - \$750,000
- Regional Solutions - \$1

Regarding Regional Solutions, SB 5530 authorizes \$4 million of lottery bond proceeds for the Regional Infrastructure Fund for Regional Solutions projects. After the Department presents a funding request with identified Regional Solutions projects, the Legislature or Emergency Board will increase the Other Funds expenditure limitation to allow funding of the approved projects. The expenditure limitation applies solely to lottery bond proceeds received in the 2017-19 biennium. Proceeds from previously issued bonds that have been transferred to the Regional Infrastructure Fund, and any earnings in the Fund, are not subject to the \$1 expenditure limitation.

The Subcommittee also increased Nonlimited Other Funds expenditures by \$30 million for distribution of lottery bond proceeds authorized for the Special Public Works Fund. The \$30 million include \$20 million for adding capital to the base Fund, and \$10 million restricted to levee projects.

Other Funds expenditures are increased by a total of \$2,746,249 to pay costs of issuing the general obligation and lottery revenue bonds authorized for the above projects. Proceeds of bonds are used to finance these costs.

Finally, the General Fund appropriation for debt service is increased by \$2,836,985 to pay 2017-19 biennium debt service costs for approved Seismic Rehabilitation Grant bonds. This supports debt service costs for \$25 million of seismic school bonds, and \$10 million of seismic emergency services facility bonds, issued in spring 2018. The remaining seismic bonds, and all lottery bonds authorized for projects in this budget, will be issued in spring 2019, and related debt service will not be paid until the 2019-21 biennium.

Housing and Community Services Department

The Housing and Community Services Department budget is adjusted by the Subcommittee as follows:

Local Innovation and Fast Track (LIFT) housing program - Other Funds expenditure limitation is increased by \$1,090,000 attributable to the cost of issuance for \$80 million in Article XI-Q Bonds for affordable housing development; the housing developed with the bonds will be targeted to low income individuals and families. It is assumed that this investment will result in an additional 1,200 - 1,500 units of new housing, depending on economic factors and the extent to which the program is modified (specifically, to include single family home ownership). Expenditure limitation for a period of six years for the project amount (\$80 million) is in SB 5506. Administration of the \$80 million in additional bond proceeds drives the need for additional expenditure limitation and General Fund support in the 2017-19 biennium, as follows: Two limited duration Loan Specialist positions (0.75 FTE) and two permanent Compliance Specialist positions (1.00 FTE) are authorized to add appropriate underwriting and project monitoring for affordable housing units developed through the LIFT housing program, as authorized by the 2017 Legislative Assembly. The compliance specialist positions are funded through fees charged to the projects, while the loan specialists are supported by General Fund. Finally, General Fund of \$3.4 million is appropriated for debt service, assuming half of the total authorized amount (\$40 million) is issued in the spring of 2018.

Preservation of Affordable Housing - Other Funds expenditure limitation in the amount of \$25,395,235 is included to enable the Housing and Community Services Department (HCSD) to expend lottery bond proceeds for preservation of affordable housing. Of this amount, \$25 million is attributable to project costs, and \$395,235 is related to cost of issuance. Eligible projects for which these funds can be expended will be defined by HCSD and include activities such as: multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the USDA Rural Development or the US Department of Housing and Urban Development; existing manufactured housing communities and affordable housing units to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; existing multifamily projects with affordability restrictions in need of rehabilitation and contract renewal; and public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

Oregon Foreclosure Avoidance Program - General Fund of \$1.3 million is included for the program. This 2017-19 funding is intended to be the final installment for the program, with the expectation that HCSD will cease administration and payment reimbursement by June 30, 2019, or the time at which funds are fully expended, whichever comes first.

Emergency Housing Account and State Homeless Assistance Program - An additional \$13,200,000 General Fund is added to the Emergency Housing Account (EHA) program, and an additional \$6,800,000 General Fund is included for the State Homeless Assistance Program (SHAP). These are one-time enhancements that bring the total 2017-19 budget for EHA to \$27,893,832 (a 93% increase over the 2015-17 legislatively approved budget) and SHAP to \$12,226,228 (a 129% increase over the 2015-17 legislatively approved budget).

Oregon Commission for Voluntary Action and Service - Federal Funds expenditure limitation is reduced by \$7.1 million and one position (1.00 FTE) to reflect funding associated with transfer of administration of the Commission from HCSD to the Office of the Governor. The statutory changes to accomplish the transfer of the program are included in HB 3470.

Measure 96 Lottery Funds Allocation - Lottery Funds expenditure limitation, attributable to the 2016 passage of Measure 96, in the amount of \$350,000 is added for emergency housing assistance to veterans, as provided through the Emergency Housing Account program. The funds are allocated to the Department in SB 140. A budget note in HB 5012 (the HCSD budget bill) directs HCSD and the Department of Veterans' Affairs to report back to the Joint Committee on Ways and Means in February 2018 with advice on strategic investments of available funds that will result in long-term housing stability for veterans.

Oregon Department of Veterans' Affairs

The Subcommittee approved increasing Other Funds expenditure limitation by \$310,000 for costs of issuance on Article XI-Q general obligation bonds authorized in SB 5505 for a parking lot at the Lebanon Veterans' Home, an educational and daycare facility at The Dalles Veterans' Home, and a new veterans' home in Roseburg. Costs of issuance will be paid with bond proceeds. Bonds are scheduled to be sold in spring 2019, with debt service of \$2.2 million General Fund in the 2019-21 biennium.

Due to the shortage of nurses and medical technicians in the City of Roseburg and Douglas County that would be required to staff the approved Veterans' Home, the Subcommittee adopted the following budget note:

Budget Note:

The Oregon Department of Veterans' Affairs, in collaboration with the Oregon Health Authority and the Oregon State Board of Nursing, is directed to convene a rural medical training facilities workgroup that will investigate issues related to alleviating a shortage of skilled and experienced nurses and medical technicians in the City of Roseburg and in Douglas County. Representatives from the City of Roseburg, Douglas County, local hospital or medical facilities, including the Roseburg VA Medical Center, and local medical practitioners with experience in training nursing and medical technician students should be included in the workgroup membership. The workgroup should consider issues related to establishing a medical training facility in partnership with local academic programs and methods of reintegrating veterans who are transitioning out of military service into society through higher education and career training. The Department shall report the results of the workgroup and recommendations to the Legislature by September 15, 2018.

EDUCATION

State School Fund

The Subcommittee approved a decrease of \$30,372,945 General Fund and an increase of \$12,465,745 Lottery Funds for the State School Fund, which reflects the balancing of available Lottery Funds across the entire state budget. In addition, Other Funds expenditure limitation was

increased by \$17,907,200 to account for the total amount of Marijuana revenues dedicated to the State School Fund. Overall, the net change to the State School Fund is zero from the \$8.2 billion included in SB 5517, the State School Fund budget bill.

Department of Education

The Subcommittee approved \$480,517 General Fund for debt service on Article XI-Q bonds sold for deferred maintenance projects at the Oregon School for the Deaf. The bond proceeds will be used to address long standing deferred maintenance issues including replacement or repair of roofs (\$2.5 million) and various improvements (\$1.8 million) to address accessibility issues at the facility necessary to comply with the Americans with Disabilities Act (ADA). For the sale of Article XI-P bonds for the Oregon School Capital Improvement Matching program, \$100 million Other Funds expenditure limitation is included. The XI-P bonds will be sold later in the biennium, so no debt service is required. For both the sale of XI-Q bonds for the Oregon School for the Deaf and the Article XI-P bonds for school district facilities, an increase of \$1,052,442 in Other Funds expenditure limitation is included for the issuance costs of the bonds.

An Other Funds expenditure limitation of \$170.0 million is included for payments to school districts under Ballot Measure 98. A \$170 million General Fund appropriation was made in SB 5516, the budget bill for the Oregon Department of Education, but payments out of the new High School Graduation and College and Career Readiness Fund must be budgeted as an Other Funds expenditure under the language of Ballot Measure 98 and for accounting practices.

Higher Education Coordinating Commission

The Subcommittee approved an increase of \$6,831,534 in Other Funds expenditure limitation for the Higher Education Coordinating Commission (HECC) for the issuance costs of general obligation bonds sold for public universities and community colleges. These include both Article XI-G and XI-Q bonds for the seven public universities and Article XI-G bonds for community colleges.

A General Fund appropriation of \$1.2 million was approved for a one-time grant to Eastern Oregon University for the construction of a new dedicated technology infrastructure equipment facility. This facility will be the campus hub for communications and network infrastructure. Also approved was \$490,000 General Fund for a one-time grant to Oregon State University for the renovation of the Graduate and Research Center at the Cascades Campus in Bend. This will create office space for teaching and research at the campus as it offers new programs and courses.

An additional \$5.3 million General Fund was approved for the Oregon Promise program which provides financial assistance to recent high school graduates with tuition waivers or subsidies at a community college. The increase, along with \$34.7 million General Fund included in the HECC budget bill (SB 5524), brings 2017-19 funding for this program to \$40 million General Fund. At this funding level, the Commission will need to implement policies limiting participation, including restricting program eligibility based on Earned Family Contribution. The intent is to “grandfather” in the first year’s students who started in the program during the 2016-17 academic year under the former requirements and implement any changes for those students who start during or after the fall quarter of the 2017-18 academic year. SB 1032 will include authority for HECC to limit the number of Oregon Promise participants by setting a maximum Earned Family Contribution for program eligibility.

The Subcommittee also approved a budget note related to community colleges:

Budget Note:

The Higher Education Coordinating Commission shall convene a workgroup to develop recommendations for enabling community colleges to offer an associate's degree that is completed in coordination with credits earned in registered apprenticeship or training programs that are at least four years long. The commission shall report their findings and recommendations to the appropriate legislative interim committee.

For College Possible, the Subcommittee approved a one-time \$350,000 General Fund appropriation to HECC for a one-time grant to the organization. This program provides mentoring, coaching, and other assistance to low income students to encourage them to go to college and help them apply for college and financial aid.

One-time funding for two Agricultural Experiment Station positions are added in this bill. One is located at the Hermiston Agricultural Research and Extension Center for potato research and one is at the North Willamette Research and Extension Center. The costs are \$260,000 and \$120,000 General Fund, respectively. Funding for the Renewable Energy Center at the Oregon Institute of Technology was approved in the amount of \$500,000 General Fund.

The Subcommittee approved one-time funding for two projects through Oregon State University resulting, in part, from the work of the Oregon Shellfish Task Force. The first is \$570,000 General Fund for the Molluscan Broodstock program at the Hatfield Marine Science Center in conjunction with the Whiskey Creek Shellfish Hatchery. The second project is \$280,000 General Fund for monitoring the effects of ocean acidification and conducting ocean acidification research at the Whiskey Creek Shellfish Hatchery.

HUMAN SERVICES

Oregon Health Authority

HB 5006 includes \$10,000,000 General Fund for costs related to treating Hepatitis C - Stage 2 for members of the Oregon Health Plan (OHP). Coverage is already included for Stages 3 and 4. It is estimated that roughly 3,200 OHP members have Hepatitis C at Stage 2, and if all these members pursue treatment, the 2017-19 estimated cost is about \$21.6 million General Fund. The agency will include data on current treatment patterns and costs in its first 2017-19 rebalance, and may need to request additional funding during the 2018 legislative session. A portion of this funding is expected to be one-time, as the existing OHP population is treated and only new cases will need treatment in the following biennium.

The Subcommittee approved \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another \$1,000,000 General Fund was

added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both program enhancements are one-time.

Additional one-time Tobacco Master Settlement Agreement (TMSA) resources of \$63,250,000 are available because of a series of legal settlements. Other Funds expenditure limitation is increased for OHP by \$63,250,000, and General Fund is reduced by a like amount. Other TMSA resources in the OHP budget include funding that had previously been used for tobacco prevention and cessation programs. The Subcommittee approved the following budget note:

Budget Note:

The Oregon Health Authority, in collaboration with the Tobacco Reduction Advisory Committee, shall make recommendations to the Public Health Advisory Board on reductions to the Tobacco Prevention and Education Program, based on the loss of Tobacco Master Settlement Agreement (TMSA) funding, that reflects best practices for tobacco control, to minimize programmatic disruption. The Oregon Health Authority shall report to the Legislature the impact of the loss of TMSA funding to tobacco prevention in Oregon, across state and local programs, health communications, tobacco cessation, and data and evaluation.

In order to balance to the final revenue forecast, an additional \$375,000 of recreational marijuana proceeds are expected to be distributed to the Oregon Health Authority (OHA) for alcohol and drug prevention and treatment programs. Other Funds expenditure limitation is increased by \$375,000 and General Fund is reduced by that same amount.

HB 5006 reduces General Fund by \$401,413 for the Oregon State Hospital, and reduces one FTE. SB 65 consolidates all persons found guilty except for insanity of a felony and committed to the Oregon State Hospital, under the jurisdiction of the Psychiatric Security Review Board. As a result, the State Hospital Review Panel (SHRP) will no longer be needed after June 30, 2018. The Subcommittee approved \$3,226,060 General Fund for rural provider incentive programs. This is funding that was mistakenly taken out of the current service level at Governor's Budget.

HB 5006 increases General Fund by \$10,000 to make the necessary changes to the Medicaid Management Information System (MMIS) to ensure that children who are placed in substitute care are enrolled in a coordinated care organization (CCO). This would apply to children in the legal custody of the Department of Human Services, and eligible for medical assistance. The new MMIS coding would allow a child who changes placement to remain in the original CCO until the transition of the child's care to another CCO has been completed.

The bill includes \$196,111 Other Funds expenditure limitation and one position (0.75 FTE) to implement HB 3440, which will open up the Prescription Drug Monitoring Program to out-of-state practitioners. This will create additional workload as the program will need to implement and manage a process of auditing out-of-state users' credentials and use of the system.

To support the ongoing DHS effort to develop and implement an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME), the Subcommittee approved \$322,233 General Fund, \$13,595,873 Other Funds expenditure limitation,

\$1,306,605 Federal Funds expenditure limitation, and 62 positions (51.71 FTE); 41 of the positions are limited duration. The 21 permanent positions are associated with a core need for legacy system integration, as well as system maintenance and operations.

Department of Human Services

The Subcommittee approved \$1,300,000 General Fund, on a one-time basis, to increase funding for the Oregon Hunger Response Fund, which is a 26.2% increase from the 2015-17 funding level. This additional support will help the Oregon Food Bank, through its 20 regional food banks, acquire and distribute a higher volume of food to over 950 local agencies.

Another adjustment in the Self Sufficiency program is a change to a budget reduction included in SB 5526, the primary budget bill for the Department of Human Services (DHS). Instead of a \$3.4 million General Fund reduction in the Temporary Assistance for Needy Families (TANF) program, which affected households with a Non-Needy Caretaker Relative, the Subcommittee decreased funding in the Employment Related Day Care program by \$3.4 million General Fund, which reduces the caseload by about 200 cases.

Regarding TANF, the DHS budget approved in SB 5526, assumes \$22.2 million in General Fund cost avoidance related to program restrictions that have been in place since the 2009-11 biennium; this requires statutory date changes that are included in HB 3470. In addition, \$60.0 million General Fund in TANF program caseload savings was used to help balance the agency-wide budget. These savings were due to the projected 2017-19 caseload decreasing by more than 3,000 families between the fall 2016 and spring 2017 caseload forecasts. The Subcommittee noted that, ideally, TANF savings would be retained within the TANF program to help improve services to families and client outcomes. To help institute this practice, the Subcommittee approved the budget note set out below.

Budget Note:

During the 2017-19 biennium, after each biannual caseload forecast, the Department of Human Services is directed to calculate any General Fund or Federal Funds savings resulting from a decrease in the TANF caseload below the level assumed in the 2017-19 legislatively adopted budget. As part of its first rebalance report to or request of the Legislature following that calculation, the agency will present a proposal for directing any savings to either increase the TANF grant amount or invest in the JOBS program.

For the Intellectual and Developmental Disabilities (IDD) program, the Subcommittee discussed the need to ensure individuals with IDD receive information about all service setting options. Accordingly, DHS is directed to present to all adults with IDD the option to receive in-home services as described in ORS 427.101(3)b. The Subcommittee also approved the following budget note related to IDD group homes:

Budget Note:

The Department of Human Services will convene a workgroup to review rules and statutes regarding substantiated abuse findings, fines, and enforcement for Intellectual and Developmental Disability (IDD) group homes. The workgroup shall include representation from IDD providers, clients served in the IDD system, employees working in IDD group homes, and other stakeholders. The workgroup shall report

their findings and recommended statutory changes to the appropriate legislative interim policy committees no later than February 1, 2018. The workgroup shall discuss and report on:

- Recommendations for rule or statutory changes to abuse definitions and substantiated abuse findings.
- A review of current enforcement statutes and recommended changes that result in consistent applications of fines across the IDD group home system.
- Recommendations for mandatory minimum fines for substantiated abuse.

The Subcommittee approved funding for the continued development and implementation of an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME) project. This effort will integrate eligibility determinations for DHS programs; Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC); into the OregonONEligibility (ONE) system used by OHA.

While a 2017-19 funding request was always expected, the 2017-19 cost estimate for the project has increased over the budget development timeframe; the current project estimate and approved amount for 2017-19 is \$203,272,716 total funds. (The former estimate for 2017-19 spending was \$132.0 million total funds). This budget includes: state staff costs of \$42.3 million; \$128.2 million for contracted information technology services; \$21.0 million for software costs and hosting charges; \$2.2 million for training; and \$9.5 million for debt service. Cost allocation, contingencies, legacy system integration work, and payments to OHA for its project work are accounted for in these estimates. The state staffing component consists of 113 positions (74.33 FTE) and primarily supports business analytics and training activities; 88 positions (50.83 FTE) are limited duration.

The bulk of the project budget, at \$146.3 million or 72% of 2017-19 costs, is supported by Federal Funds; this is due to enhanced federal funding for the project. Some of that higher match expires on December 31, 2018, but the Medicaid portion at a 90% federal/10% state share does not have a set end date. The current project timeline and updated budget estimates account for these match rates. General Fund supports \$11.5 million of project costs and debt service; the bulk of the state share will be covered by \$45.0 million in proceeds from Article XI-Q bonds.

In SB 5505, the Joint Ways and Means Subcommittee on Capital Construction approved \$34,045,000 Article XI-Q bonds to finance \$33,523,000 of project costs and \$522,000 for costs of issuing the bonds. The Subcommittee also approved additional funding of \$11,477,000 for this project through the repurposing of bond proceeds originally issued for the Oregon Military Department (OMD).

The Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project on May 25, 2017, and recommended incremental, conditional approval of the project and set out detailed next steps in its recommendation, which was adopted. In addition to completion of 26 specific actions, the recommendation requires a minimum of two progress reports to JLCIMT; one in September 2017 and another in February 2018. The agency will also work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle. It is likely additional formal reporting may

be required by JCLIMT or interim budget committees, depending on agency progress and any need to address project or budget issues flagged by LFO or OSCIO. The Subcommittee approved the project with the understanding that the funding will be unscheduled until LFO and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making funding available.

Since this project will result in eligibility determinations for multiple programs in both OHA and DHS being done through one system, to perform these determinations most efficiently, eligibility functions (responsibility for the work and staffing) from both agencies will be centralized at DHS. The following budget note was approved by the Subcommittee:

Budget Note:

The Department of Human Services and the Oregon Health Authority are currently planning to centralize eligibility processing at DHS in the fall of 2017. DHS has begun an assessment of current processes and will need 9-12 months to complete a comprehensive assessment and business plan that meets Medicaid requirements. DHS will report to the Interim Joint Committee on Ways and Means by June 30, 2018, and will include in its report a plan to increase jobs in rural Oregon including the option of outsourcing, in order to provide the highest quality, most efficient and cost effective Medicaid enrollment services to Oregonians.

JUDICIAL BRANCH

Judicial Department

The Subcommittee increased General Fund for the Judicial Department by \$600,000, and established four full-time positions (2.00 FTE) for additional workloads associated with an increased number of preliminary hearings anticipated as a result of SB 505. SB 505 requires grand jury proceeding to be recorded. A special purpose appropriation in SB 505 to the Emergency Board for additional costs associated with the measure was reduced by the same amount.

The Subcommittee also established a \$1,200,000 General Fund appropriation to provide a grant to Clackamas County for planning costs associated with a project to replace the county's courthouse. The county must spend at least an equal amount of matching funds for planning costs. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

The Subcommittee added Other Funds expenditures to the budget associated with the authorization, in SB 5505, of Article XI-Q bonds for grants and capital construction projects. This limitation will allow the Judicial Department to provide grants to counties for courthouse capital construction projects through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF), and pay costs associated with issuing the bonds for both the OCCCIF grants, and for capital construction projects approved in SB 5506. A \$195.2 million Other Funds limitation is established for the OCCCIF, for transfer of \$97.6 million of Article XI-Q proceeds, and an equal amount of county matching funds, for the following two county courthouse replacement projects:

- Multnomah County Courthouse - \$185.2 million (including \$92.6 million of bond proceeds) for the Multnomah County Courthouse replacement project. The funds will permit the county to complete construction of the courthouse project. With these moneys, the state will have provided a total of \$125 million of bond proceeds for the project over a three-biennium period.
- Lane County Courthouse - \$10 million (including \$5 million of bond proceeds) for the Lane County Courthouse replacement project. These funds will provide support for planning and development of the project. With these moneys, the state will have provided a total of \$6.4 million of bond proceeds for the project over a two-biennium period. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

Other Funds expenditures were increased by \$1,235,000 for costs of issuing Article XI-Q bonds for the OCCCIF-supported projects, and for two capital construction projects approved in SB 5506. Proceeds of bonds are used to finance these costs.

Finally, the Subcommittee established a distinct Other Funds expenditure limitation for the State Court Technology Fund (SCTF), and transferred \$17,942,354 from the Operations expenditure limitation to the newly established SCTF expenditure limitation. The SCTF receives revenues from court filing fees, charges for technology services, and the Criminal Fine Account, and its use is restricted to providing support state court electronic systems.

Public Defense Services Commission

The Subcommittee approved a \$1,800,000 increase in General Fund for the Professional Services Account. This appropriation brings total General Fund support for the program to the current service level. The Professional Services Account finances the costs of all trial-level and certain appellate-level public defense services.

LEGISLATIVE BRANCH

Legislative Administration Committee

General Fund of \$5,145,277 for Legislative Administration was approved by the Subcommittee for security enhancements to the Oregon State Capitol. The increased funds include: \$20,000 for a mass communication system, \$528,000 for third party monitoring services, and \$4,597,277 for security cameras and networks, independent distribution facility (network closet) upgrade, safety film installation, garage gate replacement, and other security needs.

The Subcommittee also approved \$906,053 General Fund for debt service on Article XI-Q bonds sold for the Capitol Accessibility, Maintenance, and Safety project. Bonds are scheduled to be sold in spring 2018. In addition, Other Funds expenditure limitation was increased by \$239,358 for costs of issuance on the bonds, which will be paid with bond proceeds.

NATURAL RESOURCES

Department of Agriculture

In the Agricultural Development and Marketing program, the Subcommittee reduced General Fund by \$250,000 due to elimination of a marketing position. This action eliminates one of three permanent full-time positions added to the program during the 2011-13 biennium to increase economic activity in the agriculture sector.

Columbia River Gorge Commission

The Subcommittee added \$24,081 General Fund to the Columbia River Gorge Commission budget to match the amount provided by the State of Washington as required by interstate compact; \$14,686 of the increase is provided for the Joint Expenses Program and the remaining \$9,395 is for Commissioner Expenses.

Department of Environmental Quality

The Subcommittee approved a \$500,000 one-time General Fund appropriation to complete an inventory of non-road diesel engines with the expectation that DEQ would use a third-party contractor to conduct a state-wide and multi-sector inventory of non-road diesel engines currently in use by private and public fleets for the purposes of informing and refining air quality models. This inventory is expected to be completed no later than May 1, 2019. To ensure the survey results are representative of the statewide inventory, data collection shall be conducted using a mix of sampling techniques, including, but not limited to whole fleet inventories (census style counts), representative sampling of fleets by fleet-size, and industry surveying. Results and assumptions should be verified using existing relevant and complementary data, such as fuel use and business asset data collected by county tax assessors. The Department is to consult with interested stakeholders during various phases of the inventory work including, but not limited to, prior to releasing the inventory request-for-proposal and upon the development of preliminary results. The Department shall make the results of this inventory available to interested stakeholders but only in aggregate form.

Department of Fish and Wildlife

The Subcommittee approved three General Fund increases for the Department of Fish and Wildlife (ODFW) totaling \$1,325,000 for several program changes. First, \$425,000 General Fund was added to fund a permanent Natural Resources Specialist 5 position to serve as the Department's Sage Grouse Mitigation Program Coordinator. Approximately \$175,000 of the \$425,000 is for professional services contracts to assist in implementation of the sage grouse mitigation program. Next, \$250,000 General Fund was added to restore and make permanent two positions (1.67 FTE) to work on the Integrated Water Resources Strategy involving water flows necessary to maintain fish habitat and in-stream water rights consultations. In addition, it is expected that the positions would also examine the need for a sediment study of the lower Rogue River. Finally, \$650,000 General Fund was added to restore three of the five permanent full-time positions eliminated from the Western Oregon Stream Program as part of the General Fund reductions taken in HB 5018, the ODFW budget bill. The three positions that were restored work in Clackamas, Roseburg, and Tillamook. Along with the funding for position costs, \$40,839 was added for services and supplies.

The Subcommittee also established a one-time Other Funds expenditure limitation of \$215,000 for the cost of issuance of Article XI-Q General Obligation bonds approved in SB 5505 for repairs and capital improvements at ODFW facilities.

Department of Forestry

The Subcommittee approved a \$57,568 increase in the General Fund appropriation made to the Oregon Department of Forestry (ODF) for the payment of debt service on General Obligation bonds issued for the replacement of a shared facility at Toledo. The Subcommittee also approved an increase in Other Funds expenditure limitation of \$1,114,991 to accommodate the payment of \$79,991 for debt service and \$50,000 in bond issuance costs related to bonds issued for the Toledo facility; the remaining \$985,000 is for the cost of issuance of Certificates of Participation related to the Elliott State Forest.

In addition, the Subcommittee approved the establishment of an Other Funds expenditure limitation for ODF, in the amount of \$100 million, for the payment, from the net proceeds from the sale of Certificates of Participation, of monies to finance the release of all or a portion of the Elliott forest from restrictions resulting from ownership of that forest by the Common School Fund, or to compensate the Common School Fund for the preservation of non-economic benefits of the forest through the imposition, transfer, or sale of restrictions such as easements, use requirements or restrictions, or other methods that preserve non-economic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation, or other environmental and quality of life considerations.

For the initial work required for the development of a federal Habitat Conservation Plan (HCP), the Subcommittee approved a \$300,000 increase in Other Funds expenditure limitation pursuant to an agreement with the Department of State Lands for the development of the plan. ODF will use this funding to establish four limited duration positions (3.50 FTE) including a project leader, a HCP coordinator, a threatened and endangered species coordinator, and a data manager/analyst to work with federal agencies to develop a Request for Proposal to complete all the technical work needed for completing the HCP. The Department is also expected to apply for a federal grant to help with the cost of developing the Environmental Impact Statement required for completion of the HCP. It is anticipated that the agency will seek additional expenditure limitation once the remaining project costs are better known.

Land Use Board of Appeals

For the Land Use Board of Appeals, the Subcommittee added \$11,650 General Fund to reclassify a position from Executive Support Specialist I to Executive Support Specialist II.

Department of Parks and Recreation

The Subcommittee approved an increase in the Other Funds expenditure limitation for the Oregon Department of Parks and Recreation of \$5,111,682 for the expenditure of lottery bond proceeds for the Oregon Main Street Revitalization program. The funding will be used to provide competitive grants to organizations participating in the Oregon Main Street Network. The program focuses on projects that acquire, rehabilitate, and construct buildings on properties in designated downtown areas and facilitate community revitalization leading to additional private

investment, job creation or retention, expansion or establishment of viable businesses, or creating a stronger tax base. The expenditure limitation increase includes \$111,682 for bond issuance costs.

Department of State Lands

For work related to the Elliott State Forest, the Subcommittee established an Other Funds expenditure limitation of \$3,985,377 and the establishment of a Project Manager 3 position (1.0 FTE). Specifically, \$1,608,930 of the total is for paying costs associated with a custodial forest management contract for the Elliott State Forest. Under the contract, the manager will be responsible for four primary tasks: maintaining road systems for safe public access and fire protection activities; ensuring compliance with all applicable laws; conducting reforestation activities to comply with Oregon's Forest Practices Act; and providing general forest management and oversight. The manager will be the first point of contact for any questions; responsible for identifying problems specific to the property and coordinating with local officials and DSL as necessary; and manage access to the property and coordinate proper disposal of trash and removal of abandoned property.

Other components include \$608,000 for estimated cost of fire patrol assessments to be paid to the Oregon Department of Forestry (ODF) for wildfire protection, \$268,447 for a Project Manager 3 position (1.00 FTE) that will provide general coordination for the Elliott Forest as well as providing project management for the Portland Harbor Superfund Site and Goble cleanup site. Also included is \$1,500,000 for development of a federal Habitat Conservation Plan (HCP) and an Environmental Impact Statement (EIS). The HCP development will be via an agreement with ODF; that agency will lead the collaborative work with other state, federal, and private entities. The initial ODF work is anticipated to cost \$300,000, the remaining \$1,200,000 is to be administratively unscheduled until a better estimate of the total cost to develop the HCP and EIS can be established. ODF anticipates that it will apply for federal grant funding for at least a portion of the cost to develop the EIS.

The Subcommittee approved \$5,000,000 General Fund for the Department of State Lands to deposit into the Portland Harbor Cleanup Fund established in SB 5530; after deposit (payment), the money is available to be spent as Other Funds. In SB 5530, \$3,000,000 in lottery bond proceeds is also allocated for deposit into the Cleanup Fund. To spend the \$8,000,000 total subsequently available, a new \$8,000,000 Other Funds expenditure limitation is established. To pay costs associated with the issuance of the lottery bonds, the Subcommittee approved an increase in Other Funds expenditure limitation of \$57,587.

Monies in the Cleanup Fund are for the coordination and participation in any contracts or agreements relating to or arising out of the Portland Harbor Superfund Site that may include investigation of baseline conditions, investigation of key sediment sites, potential infrastructure needs related to contaminated sediments, development and administration of a comprehensive data management system for the site, satisfaction of obligations under any settlement or administrative order, work required by the United States Environmental Protection Agency in connection with the site, and other activities directly related to minimizing the state's liability for costs related to the Portland Harbor Superfund Site.

Water Resources Department

The Subcommittee approved a General Fund appropriation of \$333,677 for the Water Resources Department (WRD) to fund two Assistant Watermaster positions and an Office Specialist position in Umatilla County, in the Pendleton and Milton-Freewater offices. The former Umatilla

County positions were authorized in the agency's primary budget bill (SB 5542) using Other Funds expenditure limitation of \$433,677. This action assumed Umatilla County would be covering the cost of the positions via contract with WRD. However, available county resources are projected to be able to provide only \$100,000 of this amount, so General Fund will cover the remaining cost. To complete the fundshift, the Subcommittee also approved a \$333,677 reduction in Other Funds expenditure limitation.

To support pilot programs in several locations throughout the state, the Subcommittee approved an increase of \$203,870 General Fund and the establishment of a limited duration, Natural Resource Specialist 4 position (1.00 FTE). The Department was allocated \$750,000 in lottery bond proceeds during the 2015-17 biennium to make grants and provide technical assistance to local governments to establish place-based water resource planning pilot programs. Of that grant funding, \$600,000 is carried forward into the 2017-19 biennium; \$56,000 of that amount remains unobligated. The position authorized by the Subcommittee is a continuation of the limited duration position that was established in the prior biennium to assist in the administration of the program and the distribution of the grant funding.

The Subcommittee approved an increase of \$1,547,235 Other Funds expenditure limitation for making grants, loans, or providing technical assistance for feasibility studies, and for the payment of bond issuance costs from lottery bond sale proceeds deposited into the Water Conservation, Reuse, and Storage Investment Fund. Of the amount allocated to the Fund, \$47,235 is for the payment of bond issuance costs.

For water supply projects, the Subcommittee approved a total increase of \$21,075,301 Other Funds expenditure limitation for making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. At \$15,000,000, the bulk of the additional limitation provided for the expenditure of net bond proceeds allocated to the fund is for Water Supply Development grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water. To pay for bond issuance costs, \$375,301 Other Funds expenditure limitation is needed.

The remaining expenditure limitation approved by the Subcommittee is for three specific projects that, while comporting to the other requirements of grants made from the Water Supply Development Fund, are not subject to any application process, public benefit scoring, or ranking. The projects and amounts are:

- City of Carlton, Panther Creek Reservoir sediment reduction and water storage capacity increase project - \$2,500,000
- City of Carlton, Finished water supply line loss reduction project - \$2,000,000
- Santiam Water Control District, Mill Creek Corporate Center irrigation conversion and efficiency project - \$1,200,000

PUBLIC SAFETY

Department of Corrections

To purchase two new transport buses to replace vehicles at the end of their service life, the Subcommittee approved a one-time appropriation of \$708,788 General Fund in the Department of Corrections' Operations Division.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$721,466 for cost of issuance of \$39,215,000 in Article XI-Q bonds authorized in SB 5506 for the Department of Corrections' deferred maintenance program and for technology infrastructure upgrades. Bonds will be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,926,252 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$7,616,448 General Fund in 2019-21.

Oregon Department of Justice

The Subcommittee approved \$16,573,792 Other Funds expenditure limitation for project costs, which is to be financed with \$16,267,633 of Article XI-Q bonds approved in SB 5505 and \$306,159 in bond proceeds that were authorized and issued during the 2015-17 biennium but remained unexpended. The Subcommittee also approved \$32,136,210 Federal Funds expenditure limitation and the establishment of 32 permanent full-time positions (23.81 FTE). This includes personal services of \$5.8 million and services and supplies of \$43.0 million. The amount for services and supplies includes \$35.8 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any purpose other than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of \$317,367 is included for the cost of issuance of the bonds. The Subcommittee appropriated \$3,391,920 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505.

The Subcommittee approved \$6,916,041 Other Funds expenditure limitation and 35 permanent full-time positions (30.80 FTE) for the Civil Enforcement Division - Child Advocacy Section to represent Child Welfare caseworkers in court and provide full access to legal representation, legal counsel, legal advice, litigation support, and training. The revenue to support this package was approved in SB 5526, the primary budget bill for the Department of Human Services (DHS). DHS will be billed by DOJ no more than \$6.9 million for the increase in juvenile dependency workload using DOJ's traditional fee-for-service billing model. DOJ will also provide DHS with a monthly billing summary of the legal work performed. DOJ has committed to tracking quality assurance measures, including outcome measures.

Statewide implementation will be through a three-phase approach across all 36 counties: Phase-I will be completed by January 1, 2018 for: Benton; Coos; Gilliam; Grant; Hood River; Josephine; Lane; Lincoln; Linn; Morrow; Polk; Sherman; Tillamook; Wasco; and Wheeler Counties. Phase-II will be completed by July 1, 2018 for: Columbia; Crook; Deschutes; Douglas; Harney; Jackson; Jefferson; Klamath, Lake; Malheur; Umatilla; and Yamhill counties. Phase-III will be completed by January 1, 2019 for: Baker; Clackamas; Clatsop; Curry; Marion; Multnomah; Union; Washington; and Willowa counties. The final implementation schedule, however, may change depending upon the needs of a specific county. Both DOJ and DHS will work collaboratively with county District Attorneys to ensure juvenile dependency cases are handled in a consistent and coordinated manner with as much continuity as possible throughout the legal proceedings.

This investment in legal services was, in part, the result of work completed by the Task Force on Legal Representation in Childhood Dependency, which was established by SB 222 (2015). While, due to limited General Fund resources, the Legislature was unable to fund most Task Force recommendations, the affected state agencies and legal partners are committed to continuing to work on system improvements. In recognition of this commitment, the Subcommittee approved the following budget note:

Budget Note:

The Department of Human Services, Department of Justice, Oregon Judicial Department, and Public Defense Services Commission shall work collaboratively, at both the state and local levels, to solicit input on, develop, and implement strategies to improve the effectiveness and efficiency of Oregon's juvenile dependency systems and to determine the appropriate level of legal services. Potential strategies should include standardizing forms, streamlining processes, conforming practices, and adopting administrative or court rules. The agencies are expected to identify and begin implementing strategies no later than July 1, 2018. Options for providing more effective and cost-efficient legal and other services should also be reviewed and analyzed. The agencies will submit a joint report on the progress of these efforts to the Interim Joint Committee on Ways and Means or the Emergency Board by October 2018. In addition, each agency shall include an update, in its budget presentation to the Joint Committee on Ways and Means during the 2019 session, on its specific roles, activities, strategies, and costs to improve the effectiveness and efficiency of Oregon's juvenile dependency system.

In addition, the Legislature, under separate legislation (HB 3470), extended the sunset on the provision authorizing DHS to appear as a party in a juvenile court proceeding without appearance of an Attorney General from June 30, 2018 to June 30, 2020 to accommodate the planned implementation schedule.

The Department of Administrative Services is directed to unschedule \$4.0 million of the General Fund in the DHS budget and \$4.0 million of the Other Funds expenditure limitation in the DOJ budget pending demonstration to the Legislative Fiscal Office that the work performed, billing, reporting, and communication between the agencies is consistent with the budget cap, implementation schedule, and service level expectations for the caseworker legal representation program.

For SB 243, the Subcommittee approved implementation costs of \$123,932 Other Funds and established one permanent part-time Assistant Attorney General position (0.38 FTE) in DOJ's Civil Enforcement Division. The Division provides services to train caseworkers and certifiers on the new legal standard of abuse, advises Department of Human Services (DHS) in the preparation and adoption of administrative rules, as well as child protective services investigations, confidentiality laws, and release of records. The Division also provides advice and legal representation to DHS in all administrative appeals of those investigations and related certification actions for certified foster homes. The revenue source to fund this expense is legal service charges billed to DHS. The roll-up costs are estimated to be \$89,084 Other Funds and one position (0.25 FTE) for the 2019-21 biennium.

The Subcommittee approved \$500,000 General Fund to support Community Assessment Centers, as a one-time increase, in order to provide child abuse medical assessments. The funding will be administered through the Oregon Department of Justice, Crime Victims Services Division, as pass through funds distributed to the statewide Community Assessment Centers network association, which will ensure equitable distribution.

To support the Oregon Crime Victims Law Center, the Subcommittee also appropriated \$175,000 General Fund as a one-time increase. This will bring total funding for the Law Center from the Department of Justice to \$554,559, including \$504,599 General Fund and \$50,000 Other Funds; the latter is from the renewal of a state grant funded from punitive damage awards.

Oregon Military Department

The Subcommittee approved an increase in Other Funds expenditure limitation of \$448,244 for cost of issuance of \$23,730,000 in Article XI-Q bonds authorized in SB 5506 for three Regional Armory Emergency Enhancement projects in Salem, Newport, and Coos Bay; an Armory Service Life Extension project at the Grants Pass armory; and to re-issue bonds for the Regional Training Institute and Youth Challenge capital construction projects in 2017-19. Bonds are planned to be issued in October 2017, and in March 2019.

The agency's General Fund appropriation for debt service was decreased by \$378,344 for debt service estimated to be paid in 2017-19 due to anticipated debt service savings. Debt service in 2019-21 for bonds issued in 2017-19 is estimated to be \$4,305,134 General Funds.

The Subcommittee approved a one-time appropriation of \$1,000,000 General Fund for construction of or repairs to the Oregon Military Museum at Camp Withycombe in Clackamas, Oregon.

To operationalize the provisions of HB 2687, the Subcommittee increased Other Funds expenditure limitation in the Oregon Military Department, Office of Emergency Management by \$5,000,000 to capitalize the Resiliency Grant Fund, and increased Other Funds expenditure limitation by \$70,000 to pay for the cost of bond issuance. Other Funds limitation is funded by the sale of Article XI-Q bonds authorized in SB 5506. The Subcommittee added \$181,178 General Fund and increased Federal Funds expenditure limitation by \$181,178 and approved two permanent positions (2.00 FTE) to administer the program and the grant-making process.

Department of Public Safety Standards and Training

The Department of Public Safety Standards and Training's Federal Funds expenditure limitation was increased by \$469,566 to allow the expenditure of grant funds from the federal Assistance to Firefighters grant program on a new mobile fire training unit, to replace equipment at the end of its service life.

Oregon State Police

The Subcommittee increased Other Funds expenditure limitation in the Patrol Division by \$2,521,711 to support the addition of six troopers and one sergeant (7.00 FTE) in the Capitol Mall Security Unit.

The Subcommittee approved \$6,230,000 General Fund and established twenty sworn positions (18.32 FTE) to increase highway patrol coverage statewide, and to provide additional drug enforcement detectives in central and southern Oregon counties.

Oregon Youth Authority

To continue the installation of video monitoring systems to supplement the Oregon Youth Authority's sexual abuse prevention, detection, and response efforts for adherence to the US Prison Rape Elimination Act of 2003 (PREA), the Subcommittee approved a one-time appropriation of \$771,000 General Fund.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$676,086 for cost of issuance of \$39,995,000 in Article XI-Q bonds authorized in SB 5506 to remodel five living unit cottages at the MacLaren Youth Correctional Facility, to remodel two dormitory spaces at the Rogue Valley Youth Correctional Facility, and to undertake deferred maintenance projects in 2017-19. Bonds are planned to be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,695,236 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$6,104,546 General Fund in 2019-21.

TRANSPORTATION

Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation (ODOT) for the 2017-19 biennium is decreased by \$406,813 as an adjustment to Central Services to account for the transfer of positions from ODOT to the Office of the State Chief Information Officer.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of \$30 million in lottery bond proceeds for ConnectOregon VII. In addition, the Other Funds expenditure limitation is increased by \$433,693 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Public Transit Program of \$5 million in lottery bond proceeds for the Lane Transit District's expansion of the EmX Bus Rapid Transit network. In addition, the limitation is increased by \$119,541 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Local Government Program of \$2 million in lottery bond proceeds for City of Portland SW Capitol Highway safety improvements. In addition, the Other Funds expenditure limitation is increased by \$50,587 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

Adjustments to 2015-17 Budgets

Commission on Judicial Fitness and Disability

The Subcommittee increased the 2015-17 biennium General Fund appropriation for extraordinary expenses by \$35,000 to fund costs incurred for the investigation and prosecution of cases of judicial misconduct.

Oregon Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$45.5 million for Highway Division programs for costs associated with winter storms, implementation of an ADA-related settlement agreement, and for increased project payout.

Federal Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$8.1 million to complete commitments carried over from the 2013-15 biennium.

HB 2038 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Monroe

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do pass the B-Eng bill.

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: Krista Daunhauer, Legislative Fiscal Office

Department of Education

2017-19

Budget Summary

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000	100.0%
Total	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000	100.0%

Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

Summary of Revenue Changes

House Bill 2038 appropriates \$4,500,000 General Fund to the Oregon Department of Education (DOE) for the Farm-to-School Program.

Summary of Education Subcommittee Action

House Bill 2038 appropriates \$4.5 million General Fund to ODE for the Farm-to-School Program. This program provides competitive and non-competitive grants for the purchase of Oregon agricultural products for use in school nutrition programs. This appropriation will fund grants only; administrative costs to ODE associated with the Farm-to-School grants, are anticipated to be absorbed within existing parameters of the 2017-19 agency budget.

Other elements of the bill include amending the non-competitive grant portion of the Farm-to-School Program, to specify that a school district may not supplant purchases of Oregon grown or processed foods regularly made by a school district prior to participation in the Farm-to-School Grant Program. ODE is also granted authority to make exceptions to this requirement by rule. The bill also expands the list of eligible entities for the competitive grant program; these include education service districts, federally recognized Indian Tribes, schools overseen by the Bureau of Indian Education and soil and water conservation districts. The competitive grant program provides funding for agriculture-based or garden-based educational activities.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Education
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 300 - Grant in Aid									
Special Payments	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		4,500,000
TOTAL ADJUSTMENTS	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		4,500,000
SUBCOMMITTEE RECOMMENDATION	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		4,500,000

HB 2845 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Frederick

Joint Committee On Ways and Means

Action Date: 06/02/17

Action: Do pass the B-Eng bill.

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Thomsen, Winters

Exc: 1 - Steiner Hayward

House Vote

Yeas: 11 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Krista Dauenhauer, Legislative Fiscal Office

Department of Education

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	\$ -	\$ -	\$ 43,149	\$ 43,149	100.0%
Total	\$ -	\$ -	\$ 43,149	\$ 43,149	100.0%

Position Summary

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.25	0.25

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 2845 appropriates \$43,149 General Fund to the Oregon Department of Education for staffing costs that result from the bill.

Summary of Education Subcommittee Action

House Bill 2845 requires the Oregon Department of Education (ODE) to convene a 13-member advisory group to review the current standards for social sciences and identify opportunities to recognize histories, contributions, and perspectives of ethnic and social minorities. This work results in the need for one limited duration Education Program Specialist (0.25 FTE) to coordinate the work of the advisory group at an anticipated cost of \$43,149 in the 2017-19 biennium.

The advisory group must submit a report to ODE no later than September 15, 2019, which includes proposals for adjustments to statewide social studies standards for public school students in grades K-12. ODE is directed to consider the proposals when adopting standards for ethnic studies; any standards subject to the consideration of these proposals must be adopted no later than September 15, 2020.

There are minimal and absorbable costs for this bill such as mileage reimbursement for commission members, rulemaking costs, and participation as a commission member by a staff person of the ODE Equity Unit, the Oregon Advocacy Commissions Office, Commission on Indian Services, Department of Human Services, public universities and the Office of the Governor.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Education
 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 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00
2017-19 Current Service Level (CSL)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 100 - Operations									
Personal Services	\$ 43,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,149	0	0.25
TOTAL ADJUSTMENTS	\$ 43,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,149	0	0.25
SUBCOMMITTEE RECOMMENDATION *	\$ 43,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,149	0	0.25
% Change from 2015-17 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
% Change from 2017-19 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

*Excludes Capital Construction Expenditures

HB 4130 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Roblan

Joint Committee On Ways and Means

Action Date: 02/28/18

Action: Do pass the A-Eng bill.

Senate Vote

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

House Vote

Yeas: 11 - Gomberg, Holvey, McLane, Nathanson, Noble, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Krista Dauenhauer, Legislative Fiscal Office

**Department of Education
2017-19**

Budget Summary*

	<u>2017-19 Legislatively Adopted Budget</u>	<u>2018 Committee Recommendation</u>	<u>Committee Change From 2017-19 Leg. Adopted</u>	
			<u>\$ Change</u>	<u>% Change</u>
General Fund	\$ -	\$ 250,000	\$ 250,000	100.0%
Total	\$ -	\$ 250,000	\$ 250,000	100.0%

Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) Positions	0.00	0.00	0.00

* Excludes Capital Construction Expenditures

Summary of Revenue Changes

This bill appropriates \$250,000 General Fund to the Oregon Department of Education (ODE).

Summary of Education Subcommittee Action

House Bill 4130 establishes a grant program for extra-curricular transportation costs beyond distributions from the State School Fund. ODE may award grants for up to 50 percent of the additional transportation costs for grades nine through twelve. The bill makes a one-time General Fund appropriation of \$250,000 to ODE for this program and takes effect on July 1, 2018.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Education
 Lisa Pearson 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
SCR 300-00 - Grant in Aid									
Special Payments 6040 Distribution to Local School Districts	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000		
TOTAL SUBCOMMITTEE ADJUSTMENTS	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000		

HB 5201 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Johnson

Joint Committee On Ways and Means

Action Date: 03/02/18

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 11 - DeBoer, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, President Courtney, Roblan, Steiner Hayward, Thomsen

Exc: 1 - Winters

House Vote

Yeas: 10 - Gomberg, Holvey, McLane, Nathanson, Noble, Rayfield, Smith Warner, Stark, Whisnant, Williamson

Exc: 1 - Smith G

Prepared By: Linda Ames and Gregory Jolivette, Legislative Fiscal Office

Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board

2017-19

Various Agencies

2017-19

*** CORRECTED ***

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>Emergency Board</u>				
General Fund - General Purpose	\$ 49,747,628	\$ 49,747,628	\$ -	0.0%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	\$ 100,000,000	\$ -	\$ (100,000,000)	-100.0%
State Agencies for non-state worker compensation	\$ 10,000,000	\$ -	\$ (10,000,000)	-100.0%
Long Term Care Ombudsman - public guardian	\$ 200,000	\$ -	\$ (200,000)	-100.0%
Dept. of Human Services - foster parent supports	\$ 750,000	\$ -	\$ (750,000)	-100.0%
Chief Education Office - 2nd year funding	\$ 3,972,118	\$ -	\$ (3,972,118)	-100.0%
Judicial Dept. - grand jury recordings	\$ 7,900,000	\$ 7,900,000	\$ -	0.0%
Dept. of Forestry - fire protection expenses	\$ 6,000,000	\$ 4,000,000	\$ (2,000,000)	-33.3%
Department of Revenue - position reconciliation	\$ -	\$ 650,000	\$ 650,000	
Secretary of State - 2018 Special Election costs	\$ -	\$ 1,656,115	\$ 1,656,115	
Oregon Health Authority - mental health res. rates	\$ -	\$ 2,000,000	\$ 2,000,000	
Department of Human Services - ventilator costs	\$ -	\$ 300,000	\$ 300,000	
Dept. of Human Services/Oregon Health Auth. - caseload costs or other budget challenges	\$ -	\$ 30,000,000	\$ 30,000,000	
Department of Human Services - child welfare costs	\$ -	\$ 2,500,000	\$ 2,500,000	
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	\$ 12,606,693	\$ 20,931,500	\$ 8,324,807	66.0%
General Fund Debt Service	\$ 7,254,563	\$ 7,137,196	\$ (117,367)	-1.6%
Lottery Funds Debt Service	\$ 16,294,967	\$ 15,873,695	\$ (421,272)	-2.6%
Other Funds	\$ 514,676,438	\$ 537,626,451	\$ 22,950,013	4.5%
Other Funds Debt Service	\$ 406,585,310	\$ 406,616,039	\$ 30,729	0.0%
<u>Advocacy Commissions Office</u>				
General Fund	\$ 697,136	\$ 720,802	\$ 23,666	3.4%
<u>Employment Relations Board</u>				
General Fund	\$ 2,491,749	\$ 2,556,694	\$ 64,945	2.6%
Other Funds	\$ 2,500,764	\$ 2,556,456	\$ 55,692	2.2%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>Oregon Government Ethics Commission</u>				
Other Funds	\$ 2,705,247	\$ 2,758,688	\$ 53,441	2.0%
<u>Office of the Governor</u>				
General Fund	\$ 12,947,791	\$ 13,660,135	\$ 712,344	5.5%
Lottery Funds	\$ 3,689,100	\$ 3,723,949	\$ 34,849	0.9%
Other Funds	\$ 3,322,288	\$ 3,413,769	\$ 91,481	2.8%
Federal Funds	\$ 6,907,780	\$ 3,585,152	\$ (3,322,628)	-48.1%
<u>Oregon Liquor Control Commission</u>				
Other Funds	\$ 206,250,022	\$ 212,267,011	\$ 6,016,989	2.9%
<u>Public Employees Retirement System,</u>				
Other Funds	\$ 98,448,004	\$ 101,458,179	\$ 3,010,175	3.1%
<u>Racing Commission</u>				
Other Funds	\$ 6,353,396	\$ 6,422,599	\$ 69,203	1.1%
<u>Department of Revenue</u>				
General Fund	\$ 188,533,904	\$ 194,469,572	\$ 5,935,668	3.1%
Other Funds	\$ 124,776,501	\$ 129,820,700	\$ 5,044,199	4.0%
<u>Secretary of State</u>				
General Fund	\$ 10,426,561	\$ 12,649,135	\$ 2,222,574	21.3%
Other Funds	\$ 56,998,482	\$ 58,170,519	\$ 1,172,037	2.1%
Federal Funds	\$ 4,721,387	\$ 4,882,166	\$ 160,779	3.4%
<u>State Library</u>				
General Fund	\$ 3,990,257	\$ 4,060,172	\$ 69,915	1.8%
Other Funds	\$ 6,717,774	\$ 6,842,189	\$ 124,415	1.9%
Federal Funds	\$ 5,275,247	\$ 5,309,791	\$ 34,544	0.7%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>State Treasurer</u>				
General Fund	\$ 3,490,552	\$ 5,361,270	\$ 1,870,718	53.6%
Other Funds	\$ 80,418,025	\$ 82,003,898	\$ 1,585,873	2.0%
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>State Board of Accountancy</u>				
Other Funds	\$ 2,583,982	\$ 2,617,527	\$ 33,545	1.3%
<u>Chiropractic Examiners Board</u>				
Other Funds	\$ 2,014,079	\$ 2,027,840	\$ 13,761	0.7%
<u>Consumer and Business Services</u>				
Other Funds	\$ 246,276,380	\$ 252,580,722	\$ 6,304,342	2.6%
Federal Funds	\$ 14,466,034	\$ 16,803,370	\$ 2,337,336	16.2%
<u>Construction Contractors Board</u>				
Other Funds	\$ 15,859,876	\$ 16,174,047	\$ 314,171	2.0%
<u>Board of Dentistry</u>				
Other Funds	\$ 3,277,010	\$ 3,328,763	\$ 51,753	1.6%
<u>Health Related Licensing Boards</u>				
State Mortuary and Cemetery Board				
Other Funds	\$ 2,152,200	\$ 2,191,749	\$ 39,549	1.8%
Board of Naturopathic Medicine				
Other Funds	\$ 799,923	\$ 809,413	\$ 9,490	1.2%
Occupational Therapy Licensing Board				
Other Funds	\$ 483,425	\$ 514,522	\$ 31,097	6.4%
Board of Medical Imaging				
Other Funds	\$ 886,265	\$ 898,304	\$ 12,039	1.4%
State Board of Examiners for Speech-Language Pathology and Audiology				
Other Funds	\$ 615,945	\$ 756,010	\$ 140,065	22.7%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
Oregon State Veterinary Medical Examining Board Other Funds	\$ 973,220	\$ 1,034,917	\$ 61,697	6.3%
<u>Bureau of Labor and Industries</u>				
General Fund	\$ 13,119,229	\$ 13,461,114	\$ 341,885	2.6%
Other Funds	\$ 12,162,061	\$ 12,675,846	\$ 513,785	4.2%
Federal Funds	\$ 1,258,596	\$ 1,297,545	\$ 38,949	3.1%
<u>Licensed Social Workers, Board of</u>				
Other Funds	\$ 1,697,440	\$ 1,717,671	\$ 20,231	1.2%
<u>Oregon Medical Board</u>				
Other Funds	\$ 12,595,547	\$ 12,840,109	\$ 244,562	1.9%
<u>Mental Health Regulatory Agency</u>				
Other Funds	\$ 3,462,553	\$ 3,509,699	\$ 47,146	1.4%
<u>Board of Nursing</u>				
Other Funds	\$ 16,595,386	\$ 16,847,478	\$ 252,092	1.5%
<u>Board of Pharmacy</u>				
Other Funds	\$ 7,335,399	\$ 7,464,610	\$ 129,211	1.8%
<u>Public Utility Commission</u>				
Other Funds	\$ 45,128,415	\$ 45,919,838	\$ 791,423	1.8%
Federal Funds	\$ 715,100	\$ 742,231	\$ 27,131	3.8%
<u>Real Estate Agency</u>				
Other Funds	\$ 7,621,789	\$ 7,781,918	\$ 160,129	2.1%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
General Fund	\$ 15,951,696	\$ 15,977,133	\$ 25,437	0.2%
General Fund Debt Service	\$ 39,144,515	\$ 39,036,407	\$ (108,108)	-0.3%
Lottery Funds	\$ 115,975,469	\$ 117,789,412	\$ 1,813,943	1.6%
Other Funds	\$ 378,417,137	\$ 379,465,905	\$ 1,048,768	0.3%
Other Funds Debt Service	\$ -	\$ 108,109	\$ 108,109	
Federal Funds	\$ 40,717,603	\$ 41,457,527	\$ 739,924	1.8%
<u>Employment Department</u>				
Other Funds	\$ 144,544,337	\$ 152,904,308	\$ 8,359,971	5.8%
Federal Funds	\$ 155,927,081	\$ 159,644,349	\$ 3,717,268	2.4%
<u>Housing and Community Services Department</u>				
General Fund	\$ 54,438,010	\$ 59,693,031	\$ 5,255,021	9.7%
Lottery Funds	\$ 16,357,282	\$ 17,507,282	\$ 1,150,000	7.0%
Other Funds	\$ 209,274,996	\$ 228,524,093	\$ 19,249,097	9.2%
Federal Funds	\$ 122,692,797	\$ 122,817,211	\$ 124,414	0.1%
<u>Department of Veterans' Affairs</u>				
General Fund	\$ 8,380,599	\$ 8,568,114	\$ 187,515	2.2%
Lottery Funds	\$ 14,856,025	\$ 15,062,268	\$ 206,243	1.4%
Other Funds	\$ 100,316,941	\$ 100,525,917	\$ 208,976	0.2%
Federal Funds	\$ 500,000	\$ 1,000,000	\$ 500,000	100.0%
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	\$ 802,687,885	\$ 806,519,417	\$ 3,831,532	0.5%
General Fund Debt Service	\$ 18,263,417	\$ 18,239,116	\$ (24,301)	-0.1%
Other Funds	\$ 441,326,984	\$ 481,934,415	\$ 40,607,431	9.2%
Other Funds Debt Service	\$ -	\$ 24,302	\$ 24,302	
Federal Funds	\$ 1,053,144,232	\$ 1,054,258,511	\$ 1,114,279	0.1%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>State School Fund</u>				
General Fund	\$ 7,653,853,380	\$ 7,582,892,067	\$ (70,961,313)	-0.9%
Lottery Funds	\$ 464,758,594	\$ 535,719,907	\$ 70,961,313	15.3%
<u>Higher Education Coordinating Commission</u>				
General Fund	\$ 31,611,113	\$ 32,288,585	\$ 677,472	2.1%
Other Funds	\$ 34,277,137	\$ 35,810,339	\$ 1,533,202	4.5%
Federal Funds	\$ 114,075,784	\$ 118,191,072	\$ 4,115,288	3.6%
<u>State Support for Community Colleges</u>				
General Fund Debt Service	\$ 26,778,761	\$ 26,551,170	\$ (227,591)	-0.8%
Other Funds Debt Service	\$ 550,000	\$ 777,592	\$ 227,592	41.4%
<u>State Support for Public Universities</u>				
General Fund	\$ 904,264,998	\$ 907,514,998	\$ 3,250,000	0.4%
General Fund Debt Service	\$ 153,230,455	\$ 150,990,325	\$ (2,240,130)	-1.5%
Other Funds Debt Service	\$ 900,000	\$ 3,140,132	\$ 2,240,132	248.9%
<u>Oregon Health Sciences University</u>				
General Fund Debt Service	\$ 21,774,770	\$ 21,750,337	\$ (24,433)	-0.1%
Other Funds Debt Service	\$ 38,828,443	\$ 38,576,738	\$ (251,705)	-0.6%
<u>Chief Education Office</u>				
General Fund	\$ 3,652,812	\$ 8,207,271	\$ 4,554,459	124.7%
<u>Teacher Standards and Practices</u>				
Other Funds	\$ 8,961,470	\$ 9,106,410	\$ 144,940	1.6%
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Commission for the Blind</u>				
General Fund	\$ 3,426,922	\$ 3,535,937	\$ 109,015	3.2%
Other Funds	\$ 1,475,033	\$ 1,482,049	\$ 7,016	0.5%
Federal Funds	\$ 16,372,609	\$ 16,645,593	\$ 272,984	1.7%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>Oregon Health Authority</u>				
General Fund	\$ 2,118,221,508	\$ 2,095,006,278	\$ (23,215,230)	-1.1%
General Fund Debt Service	\$ 67,714,171	\$ 66,343,686	\$ (1,370,485)	-2.0%
Lottery Funds	\$ 12,457,116	\$ 12,498,909	\$ 41,793	0.3%
Other Funds	\$ 6,653,688,309	\$ 6,729,723,047	\$ 76,034,738	1.1%
Other Funds Debt Service	\$ -	\$ 1,371,293	\$ 1,371,293	
Federal Funds	\$ 10,913,483,621	\$ 11,157,123,747	\$ 243,640,126	2.2%
<u>Department of Human Services</u>				
General Fund	\$ 3,109,000,548	\$ 3,197,087,399	\$ 88,086,851	2.8%
Other Funds	\$ 598,001,557	\$ 654,392,908	\$ 56,391,351	9.4%
Federal Funds	\$ 5,463,087,605	\$ 5,574,153,008	\$ 111,065,403	2.0%
<u>Long Term Care Ombudsman</u>				
General Fund	\$ 6,087,623	\$ 6,401,552	\$ 313,929	5.2%
Other Funds	\$ 894,242	\$ 908,057	\$ 13,815	1.5%
<u>Psychiatric Security Review Board</u>				
General Fund	\$ 2,966,321	\$ 3,047,827	\$ 81,506	2.7%
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	\$ 447,037,989	\$ 454,524,551	\$ 7,486,562	1.7%
Other Funds	\$ 247,670,281	\$ 248,093,590	\$ 423,309	0.2%
Federal Funds	\$ 1,339,352	\$ 1,344,289	\$ 4,937	0.4%
<u>Commission on Judicial Fitness and Disability</u>				
General Fund	\$ 251,551	\$ 252,710	\$ 1,159	0.5%
<u>Public Defense Services Commission</u>				
General Fund	\$ 303,430,035	\$ 305,425,556	\$ 1,995,521	0.7%
Other Funds	\$ 4,954,313	\$ 4,967,943	\$ 13,630	0.3%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>LEGISLATIVE BRANCH</u>				
<u>Legislative Administration Committee</u>				
General Fund	\$ 28,445,653	\$ 29,236,618	\$ 790,965	2.8%
General Fund Debt Service	\$ 12,428,295	\$ 12,379,677	\$ (48,618)	-0.4%
Other Funds	\$ 3,017,853	\$ 3,183,430	\$ 165,577	5.5%
Other Funds Debt Service	\$ 1,164,070	\$ 1,212,689	\$ 48,619	4.2%
<u>Legislative Assembly</u>				
General Fund	\$ 40,368,569	\$ 40,959,543	\$ 590,974	1.5%
<u>Legislative Commission on Indian Services</u>				
General Fund	\$ 537,318	\$ 542,353	\$ 5,035	0.9%
<u>Legislative Counsel</u>				
General Fund	\$ 12,552,965	\$ 12,329,541	\$ (223,424)	-1.8%
Other Funds	\$ 1,579,137	\$ 1,846,216	\$ 267,079	16.9%
<u>Legislative Fiscal Office</u>				
General Fund	\$ 4,117,795	\$ 4,165,598	\$ 47,803	1.2%
Other Funds	\$ 3,655,385	\$ 3,692,282	\$ 36,897	1.0%
<u>Legislative Policy and Research Office</u>				
General Fund	\$ 8,847,088	\$ 9,903,112	\$ 1,056,024	11.9%
<u>Legislative Revenue Office</u>				
General Fund	\$ 3,017,916	\$ 3,045,581	\$ 27,665	0.9%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>State Department of Agriculture</u>				
General Fund	\$ 22,307,042	\$ 22,698,953	\$ 391,911	1.8%
Lottery Funds	\$ 8,103,745	\$ 9,001,307	\$ 897,562	11.1%
Other Funds	\$ 66,605,463	\$ 68,154,857	\$ 1,549,394	2.3%
Federal Funds	\$ 17,452,844	\$ 17,615,623	\$ 162,779	0.9%
<u>State Department of Energy</u>				
Other Funds	\$ 35,206,624	\$ 35,609,279	\$ 402,655	1.1%
Federal Funds	\$ 2,412,636	\$ 2,455,398	\$ 42,762	1.8%
<u>Department of Environmental Quality</u>				
General Fund	\$ 40,804,031	\$ 43,718,803	\$ 2,914,772	7.1%
General Fund Debt Service	\$ 3,824,980	\$ 4,658,847	\$ 833,867	21.8%
Lottery Funds	\$ 4,610,577	\$ 4,732,711	\$ 122,134	2.6%
Other Funds	\$ 169,639,110	\$ 192,862,876	\$ 23,223,766	13.7%
Federal Funds	\$ 28,593,914	\$ 29,266,525	\$ 672,611	2.4%
<u>State Department of Fish and Wildlife</u>				
General Fund	\$ 28,408,880	\$ 29,458,285	\$ 1,049,405	3.7%
Lottery Funds	\$ 5,212,514	\$ 5,326,259	\$ 113,745	2.2%
Other Funds	\$ 181,354,898	\$ 183,825,411	\$ 2,470,513	1.4%
Federal Funds	\$ 133,139,592	\$ 135,372,685	\$ 2,233,093	1.7%
<u>Department of Forestry</u>				
General Fund	\$ 68,242,727	\$ 96,105,737	\$ 27,863,010	40.8%
Other Funds	\$ 340,602,781	\$ 366,655,973	\$ 26,053,192	7.6%
Federal Funds	\$ 33,657,195	\$ 33,907,251	\$ 250,056	0.7%
<u>Department of Geology and Mineral Industries</u>				
General Fund	\$ 4,631,168	\$ 4,709,949	\$ 78,781	1.7%
Other Funds	\$ 6,787,859	\$ 6,881,528	\$ 93,669	1.4%
Federal Funds	\$ 5,937,915	\$ 6,040,857	\$ 102,942	1.7%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>Department of Land Conservation and Development</u>				
General Fund	\$ 12,951,689	\$ 13,430,953	\$ 479,264	3.7%
Other Funds	\$ 1,734,829	\$ 1,785,545	\$ 50,716	2.9%
Federal Funds	\$ 6,421,857	\$ 6,487,739	\$ 65,882	1.0%
<u>Land Use Board of Appeals</u>				
General Fund	\$ 1,927,050	\$ 1,952,556	\$ 25,506	1.3%
<u>Oregon Marine Board</u>				
Other Funds	\$ 26,923,945	\$ 27,142,592	\$ 218,647	0.8%
Federal Funds	\$ 6,631,041	\$ 6,633,313	\$ 2,272	0.0%
<u>Department of Parks and Recreation</u>				
General Fund	\$ 218,894	\$ 228,729	\$ 9,835	4.5%
Lottery Funds	\$ 100,597,217	\$ 102,148,107	\$ 1,550,890	1.5%
Other Funds	\$ 99,889,179	\$ 101,176,692	\$ 1,287,513	1.3%
Federal Funds	\$ 16,389,923	\$ 16,422,002	\$ 32,079	0.2%
<u>Department of State Lands</u>				
Other Funds	\$ 47,925,059	\$ 56,436,137	\$ 8,511,078	17.8%
Federal Funds	\$ 2,261,458	\$ 2,466,188	\$ 204,730	9.1%
<u>Water Resources Department</u>				
General Fund	\$ 31,483,809	\$ 32,150,986	\$ 667,177	2.1%
Other Funds	\$ 61,306,639	\$ 66,865,131	\$ 5,558,492	9.1%
Federal Funds	\$ 1,879,534	\$ 1,905,917	\$ 26,383	1.4%
<u>Watershed Enhancement Board</u>				
Lottery Funds	\$ 74,415,091	\$ 79,589,460	\$ 5,174,369	7.0%
Federal Funds	\$ 41,671,381	\$ 41,759,143	\$ 87,762	0.2%

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Department of Corrections</u>				
General Fund	\$ 1,568,314,745	\$ 1,593,929,231	\$ 25,614,486	1.6%
General Fund Debt Service	\$ 112,749,173	\$ 112,706,132	\$ (43,041)	0.0%
Other Funds	\$ 43,244,547	\$ 43,508,746	\$ 264,199	0.6%
Other Funds Debt Service	\$ -	\$ 43,042	\$ 43,042	
<u>Oregon Criminal Justice Commission</u>				
General Fund	\$ 64,926,239	\$ 65,021,569	\$ 95,330	0.1%
Other Funds	\$ 511,392	\$ 961,392	\$ 450,000	88.0%
Federal Funds	\$ 7,170,201	\$ 8,224,498	\$ 1,054,297	14.7%
<u>District Attorneys and their Deputies</u>				
General Fund	\$ 12,478,724	\$ 12,592,454	\$ 113,730	0.9%
<u>Department of Justice</u>				
General Fund	\$ 72,122,805	\$ 73,202,693	\$ 1,079,888	1.5%
General Fund Debt Service	\$ 12,530,237	\$ 12,507,190	\$ (23,047)	-0.2%
Other Funds	\$ 321,296,607	\$ 330,308,027	\$ 9,011,420	2.8%
Federal Funds	\$ 179,004,039	\$ 186,688,612	\$ 7,684,573	4.3%
<u>Oregon Military Department</u>				
General Fund	\$ 25,608,114	\$ 27,578,231	\$ 1,970,117	7.7%
Other Funds	\$ 106,851,901	\$ 112,711,583	\$ 5,859,682	5.5%
Federal Funds	\$ 271,814,624	\$ 289,973,794	\$ 18,159,170	6.7%
<u>Oregon Board of Parole</u>				
General Fund	\$ 8,868,686	\$ 9,048,876	\$ 180,190	2.0%
<u>Department of State Police</u>				
General Fund	\$ 269,292,257	\$ 280,526,031	\$ 11,233,774	4.2%
Lottery Funds	\$ 8,069,250	\$ 8,145,961	\$ 76,711	1.0%
Other Funds	\$ 136,707,491	\$ 151,266,325	\$ 14,558,834	10.6%
Federal Funds	\$ 12,249,830	\$ 12,274,226	\$ 24,396	0.2%

Budget Summary*	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>Department of Public Safety Standards and Training</u>				
Other Funds	\$ 43,523,261	\$ 49,116,738	\$ 5,593,477	12.9%
Federal Funds	\$ 8,007,963	\$ 8,012,359	\$ 4,396	0.1%
<u>Oregon Youth Authority</u>				
General Fund	\$ 307,443,048	\$ 312,595,798	\$ 5,152,750	1.7%
Other Funds	\$ 11,597,846	\$ 11,533,519	\$ (64,327)	-0.6%
Federal Funds	\$ 37,166,220	\$ 37,328,320	\$ 162,100	0.4%
<u>TRANSPORTATION PROGRAM AREA</u>				
<u>Department of Aviation</u>				
Other Funds	\$ 12,190,805	\$ 13,213,366	\$ 1,022,561	8.4%
Federal Funds	\$ 4,514,961	\$ 4,525,743	\$ 10,782	0.2%
<u>Department of Transportation</u>				
Lottery Funds Debt Service	\$ 120,644,222	\$ 119,636,050	\$ (1,008,172)	-0.8%
Other Funds	\$ 3,232,865,421	\$ 3,371,912,838	\$ 139,047,417	4.3%
Other Funds Debt Service	\$ 415,126,500	\$ 416,134,673	\$ 1,008,173	0.2%
Federal Funds	\$ 105,699,330	\$ 105,756,768	\$ 57,438	0.1%
<u>2017-19 Budget Summary</u>				
General Fund Total	\$ 18,530,053,820	\$ 18,572,698,743	\$ 42,644,923	0.2%
General Fund Debt Service Total	\$ 475,693,337	\$ 472,300,083	\$ (3,393,254)	-0.7%
Lottery Funds Total	\$ 829,101,980	\$ 911,245,532	\$ 82,143,552	9.9%
Lottery Funds Debt Service Total	\$ 136,939,189	\$ 135,509,745	\$ (1,429,444)	-1.0%
Other Funds Total	\$ 15,264,508,605	\$ 15,763,520,906	\$ 499,012,301	3.3%
Other Funds Debt Service Total	\$ 863,154,323	\$ 868,004,609	\$ 4,850,286	0.6%
Federal Funds Total	\$ 18,836,761,286	\$ 19,232,372,523	\$ 395,611,237	2.1%

* Excludes Capital Construction

Position Summary	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			Change	% Change
ADMINISTRATION PROGRAM AREA				
<u>Department of Administrative Services</u>				
Authorized Positions	908	914	6	0.7%
Full-time Equivalent (FTE) positions	903.38	906.96	3.58	0.4%
<u>Office of the Governor</u>				
Authorized Positions	59	61	2	3.4%
Full-time Equivalent (FTE) positions	58.50	59.13	0.63	1.1%
<u>Oregon Liquor Control Commission</u>				
Authorized Positions	304	321	17	5.6%
Full-time Equivalent (FTE) positions	298.82	310.16	11.34	3.8%
<u>Public Employees Retirement System</u>				
Authorized Positions	373	376	3	0.8%
Full-time Equivalent (FTE) positions	372.29	374.30	2.01	0.5%
<u>Department of Revenue</u>				
Authorized Positions	1,007	1,101	94	9.3%
Full-time Equivalent (FTE) positions	933.85	963.28	29.43	3.2%
<u>Secretary of State</u>				
Authorized Positions	213	215	2	0.9%
Full-time Equivalent (FTE) positions	212.77	214.03	1.26	0.6%
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
<u>Consumer and Business Services</u>				
Authorized Positions	965	966	1	0.1%
Full-time Equivalent (FTE) positions	957.36	958.03	0.67	0.1%

Position Summary	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			Change	% Change
<u>Bureau of Labor and Industries</u>				
Authorized Positions	107	107	-	0.0%
Full-time Equivalent (FTE) positions	104.88	105.38	0.50	0.5%
<u>Health-Related Licensing Boards</u>				
Authorized Positions	21	22	1	4.8%
Full-time Equivalent (FTE) positions	20.25	20.56	0.31	1.5%
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
<u>Employment Department</u>				
Authorized Positions	1,298.00	1,320	22	1.7%
Full-time Equivalent (FTE) positions	1,239.78	1,259.03	19.25	1.6%
<u>Housing and Community Services</u>				
Authorized Positions	164	165	1	0.6%
Full-time Equivalent (FTE) positions	152.65	153.28	0.63	0.4%
EDUCATION PROGRAM AREA				
<u>Chief Education Office</u>				
Authorized Positions	14	15	1	7.1%
Full-time Equivalent (FTE) positions	6.75	12.50	5.75	85.2%
<u>Department of Education</u>				
Authorized Positions	551	565	14	2.5%
Full-time Equivalent (FTE) positions	537.54	544.76	7.22	1.3%
<u>Higher Education Coordinating Commission</u>				
Authorized Positions	124	130	6	4.8%
Full-time Equivalent (FTE) positions	116.20	118.45	2.25	1.9%

Position Summary	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			Change	% Change
HUMAN SERVICES PROGRAM AREA				
<u>Oregon Health Authority</u>				
Authorized Positions	4,646	4,177	(469)	-10.1%
Full-time Equivalent (FTE) positions	4,591.03	4,274.45	(316.58)	-6.9%
<u>Department of Human Services</u>				
Authorized Positions	8,349	9,056	707	8.5%
Full-time Equivalent (FTE) positions	8,164.07	8,612.17	448.10	5.5%
<u>Long Term Care Ombudsman</u>				
Authorized Positions	25	27	2	8.0%
Full-time Equivalent (FTE) positions	24.50	25.50	1.00	4.1%
NATURAL RESOURCES PROGRAM AREA				
<u>State Department of Agriculture</u>				
Authorized Positions	489	501	12	2.5%
Full-time Equivalent (FTE) positions	370.46	375.73	5.27	1.4%
<u>Department of Environmental Quality</u>				
Authorized Positions	745	751	6	0.8%
Full-time Equivalent (FTE) positions	723.89	730.67	6.78	0.9%
<u>Department of State Lands</u>				
Authorized Positions	111	113	2	1.8%
Full-time Equivalent (FTE) positions	109.33	110.67	1.34	1.2%
PUBLIC SAFETY PROGRAM AREA				
<u>Department of Justice</u>				
Authorized Positions	1,374	1,379	5	0.4%
Full-time Equivalent (FTE) positions	1,348.42	1,355.40	6.98	0.5%

Position Summary	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			Change	% Change
<u>Department of State Police</u>				
Authorized Positions	1,345	1,370	25	1.9%
Full-time Equivalent (FTE) positions	1,321.62	1,346.62	25.00	1.9%
<u>Department of Public Safety Standards and Training</u>				
Authorized Positions	152	165	13	8.6%
Full-time Equivalent (FTE) positions	150.05	157.59	7.54	5.0%
TRANSPORTATION PROGRAM AREA				
<u>Department of Transportation</u>				
Authorized Positions	4,537	4,716	179	3.9%
Full-time Equivalent (FTE) positions	4,425.34	4,502.97	77.63	1.8%
LEGISLATIVE BRANCH				
<u>Legislative Administration Committee</u>				
Authorized Positions	86	87	1	1.2%
Full-time Equivalent (FTE) positions	72.16	72.66	0.50	0.7%

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the March 2018 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis.

Summary of Capital Construction Subcommittee Action

HB 5201 is the omnibus budget reconciliation bill for the 2018 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2017 session. The Subcommittee approved HB 5201 with amendments to reflect budget adjustments as described below.

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION

The Subcommittee approved allocation of \$98.4 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover 100% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include \$98.4 million General Fund, \$2.3 million Lottery Funds, \$80.8 million Other Funds, and \$43.3 million Federal Funds.

OTHER STATEWIDE ADJUSTMENTS

Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net cost of \$1.7 million Total Funds, but included General Fund savings of \$1.5 million.

Section 180 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

Other statewide adjustments also reflect budget changes in multiple agencies to apply Other Fund balances generated through excess Lottery Fund reserves, excess bond proceeds, and interest earnings to debt service. A technical adjustment to the Department of Administrative Services Other Fund debt service is also included. Total net debt service savings are \$2.8 million General Fund and \$1.4 million Lottery Funds. New Other Funds expenditure limitations for the Oregon Business Development Department (\$108,109), the Department of Education (\$24,302), the Higher Education Coordinating Commission (\$24,434), and the Department of Corrections (\$42,042) are established to accommodate the use of fund balances for debt payments, while existing Other Funds expenditure limitations for a number of other agencies are collectively increased by \$3.6 million.

Sections 75, 76, 77, 95, and 170 of the budget bill reflect the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

Emergency Board

As part of the 2017-19 biennium statewide rebalance plan, HB 5201 adjusts the Emergency Board's special purpose appropriations as follows:

- Eliminates the special purpose appropriation for state agencies for compensation of state employees of \$100 million, and makes General Fund appropriations to various state agencies of \$96.9 for state employee compensation changes and adjustments for Pension Obligation Bond payments.
- Eliminates the \$10 million special purpose appropriation for compensation driven by collective bargaining costs of workers who are not state employees; the bulk of these funds are appropriated to the Department of Human Services. Details on how the funding is being used is found under that agency's section of this budget report.
- Eliminates the \$200,000 special purpose appropriation to the Emergency Board for costs associated with the public guardian program and makes a corresponding appropriation to the Long Term Care Ombudsman to provide the program additional resources.
- Eliminates the \$750,000 special purpose appropriation to the Emergency Board for foster parent supports and adds the same amount of General Fund to the Child Welfare program budget within the Department of Human Services.
- Eliminates the \$3,972,118 special purpose appropriation to the Emergency Board for funding the second year of the biennium for the Chief Education Office. This bill does appropriate General Fund for the full biennium for the Chief Education Office. The Office is set to sunset at the end of the current biennium.
- Reduces the special purpose appropriation for the Department of Forestry for fire protection expenses by \$2.0 million in conjunction with a corresponding General Fund appropriation to the Department of Forestry for emergency firefighting costs during the 2017 fire season.
- Establishes a \$650,000 special purpose appropriation for the Department of Revenue for potential position reconciliation costs with the priority assigned to those in the Property Tax Division.
- Establishes a \$2,000,000 special purpose appropriation for the Oregon Health Authority for rate increases for certain residential mental health service providers.
- Establishes a \$1,656,115 special purpose appropriation to be allocated to the Secretary of State for reimbursement of Elections Division and county costs of conducting the January 2018 Special Election. The appropriation is available to reimburse eligible costs that were not reimbursed through a similar appropriation made directly to the Secretary of State for this purpose in this bill.
- Establishes a \$300,000 special purpose appropriation for Department of Human Services to increase access to ventilator-assisted services in nursing facilities.

- Establishes a \$30 million special purpose appropriation for the Oregon Health Authority or the Department of Human Services for caseload costs or other budget challenges that the agencies are unable to mitigate. Known potential challenges include changes to caseloads based on future forecasts, the agencies' ability to manage personal services expenditures including cost of living increases or other bargained costs, volatility in usage-based costs or charges for services, assessment of federal program penalties or repayments, federal law or funding changes, and legal costs.
- Establishes a new \$2.5 million special purpose appropriation for the Department of Human Services to access for the Child Welfare program as the agency continues to develop and implement its action plan to improve child safety, stabilize the workforce stability, and help foster families.

If remaining special purpose appropriations are not allocated by the Emergency Board before December 1, 2018, any remaining funds become available to the Emergency Board for general purposes.

The Subcommittee established a reservation within the general purpose Emergency Fund of \$1.0 million for the Oregon Department of Forestry for the purpose of eradication efforts of the European lineage (EU1) of *Phytophthora ramorum*, the invasive, non-native, pathogen that causes the sudden oak death (SOD) disease in tanoak and possibly damages or kills certain conifer tree species. The Oregon Department of Forestry (ODF) may request allocation of the reservation from the Emergency Board if all other sources of funding supporting SOD eradication efforts have been expended and the agency evidences that additional funding will result in a demonstrative reduction in the incidence or spread of the pathogen in Oregon.

Adjustments to 2017-19 Agency Budgets

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a one-time \$438,465 General Fund appropriation to restore a reduction to the CASA Volunteer Program that was transferred temporarily to the Department of Administrative Services (DAS) by HB 2600 (2017) and increased the Other Funds expenditure limitation by \$170,000 for the same program to accommodate payments to local CASA programs that are eligible to receive federal Title IV-E monies transferred to DAS by the Department of Human Services (DHS).

A one-time \$2.5 million Other Funds expenditure limitation increase was included for the Office of the State Chief Information Officer to support acquisition of fiber assets in partnership with Oregon State University for the establishment of a new core fiber network to support state agencies and Oregon's research universities through the "OregonFIBER" partnership. This expenditure will enable the establishment of a new public statewide core network spanning more than 2,200 miles with speeds up to 100 Gbs. In addition, the Other Funds expenditure limitation

for the State Data Center (SDC) was increased by \$779,157 on a one-time basis to pay the costs associated with moving the Oregon Youth Authority's (OYA) information technology assets into the SDC.

Technical budget adjustments necessary to finalize the consolidation of IT security positions started in the 2017-19 adopted budget for DAS were also approved. These adjustments included decreasing Other Funds expenditure limitation for the State Data Center by \$288,399 and one position (1.00 FTE), with a corresponding increase in the Office of the State Chief Information of \$288,399 Other Funds expenditure limitation and one position (1.00 FTE).

The Subcommittee approved an Other Funds expenditure limitation increase of \$132,524 in the Chief Operating Office for an economist position (0.63 FTE) dedicated to working on forecasting revenues from the sale of cannabis products and to produce the annual forecast on the supply of clean fuels. The Departments of Environmental Quality and Transportation will contribute two-thirds of the cost of the position and the Oregon Liquor Control Commission will provide the remaining one-third of the position funding for the remainder of the 2017-19 biennium, with the understanding the ongoing cost of the position will be proposed for funding through DAS rates in the 2019-21 biennium.

The Subcommittee also approved the transfer of an IT procurement position from DHS to DAS Enterprise Goods and Services by increasing the Other Funds expenditure limitation by \$152,247 and establishing one position (0.63 FTE). DHS will continue to pay for the position for the remainder of the 2017-19 biennium, with the understanding the ongoing cost of the position will be proposed for funding through DAS rates in the 2019-21 biennium.

The following one-time Other Funds expenditure limitation increases were approved for Enterprise Asset Management for the following purposes:

- \$6,250,000 for infrastructure improvements at the Mill Creek Corporate Center. Infrastructure improvements at the Center are necessary for parcels to be sold and developed. These improvements are paid for with proceeds from land sales at the Center.
- \$1,375,000 Other Funds expenditure limitation increase for six limited duration construction manager positions established in the 2017-19 legislatively adopted budget to oversee deferred maintenance projects funded through the Capital Projects Fund. At the time the budget was adopted, DAS thought the positions could be paid for using expenditure limitation from each project. Since then the Department determined that the positions should be supported through standalone Other Funds expenditure limitation for personal services.
- \$860,000 to secure and maintain the Hillcrest (\$550,000) and North Coast (\$310,000) Youth Correctional Facilities. Both facilities were transferred to DAS by OYA as surplus property. DAS will start the process of disposing of both properties in the current biennium, however, it is likely that final disposition will not occur until the 2019-21 biennium.

House Bill 5201 includes one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

- \$1,895,000 for disbursement to the Rogue River Valley Irrigation District for the Bradshaw Drop Irrigation Canal project;
- \$1,100,000 for disbursement to the National Urban Housing and Economic Community Development Corporation (NUHECDC) for implementation of a program to provide affordable homes, skills training, and jobs for unemployed prior-offenders, at-risk youth, and veterans. NUHECDC is directed to provide written status reports to the Department of Administrative Services and the Legislative Fiscal Officer each quarter during the remainder of the 2017-19 biennium to document progress in meeting the program's objectives of providing affordable housing for low to moderate income Oregonians; skill training for prior-offenders, at-risk youth, and veterans; and job placement for those with barriers to quality employment;
- \$1,000,000 for disbursement to the City of Maupin for a new Civic Center that will replace the current library and City Hall;
- \$1,000,000 for disbursement to the Port of Umatilla for a new facility to house the Hermiston Chamber of Commerce;
- \$500,000 for disbursement to the City of Maupin to complete a fiber project;
- \$300,000 for disbursement to the City of Milwaukie for expansion of the Ledding Library;
- \$300,000 for disbursement to Athena's Gem, Inc for transforming the Gem Theater property into a regional art center;
- \$200,000 for disbursement to Benton County for a ranked choice voting pilot project;
- \$100,000 for disbursement to Harney County for a study of the Silvies River and its drainages.

The Subcommittee added \$3,058,514 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for disbursement to Trillium Family Services for construction of a secure adolescent inpatient facility at the Trillium Children's Farm Home. The Subcommittee also approved an Other Funds expenditure limitation increase of \$2,050,587 for one-time cost of issuance and special payments associated with the disbursement of proceeds from the sale of \$2,000,000 in lottery bonds for disbursement to DePaul Treatment Centers for construction of a new treatment facility. The lottery bonds for both projects are authorized in Senate Bill 5702. There is no debt service allocated in the 2017-19 biennium for these sales, as the bonds will not be sold until the spring of 2019. Debt service for 2019-21 is estimated at a total of \$864,212 Lottery Funds per biennium.

The Subcommittee approved a one-time \$1,435,000 General Fund appropriation to support operations of a Carbon Policy Office to be housed temporarily in the Department of Administrative Services. The Office will be staffed by four limited duration positions (2.32 FTE); the Governor's Carbon Policy Advisor; a Climate Policy Manager, a Project Manager, and a support staff position. The approved one-time funding includes \$650,000 for studies to examine the following areas: an economic impact analysis of a cap and trade program on Oregon's jobs and economy, leakage risk of emission intensive, trade exposed industries (EITEs); and carbon sequestration.

Office of the Governor

The Subcommittee increased the General Fund appropriation by \$222,022, and added one full-time education policy advisor position (0.50 FTE). The policy advisor position is classified as a Principal Executive/Manager G.

The Subcommittee also established a one-time \$230,772 General Fund appropriation and one limited-duration full-time Principal Executive/Manager E position (0.63 FTE), to serve as a census coordinator. The employee will coordinate state efforts to ensure an accurate census count in the federal 2020 Census. The Office is expected to request re-establishment of the position for an additional eighteen-month period in the 2019-21 biennium Governor's recommended budget.

Finally, the Subcommittee adjusted the Office budget to reflect the transfer of the Oregon Volunteers Commission for Voluntary Action and Service (Oregon Volunteers) to the Higher Education Coordinating Commission. House Bill 4163, the 2018 session program change bill, transfers the Oregon Volunteers program from the Office of the Governor to the Higher Education Coordinating Commission, effective July 1, 2018. The Subcommittee increased the General Fund appropriation for Oregon Volunteers by \$50,000, decreased the Federal Funds expenditure limitation for Oregon Volunteers by \$3,337,261, and decreased the position authorization by 0.50 FTE to reflect the transfer out of the program Director position in the middle of the biennium. The corresponding adjustments to the Higher Education Coordinating Commission are described in that section of the budget report.

Oregon Liquor Control Commission

In total, 17 permanent positions (11.34 FTE) and \$4.3 million Other Funds expenditure limitation are included for the Oregon Liquor Control Commission (OLCC). The limitation and positions are for the following issues:

- \$197,175 and one position (0.67 FTE) to serve as a Chief Information Officer at a Principal Executive Manager F level to manage, plan, implement, and upgrade the agency's disparate systems related to agency administration and regulation of alcohol and cannabis.
- \$180,000 related to increases in the agency's software licensing, maintenance, and support costs.
- \$300,000 for preliminary business case and project planning for a new online privilege tax payment and reporting system, as required by HB 2150 (2017 Session).
- \$51,122 to extend a contracted position via interagency agreement with the Oregon Health Authority that provides Geographic Information Systems (GIS) analysis to support OLCC licensing and registration information.
- \$960,000 for payments of monthly access and user fees attributable to medical marijuana registrants required to use the Cannabis Tracking System under the provisions of SB 1057 (2017 Session).
- Thirteen additional regulatory specialist positions (8.67 FTE) and an associated \$2,145,992 for OLCC responsibilities for investigations and inspections related to medical marijuana under the provisions of SB 1057. This amount assumes an estimated 2,000 medical marijuana registrants for the remainder of the 2017-19 biennium.
- Three positions (2.00 FTE) -- a Compliance Specialist 3, a Compliance Specialist 1, and an Administrative Support Specialist 1 -- and \$474,672 for additional administrative support in the marijuana program to prevent backlogs, develop and refine licensing and compliance protocols, train investigators, and review work for accuracy and consistency.

Public Employees Retirement System

The Subcommittee approved an increase of \$80,000 Other Funds expenditure limitation for the Compliance, Audit, and Risk Division and a pension and healthcare independent actuarial review. A review confirms the reasonableness and consistency of the agency's consulting actuarial firm's valuation. This is an industry best practice; the last time such a review was undertaken was in 2009. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The bill includes an increase of \$176,661 Other Funds expenditure limitation and the establishment of one permanent full-time Principal Executive Manager E position (0.67 FTE) for an information security and risk officer position, with the instruction that the position be filled with a person professionally credentialed in information security and risk. In January of 2016, the Public Employees Retirement System (PERS) received an information security program review from an independent security consultant. The review identified numerous information security and other vulnerabilities. The executive and legislative branches of government directed PERS to undertake a comprehensive effort to remediate security vulnerabilities and standup programs for cybersecurity, disaster recovery, and business continuity, which is currently underway. The security and risk officer position will help facilitate this effort. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The Subcommittee approved a \$487,174 Other Funds expenditure limitation increase for the Information Services Division and two permanent full-time positions, an Information Systems Specialist 6 and an Information Systems Specialist 7 (a total of 1.34 FTE). The Legislature, in 2017, enacted SB 90, which permanently reassigned responsibility for information technology security for most state agencies to the Department of Administrative Services, Office of the State Chief Information Officer. The two positions at PERS that were reassigned had duties primarily related to network operational activities rather than just information security. The agency has had to contract with a private vendor for these services at a cost of \$206,000, which has proven more expensive than restoring the two positions. The Subcommittee approved the \$206,000 on a one-time basis. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The Oregon Investment Council (OIC) voted to move the Individual Account Program (IAP) to a target-date fund solution beginning January 2, 2018. This is an age-based approach that moves a member's IAP assets into an increasingly conservative investment portfolio. This mandatory change is expected to lower a PERS member's defined contribution benefit, and provides for no member choice to make individual investment decisions. A one-time \$200,000 Other Funds expenditure limitation increase was approved as a first installment to pay for expenditures that the agency has had to make to conform to the OIC decision.

Two technical adjustments were approved to move the State Government Service Charge and Attorney General line-items from the Compliance, Audit, and Risk Division to the Central Administration Division and the agency's Deputy Director position from the Operations Division to the Central Administration Division. This position was mistakenly moved as part of a reorganization plan approved by the Legislature in 2017. The agency-wide impact of these two adjustments nets to zero.

Department of Revenue

The Subcommittee approved a combined increase of \$2,380,791 Other Funds expenditure limitation for the Administration and Business Divisions, a \$497,420 decrease for the Core Systems Replacement program, and establishment of 13 permanent full-time positions (5.59 FTE), and 30 limited duration positions (9.38 FTE) for the implementation of HB 2017 (2017), a comprehensive transportation initiative which relies on the establishment of four new taxes. The Department of Revenue (DOR) requires supplemental funding over what was already included in the 2017-19 adopted budget for communications and outreach, information technology, return and payment processing, collections, compliance, and customer assistance. Revenue to support these expenditures will come from gross transportation tax receipts. The Legislature in 2019 will re-evaluate the ratio of electronic vs. manual filing of the payroll transit tax and the long-term need for positions. A one-time increase of \$50,000 Other Funds expenditure limitation was also approved for the Administration Division for costs related to the implementation of HB 2017. This funding is for the Processing Center Modernization project and the electronic imaging of paper documents; revenue to support this expenditure is from transportation taxes. The reduction to the Core Systems Replacement program budget of \$497,420 Other Funds expenditure limitation is to account for final contract savings.

An increase of \$1,787,696 Other Funds expenditure limitation and 11 permanent full-time positions (5.79 FTE) was established for the implementation of SB 1067 (2017), a measure to reduce and control future government costs. One element of this measure was to centralize most debt collection activity in state government within DOR. As a result, DOR requires funding for additional staff and to pay for information technology needs to manage the increase in debtor accounts. A fee will be charged to debtors to offset the cost.

An increase of \$377,227 General Fund and \$94,427 Other Funds expenditure limitation was approved for the implementation of SB 254 (2017), which requires financial institutions to participate in a data match program with DOR. Financial institutions compare a list of delinquent debtors with the names of account holders. If a match is found, DOR may administratively garnish the debtor's account. Funding is required for the initial setup as well as ongoing costs to pay financial institutions for data matching and vendor service fees. The Department of Administrative Services is directed to unschedule \$377,227 General Fund, which may be rescheduled based upon actual costs incurred by DOR.

The Subcommittee approved a decrease of \$604,613 General Fund and \$52,575 Other Funds for services and supplies expenditures as a result of savings in the Processing Center Modernization project and a re-estimation of State Data Center charges.

A one-time increase of \$604,613 General Fund and \$52,575 Other Funds expenditure limitation and the establishment of a limited duration Operations and Policy Analyst 4 in the Director's Office, two limited duration Accountant 4 positions, and one limited duration Fiscal Analyst 3 position in the Finance Unit were approved (2.42 FTE). These resources are to address the following issues: (a) any Financial Management Review findings, comprehensive external financial audit findings; (b) Secretary of State financial audit(s) findings; (c) alignment of agency

operations with state budget and accounting systems; (d) transition to the use of the state’s payroll system; (e) revamping of the cost allocation system; and (f) support for 2019-21 budget development activities.

The Subcommittee approved the following position reclassification changes, abolishments, and establishments related to the post-implementation of the Core Systems Replacement (CSR) project and Research Sections activities. The Department is able to self-fund this action by moving General Fund and Other Funds between programs, resulting in a net reduction of 6 positions (4.97 FTE). The following position actions were approved: reclassification of a Tax Audit 2 to an Operations and Policy Analyst 3; Tax Audit 2 to an Operations and Policy Analyst 3; an Administrative Specialist 1 to an Operations and Policy Analyst 3; an Operations and Policy Analyst 1 to an Operations and Policy Analyst 3; an Information Specialist 4 to an Operations and Policy Analyst 3; an Information Specialist 4 to an Operations and Policy Analyst 3; and the establishment of two Economist 4 positions. Additional funding for these changes comes from the abolishment of: one Administrative Specialist 2, two Office Specialist 1 positions, one Office Assistant 1, one Information Systems Specialist 3, one Office Specialist 2, and two Revenue Agent 1 positions. The six Operations and Policy Analyst 3 positions are to be assigned to the Administrative Services Division and Project Management Office and will resolve CSR issues by serving as an interface between operating programs, information technology staff, and the CSR vendor. The two Economist 4 positions are to be assigned to the Administrative Services Division and the Research Section to provide internally-focused CSR research for agency management and performance purposes.

The bill includes an increase of \$928,651 General Fund and \$192,204 Other Funds expenditure limitation and the establishment of seven permanent full-time positions (4.51 FTE) and 27 seasonal full-time positions (3.29 FTE). At the direction of the Legislature, the Department of Administrative Services, Chief Human Resources Office undertook a review of DOR’s personnel policies and DOR internally reviewed positions from the budget perspective. These reviews identified numerous misalignments of human resource policy and practice, as well as positions being either: (a) unbudgeted; (b) double-filled; (c) underbudgeted; (d) misclassified; (e) a result of budgeting errors; or (f) critically needed for financial management purposes. The following table reflects the actions to remedy most of these issues and achieve needed alignment with the legislatively approved budget:

Category	General Fund	Other Fund	Position	FTE
Financial Management positions	\$220,327	\$20,646	2	1.33
Misclassifications/Reclassifications	(\$6,252)	(\$3,647)	<1>	<0.49>
Unbudgeted Positions	\$98,243	\$12,738	1	0.50
New Positions - Permanent Full-time	\$227,097	\$16,034	5	1.50
New Positions - Seasonal Full-Time	\$353,347	\$30,726	27	3.29
Unbudgeted Full-time Equivalent	\$9,268	\$8,359	--	0.25
Other Adjustments	\$26,621	\$107,347	--	1.42
Total	\$928,651	\$192,204	34	7.80

With this realignment, DOR should now return to relying upon the regular administrative process for rectifying any remaining position misalignments. The Legislature can expect that prior to the start of the 2019-21 biennium, DOR will be able to have positions: (a) correctly classified in the state's human resource and budget applications; (b) properly assigned to the correct program and subprogram; (c) appropriately funded, by revenue source, and fund-type; (d) correctly budgeted in the state's budget system; and (e) appropriately expensed in the state's payroll and accounting systems.

A special purpose appropriation to the Emergency Board in the amount of \$650,000 was approved for additional position adjustments, with the priority being given to those in the Property Tax Division. Systemic financial management and funding issues within this Division have remained unaddressed for multiple biennia. Action to address these issues had to be deferred once again due to the lack of complete and accurate financial information. The Department's request for an allocation from the special purpose appropriation will need to be based upon a comprehensive plan to permanently address the systemic issues within the Property Tax Division. The Department of Administrative Services is directed to unschedule \$339,034 General Fund in the Property Tax Division related to compensation plan changes. The funds may be rescheduled as part of the Department's submission of a comprehensive plan.

The Subcommittee approved an increase of \$184,140 Other Funds expenditure limitation and the establishment of one permanent full-time Principal Executive Manager G position (0.50 FTE) to serve as the agency's Collections Administrator and, eventually, as the Collections Division Administrator once the division is formally established next biennium. DOR is directed to move the Other Agency Accounts Section in the Business Division into a new Summary Cross Reference Program beginning with the 2019-21 biennium.

In addition, the Subcommittee directed the Department to report to the Legislature in 2019 on the following:

- A feasibility study, as directed by a budget note in SB 5535 (2017), related to the establishment of a collections division.
- Report on what collection functions were consolidated under SB 1067 (2017), from which agencies, and identify which agencies were exempt from consolidation and why. The Department is also to prepare a detailed revenue estimate, by agency and fund-type, for SB 1067 (2017) and those agency accounts subject to consolidation.
- Report on the agency's use of private collection firms and private collection firm's rates as compared to the agency's internal collection activities and rates.

The Subcommittee approved an increase of \$524,929 General Fund and \$10,713 Other Funds expenditure limitation and the establishment of seven permanent full-time positions (2.92 FTE) for a remote customer service call center.

Secretary of State

The Subcommittee established a one-time \$1,663,885 General Fund appropriation for reimbursement of Elections Division and county costs of conducting the January 2018 Special Election. These costs were not previously budgeted. The funds will reimburse costs documented as of

February 7, 2018, including \$353,922 of Elections Division expenditures, and \$1,309,963 for county costs that will be distributed to twenty-four counties. The appropriation is approved on a one-time basis and will be phased out in the agency's 2019-21 biennium budget request. The reimbursable costs of the special election are expected to total approximately \$3.32 million. The Secretary of State may request reimbursement for remaining costs from a special purpose appropriation to the Emergency Board included in the bill for this purpose.

The Subcommittee increased the General Fund appropriation for the Elections Division by \$257,306, and decreased the Federal Funds expenditure limitation by \$42,616, to finance printing and distribution of Oregon Motor Voter mailers required under state law. The funding will allow for continued distribution of notifications and postage-paid return envelopes to persons about to be registered to vote under the Oregon Motor Voter program, with instructions on how to opt-out of voter registration, and how to affiliate with a political party. The Federal government has advised that the Federal Funds previously budgeted are ineligible to be applied for this purpose. The Subcommittee also increased the General Fund appropriation for the Administrative Services Division by \$156,357, and established one full-time Information Systems Specialist 8 position (0.63 FTE), to support operational resilience and cyber security capabilities.

The Subcommittee increased the Other Funds expenditure limitation for the Administrative Services Division by \$139,367, and established one limited-duration full-time Training and Development 2 position (0.63 FTE) in the Office's Human Resources Division. The expenditure limitation increase is provided on a one-time basis and will phase out in the development of the Office's 2019-21 current service level budget. The Secretary may request reestablishment of the position as a permanent position in the 2019-21 biennium agency request budget.

Finally, the Subcommittee approved two technical adjustments to the agency budget. The Subcommittee transferred \$347,900 General Fund from the Elections Division to the Administrative Services Division to correct the impact of the phase-out of one-time funding for the Election Night Reporting System. The Subcommittee also reallocated funding for state government services charges, decreasing General Fund appropriations by a total of \$32,651, decreasing Other Funds expenditure limitations by a total of \$172,854, and increasing the Federal Funds expenditure limitation by \$160,505.

State Treasurer

The Subcommittee approved an increase of \$1.8 million General Fund for services and supplies for the Oregon Retirement Savings Board (ORSB), which brings the 2017-19 approved budget to \$4 million General Fund. The supplemental increase is to pay for outreach and marketing. A General Fund appropriation continues to be required to fund the ORSB's operating expenses until sufficient Other Funds revenue can be generated to support the Board. General Fund expenditures are to be repaid with future administrative fees. A current accounting of the loan for the 2015-17 biennium and the 2017-19 biennium, if this request is approved, totals \$5.3 million. At present, there is no identified timeline for the repayment of this loan, which is dependent upon a level of program participation large enough to generate fee revenue to both operate the ORSB and repay the state's General Fund loan.

The Subcommittee also directed the State Treasury to report to the Interim Joint Committee on Ways and Means or the Emergency Board in May 2018 on investment expenses related to the Oregon Public Employees Retirement Fund.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

An increase in the Federal Funds expenditure limitation for the Department of Consumer and Business Services (DCBS) of \$810,000 is included in the bill for the Senior Health Insurance Benefit Assistance program (SHIBA) providing outreach, education, and financial support to seniors to maximize their Medicare benefits. The program is funded through several federal grant programs including the Safety and Health Investments Projects (SHIP) program, the Medicare Improvements for Patients and Providers Act (MIPPA), and the Senior Medicare Patrol (SMP) program. The additional expenditure limitation allows DCBS to expend federal amounts received that were in addition to those amounts originally anticipated in the agency's budget.

The Subcommittee approved a one-time only increase in the Federal Funds expenditure limitation for DCBS of \$1,157,514 and authorized the establishment of a limited-duration position (0.67 FTE) in conjunction with a federal grant award from the U.S. Department of Health and Human Services (DHHS) for the planning and implementation of health insurance market reforms through the Health Insurance Enforcement and Consumer Protections (HIECP) grant program. The grant will be used to fund a limited-duration Market Conduct Field Examiner position and to replace up to 10% of the existing funding for three market Analyst positions and a Grant Coordinator position at a total cost of \$281,261 in the 2017-19 biennium. The savings in Other Funds for the existing positions will be recognized in the program's fund balance. DCBS has budgeted \$876,252 of the remaining grant funding for contracted services to provide consulting services by experienced clinicians with pharmaceutical expertise to review formularies and create standard operating procedures to ensure form filing reviewers can accurately review formularies and related documentation submitted by insurers.

An increase in the Other Fund expenditure limitation for DCBS of \$118,392 was approved to reclassify positions in the Workers' Compensation Division and the Division of Financial Regulation. The change impacted three positions in total and each of the reclassification requests were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Bureau of Labor and Industries

Other Funds expenditure limitation in the amount of \$275,000 is included, and 0.50 FTE added to an existing position on a limited duration basis, for the Bureau of Labor and Industries (BOLI) related to a grant award for apprenticeship expansion and diversification. The grant was awarded to the Higher Education Coordinating Commission (HECC) in August 2016, which will pass funding through to BOLI to execute its responsibilities per the grant application. Those responsibilities include data base improvements, a searchable web application for

apprenticeship records review, cultural competency training, and months added to an existing Apprenticeship Representative position, which serves as a liaison between BOLI and other workforce partners. At its September 2017 meeting, the Interim Joint Committee on Ways and Means recommended the additional expenditure limitation and the addition of twelve months (0.50 FTE) on a limited duration basis to the position; the performance period of the grant is not anticipated to extend beyond the 2017-19 biennium.

Health-Related Licensing Boards

The Subcommittee approved an increase in Other Funds expenditure limitation of \$24,000 for the Occupational Therapy Licensing Board for conducting fingerprint background checks on new applicants.

The Subcommittee approved an increase of \$131,158 Other Funds expenditure limitation and the establishment of a permanent half-time Investigator 2 position (0.31 FTE) for the Board of Speech-Language Pathology and Audiology to address the Board's costs related to investigations. Included in the \$131,158 increase is \$42,587 for personal services, \$3,571 services and supplies, \$60,000 for professional services, and \$25,000 for Attorney General costs.

An increase of \$46,111 Other Funds expenditure limitation is included for the Veterinary Medical Examining Board for costs related to the veterinary facility inspection program established by HB 2474 (2015). The increase in limitation will be used to fund the cost of the full-time inspector position at a salary level higher than the budgeted step 2 and includes services and supplies for travel and per diem costs.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee increased Lottery Funds by a total of \$1,500,000, to provide one-time support for three programs: \$500,000 was provided for the City of Warrenton to finance the rebuilding of a dock destroyed by fire; \$500,000 was provided for the Port of Cascade Locks to finance infrastructure and business recruitment at the Port's Business Park; and \$500,000 was provided for deposit into the Local Economic Opportunity Fund, to assist community economic resilience planning.

The Subcommittee also transferred \$1,250,000 of Lottery Funds expenditure limitation from the Strategic Reserve Fund program to the Oregon Growth Fund. The Lottery Funds expenditures for the Oregon Growth Fund are approved on a one-time basis and will be phased out in the development of the agency's 2019-21 biennium current service level budget. The Oregon Growth Board will utilize the Oregon Growth Fund moneys as allowed to increase capital to the state's early-stage small businesses.

Other Funds expenditure limitation of \$642,194 was approved for repairing and improving docks owned by the Port of Brookings Harbor. Lottery bonds were approved to finance this project in the 2017 session, but because of an error, expenditure limitation of the bond proceeds

was not added to the agency budget. This additional Other Funds expenditure limitation corrects this error and permits the agency to distribute the bond proceeds, which are expected to be issued in the spring of 2019. The Federal Funds expenditure limitation was increased by \$703,125 to accommodate expenditure of federal grants awarded under the State Trade Expansion Program.

Employment Department

Other Funds expenditure limitation of \$5,574,000 and 22 limited duration positions (19.25 FTE) are added to the 2017-19 budget for the Oregon Employment Department (OED) related to a grant received to fund enhanced employment services to Supplemental Nutritional Assistance Program eligible customers. OED will contract with the Department of Human Services to provide these services to their customers. Funding and FTE are not assumed to be included in calculations for service delivery in subsequent biennia.

Housing and Community Services Department

A General Fund appropriation in the amount of \$5,000,000 was added as a one-time enhancement to the 2017-19 legislatively approved budget for the Housing and Community Services Department for homeless shelter capacity and homelessness prevention services provided through the Emergency Housing Account Program. This additional funding is not intended to go through the Department's regular funding formula, but instead will be distributed as follows:

- Multnomah County: \$2,373,351
- Lane County Human Services Division: \$498,399
- Central Oregon Neighborhood Impact: \$319,485
- Clackamas County Mobile Housing Services: \$782,107
- Jackson County Community Action Agency (ACCESS): \$228,202
- Options for Homeless Residents of Ashland: \$35,000
- Mid-Willamette Valley Community Action Agency for additional shelter efforts outside of Salem: \$50,000
- Community Connection of Northeast Oregon, Inc: \$141,483
- Washington County Community Action: \$571,973

This amount is intended for the 2017-19 biennium only, and is not intended to factor into calculations of future, ongoing service levels. The following budget note was included.

Budget Note:

The Housing Stability Council, in alignment with preliminary findings from the Statewide Housing Plan, shall make recommendations to the Director of Oregon Housing and Community Services about how to prioritize funding for the Emergency Housing Account and the State Homeless Assistance Program to ensure that funds are being spent as efficiently and effectively as possible.

At a minimum, the Council shall consider how the use of funding incentivizes regionally and nationally recognized best practices, and outcome oriented strategies, to create a more effective system to prevent and reduce homelessness.

The Director shall present recommendations to the Legislature by February 28, 2019.

A one-time General Fund appropriation in the amount of \$200,000 was included for costs related to creating a youth shelter for unaccompanied minors in Salem.

Due to an oversight, Other Funds expenditure limitation in the Housing and Community Services Department 2017-19 legislatively adopted budget was insufficient to accommodate the transfer of General Fund that is spent by the Department as Other Funds. Technical adjustments are included to increase other funds expenditure limitation, attributable to 2017-19 General Fund support for the following HCSD programs:

- Emergency Housing Assistance program: \$18,200,000
- Rent Guarantee Program: \$125,000
- Wildfire Damage Housing Relief program: \$150,000

Lottery Funds expenditure limitation in the amount of \$1,150,000 was added on a one-time basis to the Housing and Community Services Department budget pursuant to a plan presented by the Housing and Community Services Department and the Oregon Department of Veterans' Affairs. The agencies were directed via budget note to present a plan to utilize \$1,150,000 of Lottery Funds associated with the passage of Measure 96, allocated during the 2017 session to the Housing and Community Services Department for veterans' homelessness and housing issues. The expenditure limitation will be utilized to develop a by-name registry of homeless veterans in selected communities, a limited duration veteran homelessness integrator position (0.63 FTE) to serve as designated staff in assisting communities that develop the by-name registry, development of new affordable housing units for veterans, and funding for eligible veterans that need improvements or special accommodations to homes they own. A total of \$350,000 in Lottery Funds expenditure limitation was approved for emergency housing assistance services to veterans during the 2017 legislative session, also considered one-time.

Oregon Department of Veterans' Affairs

The Subcommittee approved increasing Federal Funds expenditure limitation by \$500,000 for transportation of veterans' in highly rural areas, with the understanding that the Department of Administrative Services will unschedule the limitation increase until the Oregon Department of Veterans' Affairs (ODVA) has been notified that its application for the federal FY2018 Highly Rural Transportation Grant has been successful. ODVA received authorization from the interim Joint Committee on Ways and Means to apply for the FY2017 Highly Rural Transportation Grant and to continue to apply for future annual renewal grants. The increase results in total Federal Funds expenditure limitation of \$1 million, which will accommodate ongoing receipt and disbursement of the annual \$500,000 grants.

Lottery Distributions to Counties for Economic Development

The Subcommittee approved the following actions relating to the distribution of Lottery Funds to counties for economic development. Following the last quarterly transfer of Oregon State Lottery revenues to counties each biennium, the Joint Committee on Ways and Means shall compare the amounts transferred to each county during the biennium to the amounts that would have been transferred to each county during the biennium pursuant to ORS 461.547. The Committee shall review the impact of adjusting the amounts that were transferred to the amounts that would have been transferred pursuant to ORS 461.547 on the state budget and on the ability of the counties to accommodate any funding reductions.

EDUCATION

State School Fund

The Subcommittee approved a decrease of \$70,961,313 General Fund and an increase of \$70,961,313 Lottery Funds for the State School Fund, which reflects the balancing of available Lottery Funds across the entire state budget. Overall, there is no net change from the total \$8.2 billion provided in the 2017-19 legislatively adopted budget.

Department of Education

The Subcommittee approved additional Other Funds expenditure limitation of \$39,312,315 for the Oregon School Capital Improvement Matching program in the Oregon Department of Education (ODE). This amount represents the estimated proceeds available for the program from bonds issued during the 2015-17 biennium for distribution during 2017-19. This amount was inadvertently not included in the 2017-19 budget for ODE. An increase in Other Funds expenditure limitation of \$750,000 is also included for funding received through an interagency agreement with the Department of Human Services for child care worker professional development.

An increase of \$1,980,708 General Fund and 14 positions (7.72 FTE) were approved for the Office of Child Care in the Early Learning Division to address safety and quality issues in the child care system, as well as to provide funding for testing of lead contamination in drinking water in child care facilities. Three Compliance Specialist 2 positions (1.62 FTE) are added to reduce the caseloads for existing staff who currently face caseloads of 1 inspector to 150 facilities, which is significantly above the suggested ratio of 1 to 50. Another three Compliance Specialist 3 positions (1.74 FTE) are added for providing training to licensing staff, reviewing findings of enforcement actions, leading case reviews, and reducing caseloads. Three management positions were also approved -- a Principal Executive/Manager E (0.58 FTE) for a Licensing Manager, a PEM D (0.54 FTE) for a regional manager in Medford, and a PEM C (0.54 FTE) for a Background, Intake and Customer Service manager. The Subcommittee also approved five limited duration Compliance Specialist 2 positions (2.70 FTE) for a pilot program in collaboration with the Department of Human Services (DHS). This pilot program will provide teams of ODE and DHS staff to jointly investigate neglect and other cases

that take place in a child care facility. Total funding of \$1,740,912 General Fund will support these positions and associated costs. The remaining \$239,796 is to offset the cost of testing drinking water for lead contamination in child care facilities.

The Subcommittee approved a one-time General Fund appropriation of \$250,000 for a grant to the Salem-Keizer Education Foundation to assist in the funding for the Mike McLaran Center for Student Success which provides a variety of services for students of the Salem Keizer School District. The Center provides services relating to: (1) college preparation and awareness; (2) career exploration and exposure; (3) academic supports like tutoring and mentoring; and (3) social supports.

Budget Note:

The Oregon Department of Education is instructed to use one-time funding from the Network for Teaching and Learning to provide up to \$100,000 to support the Civic Scholars program under HB 2955 (2015) for the annual Oregon Civics Day for Teachers for the 2018-19 school year. This program provides ongoing professional development for civics teachers across the state.

Budget Note:

Before disbursing any matching funds from the Connecting Oregon Schools Fund to provide schools with broadband access, the Oregon Department of Education shall consult with the Office of the State CIO in order to prioritize the disbursement of matching funds so as to leverage existing public fiber assets to the greatest extent possible. The Oregon Department of Education shall provide a report on the disbursement of funds to the Joint Committee on Information Management and Technology during the first Legislative Days after the disbursement of funds. The report shall identify the schools benefitting from the matching funds, the status of any broadband deployments, the broadband speed available per user, and the extent to which the disbursements leverage existing public fiber.

Higher Education Coordinating Commission

The Subcommittee approved a net increase of \$65,049 General Fund for Higher Education Coordination Commission (HECC) operations to fill budget gaps related to Enterprise Technology Services (ETS) charges and funding for Client Services from the Department of Administrative Services (DAS). At the end of the 2017 legislative session, HECC had not yet received a firm estimate of the increased ETS charges resulting from the required move of post-secondary related data systems to the ETS servers. Now a firm estimate is known resulting in a \$263,275 shortfall in the HECC operations budget. The second shortfall is due to reducing the HECC operations budget twice for DAS Client Services charges as the agency hired staff to perform payroll and human resources functions formerly provided through DAS Client Services, leaving a \$161,774 General Fund gap in the budget. Also related to this second item is an \$11,030 increase in Other Funds expenditure limitation and \$198,541 increase in Federal Funds expenditure limitation. The combined \$425,049 General Fund budget hole is largely offset by \$360,000 of savings for Open Education Resources (HB 2729; 2017 Session) that are no longer required; the net result is the need for the \$65,049 General Fund.

The Subcommittee also approved continuation of nonlimited authority to HECC to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. HECC has approximately \$31 million in bond proceeds from 2013-15 issuances that are expected to be disbursed during the 2017-19 biennium. An increase of \$1,219,645 in Other Funds expenditure limitation was also approved for HECC for the issuance costs of general obligation and Lottery bonds sold for public universities. These include XI-G, XI-Q, XI-F, and Lottery bonds.

A \$250,000 General Fund appropriation to HECC was approved for the Oregon Volunteers Commission for Voluntary Action and Service program. The primary program administered by this Commission is AmeriCorps which requires a state match for administrative costs. This program is currently in the Governor's Office and is being transferred to HECC effective July 1, 2018. Six positions (2.25 FTE) are established in HECC including three full-time positions -- Director (0.50 FTE), a Program Analyst 2 (0.50 FTE), Administrative Specialist 1 (0.50 FTE); and three part-time positions -- Accountant 2 (0.25 FTE), Procurement Specialist 2 (0.25 FTE), and Administrative Specialist 1 (0.25 FTE). An increase in Federal Funds expenditure limitation of \$3,606,774 was also approved for the federally funded program administrative costs and for the AmeriCorps grants for the second year of the biennium. A General Fund appropriation of \$50,000 was approved for the Governor's Office to provide sufficient state match for the first year of the biennium, as well as a decrease in Federal Funds expenditure limitation of \$3,337,261 to reflect the transfer of the program to HECC in the second year of the biennium.

Two one-time appropriations were approved through HECC for public universities. The first is a \$250,000 General Fund investment for a Portland State University/Oregon Health and Science University Center for Violence Prevention Research, Education, and Practice. The work of the Center is to research identifying causal factors and other social determinants of health that are linked to various health conditions and dangerous outcomes (e.g., abuse or motor vehicle accidents), distribution of culturally and geographical appropriate best practices, and improved public awareness. Funding is to be distributed to the hospital operations component of the Oregon Health and Science University. The second appropriation of \$3,000,000 General Fund is to provide a portion of the match for federal funds for a project at Oregon State University's Northwest National Marine Renewable Energy Center (NNMREC). The project is the Pacific Marine Energy Center South Energy Test Site which is a wave energy test site off the Oregon Coast. An \$800,000 General Fund appropriation was provided in 2016 as part of the match for the first \$5 million in federal funds for this project; this \$3.0 million will help secure the remaining \$35.0 million in federal funds. An additional \$1.6 million state contribution may be required for the 2019-21 biennium for the project.

Debt service on outstanding Article XI-F (1), Article XI-L, and Article XI-G general obligation bonds issued for the benefit of the Oregon Health and Science University (OHSU) is transferred from the Department of Administrative Services (DAS) to the Higher Education Coordinating Commission (HECC). HB 4163 includes statutory changes necessary for the transfer, including the requirement that HECC request General Fund debt service on outstanding OHSU Cancer Challenge Article XI-G bonds and that HECC may enter into agreements with OHSU related to debt service payments. The amount of the transfers reflects a May 1, 2018 effective date. Debt service in DAS's budget for OHSU is reduced by \$11,785,250 General Fund (XI-G bonds) and \$21,346,063 (XI-F and XI-L bonds). The debt service budget for HECC is increased by \$11,760,817

General Fund and new limitation of \$21,069,924 Other Funds is established. The net difference in amounts between the two agencies reflects current projections of debt service needs for the 2017-19 biennium. Consolidating debt service on outstanding state bonds issued for the benefit of OHSU does not make or imply any changes to OHSU's long standing direct relationship with the State of Oregon by which OHSU is governed, and no authority over OHSU is being transferred or granted to HECC.

Chief Education Office

The Subcommittee approved a total 2017-19 budget for the Chief Education office of \$8,207,271 General Fund after factoring in the adjustments for employee compensation in this bill as well as the statewide savings included in HB 5006 (2017). The 2017 Legislature approved a net General Fund budget for the first year of the biennium of \$3,652,812 (\$4,022,118 in the agency's budget bill (HB 5522) minus the statewide savings of \$369,306 in HB 5006). HB 5522 also included a \$3,972,118 special purpose appropriation to the Emergency Board for the second year of the biennium. This bill adds to the first year's funding to also cover second year's costs, and repeals the special purpose appropriation from SB 5522 (2017).

The General Fund appropriation in this bill reflects the two-year amount authorized for the coordination and research role of the Office as well as the funding for the Statewide Longitudinal Data System (SLDS). This amount includes an increase of \$1,640,000 General Fund for the completion of developing the SLDS. The development of the SLDS was not completed during 2015-17 and \$1.9 million was reverted to the General Fund at the close of the 2017-19 biennium. This SLDS funding will be used to complete payment for the primary contractor, an extension of the third-party Quality Assurance contractor, costs to transition the SLDS to the updated version of the relational database management system at the State Data Center, and provide full funding for the project's state positions.

The appropriation amount reflects staffing changes from the first year of the biennium which moves the agency to more of a research organization given that the development of the SLDS is nearing completion. These changes include elimination of a Principal Executive/Manager (PEM) G position which was the STEM/CTE Director and a PEM F position which was the Education Innovation Officer. A PEM F position which acts as the Public Affairs Director is reclassified to an Operations and Policy Analyst 4. An Executive Specialist position was reduced to a half-time position. Finally, a Solutions Architect position was added to the SLDS staff. The result of these staffing changes reflects a decrease in FTE from 6.75 for the first year of the biennium to 5.75 FTE in the second year. As part of these changes, \$222,002 General Fund was provided for one Policy Advisor in the Governor's Office since the Chief Education Officer will no longer perform this function.

HUMAN SERVICES

Oregon Health Authority

HB 5201 adjusts the Oregon Health Authority (OHA) budget for updated program caseloads, costs, and revenues to “rebalance” the budget. This information was presented at the January 2018 meeting of the Interim Joint Committee on Ways and Means. At that time, the agency’s rebalance plan resulted in an overall General Fund shortfall of \$30.5 million. This net position included budget problems of \$51.5 million related to federal match rate changes, loss of hospital assessment revenue resulting from the delay caused by the referendum to repeal parts of HB 2391, and a community mental health General Fund shortfall related to marijuana tax revenues. Savings of \$21.1 million General Fund resulted mostly from Medicaid caseload savings and lower than budgeted Medicare premium costs. While total caseload is up, General Fund costs are down slightly.

The rebalance plan also increased Federal Funds expenditure limitation related to the increased caseload forecast, as well as federal funding adjustments that were missed in the legislatively adopted budget for the Hospital Transformation Performance Program and Hepatitis C treatment services.

The agency identified a number of budget risks, including caseloads, the implementation of new quality and access programs for the Oregon Health and Science University and rural hospitals, and several ongoing and emerging issues that the agency is in the process of analyzing.

The Subcommittee approved the agency’s rebalance plan, but with significant changes. The community mental health General Fund shortfall of \$16 million related to marijuana tax revenues was not funded. This issue will be resolved for the current biennium, assuming passage of SB 1555, and additional General Fund was not needed. This issue will need to be revisited for the 2019-21 budget. The Subcommittee also approved \$17.2 million of additional hospital assessment revenue remaining from the 2015-17 biennium, which will be used in the budget in place of General Fund. In addition, the Subcommittee approved several new budget adjustments. The final adjustments, before the transfer of eligibility services is considered, result in a decrease of \$3.5 million General Fund in the agency.

In addition, a total of \$39.0 million General Fund is moved from OHA to the Department of Human Services (DHS) to reflect the transition of all Medicaid eligibility services to DHS, based on an effective date of April 1, 2018. This includes the transfer of 476 positions (320.37 FTE), as well as costs associated with the ONE eligibility system. Total budget adjustments, including the transfer, result in a \$266.0 million increase in the agency’s total funds budget and a \$42.7 million reduction of General Fund. These numbers do not include budget changes related to employee compensation cost changes, which total \$18.1 million General Fund and \$30.2 million total funds, and are also included as part of HB 5201.

The Subcommittee recognized the ongoing risk of caseload forecast changes, as well as the potential risk in OHA of various eligibility and payment issues that are currently being analyzed. A special purpose appropriation of \$30 million is made to the Emergency Board for caseload costs or other budget challenges in either OHA or DHS.

A more detailed description by program area follows.

Health Systems Division

The budget adjustments in HB 5201 reflect a net \$39.5 million decrease in General Fund in the Health Systems Division (HSD), with a \$44.4 million increase in Other Funds expenditure limitation, a \$245.2 million increase in Federal Funds expenditure limitation, and a reduction of 477 positions (321.70 FTE). This includes a budget reduction of \$36.4 million General Fund because of the transfer of all eligibility services to DHS.

General Fund costs increase primarily as a result of the following issues. Final federal match rates for FY 2019 resulted in a General Fund cost of \$16.7 million for the biennium. In addition, the referendum to repeal parts of HB 2391 (2017) resulted in a loss of hospital assessment revenue of \$15 million which must be covered with General Fund. The referendum delayed the additional 0.7% assessment on larger hospitals from October 5, 2017 to January 1, 2018; that assessment cannot be imposed retroactively. Finally, a small increase in the community mental health caseload (Guilty Except for Insanity population) results in a need for \$0.9 million General Fund.

These costs are more than offset by General Fund savings in HSD. Medicare Part B premiums increased less than budgeted, resulting in a General Fund savings of \$3.8 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Savings of \$15.9 million General Fund result from the new Fall 2017 Medicaid caseload forecast, as compared to the Spring 2017 caseload forecast on which the legislatively adopted budget was based. Overall, the forecast is up 1.5% or about 15,000 clients, resulting in an increased total funds cost. However, categories with the highest increases include the Affordable Care Act population and the Children's Health Insurance Program, both of which have very high federal match rates. Categories showing decline include those with higher state costs, such as the Children's Medicaid Program and Pregnant Women. The net result is a savings to the General Fund, but an increase in Federal Funds expenditure limitation of about \$150 million. Additional hospital assessment revenue of \$17.2 million is available from the 2015-17 biennium, which will be used in the budget in place of General Fund. Finally, the forecast for tobacco tax revenues is up slightly, resulting in reduced need for General Fund of \$1.5 million.

The Subcommittee approved an additional \$245.2 million in Federal Funds expenditure limitation for HSD related to the increased caseload forecast, as well as federal funding adjustments that were missed in the legislatively adopted budget for the Hospital Transformation Performance Program and Hepatitis C treatment services. The net includes a reduction of Federal Funds limitation of \$98.4 million related to the transfer of eligibility services to DHS.

The Subcommittee approved a special purpose appropriation to the Emergency Board of \$2 million, to be available for rate increases for certain residential mental health service providers, if needed. The agency has also identified \$3 million of internal resources that can be used for this purpose. The agency is in the process of conducting a thorough rate analysis in order to produce a standard rate or set of rates. Currently, different providers are paid different rates, partly depending on when they originally signed contracts with the agency. In addition, not all providers can bill for all types of reimbursement. The agency began working on this analysis during the summer of 2017, starting with data collection from providers. Although additional data collection and analysis is needed, OHA hopes to review rates for those providers in the lowest range of per-bed revenues and operating margins by summer of 2018, in anticipation of an interim rate adjustment for these providers. After completion of data collection and analysis, another rate adjustment may be necessary for other providers. This work is not expected to be completed until the end of the year. Another \$152,500 General Fund is provided to OHA for actuarial services and to provide technical assistance to providers with data collection and billing.

General Fund was increased by \$950,000 to supplement existing funding for the school-based mental health capacity fund. This fund is run by OHA to provide funding to place mental health providers in school-based health centers and in schools without school-based health centers. The current 2017-19 funding level, before this addition, is \$8.1 million General Fund. While funding is primarily used to support mental health therapists, there are other needs for funding that support the therapists, such as rural transportation, reconfiguring school environments to support a suitable space, and materials for education and outreach. For purposes of building the 2019-21 budget, these programs are considered ongoing. The Subcommittee included the following direction:

Budget Note:

The Oregon Health Authority will use this additional funding to supplement the existing capacity grant program. Applicants should be encouraged to list potential community partnerships; other local, foundation or CCO financial participation; and how the efforts respond to adverse childhood experiences, critical mental or behavioral health challenges facing youth, or ensuring school and student safety. The proposals could be through direct funding of in-school services and/or leveraging other community resources and partnerships. The agency is encouraged to pass through these dollars to school and education service districts or their key partners, process applications in an efficient and timely manner, and to report back to the appropriate interim Committees by January 1, 2019 as to number of proposals received and project funding granted.

A General Fund appropriation of \$900,000 was approved to expand the current Oregon Psychiatric Access Line program at Oregon Health and Science University (OHSU). The program currently provides telephone or electronic real-time psychiatric physician consultations to primary care providers caring for children and adolescents. The funding resides in the OHA budget and is provided to OHSU through contract. This \$900,000 will allow the program to expand to provide access to the Oregon Psychiatric Access Line for primary care providers caring for individuals 19 years of age or older. For purposes of building the 2019-21 budget, these programs are considered ongoing.

The Subcommittee approved a General Fund appropriation of \$150,000 to help fund one-time capital costs for a sobering center located in Salem. This is a partnership among several groups, including the City of Salem, Marion County, Marion County Sheriff, Salem Police Chief, Salem Hospital, Mid-Willamette Valley Community Action Agency, and Bridgeway Recovery Services.

Health Policy and Analytics

The Subcommittee approved an Other Funds expenditure limitation of \$10 million to allow additional revenues received in the Health Care Provider Incentive Fund to be spent on workforce training programs and/or provider incentive programs. It is anticipated that the inter-governmental transfer mechanism with OHSU that is related to fee-for-service expenditures will generate roughly \$8-10 million during the 2017-19 biennium that will be available for these programs. For purposes of building the 2019-21 budget, these programs are considered ongoing.

Public Health

HB 5201 includes \$0.7 million General Fund to support rising caseloads in the Breast and Cervical Cancer Screening Program because of increased outreach, at the same time as the Komen grant revenues for the program have declined over time. Based on agency projections, this funding will allow the program to adequately serve the over-50 age group. The intention is that younger women (of reproductive age) will be able to access screenings through the CCare program and the new funding from HB 3391, which funds reproductive health services for women who are eligible for Medicaid except for their immigration status. The agency will continue to monitor the caseload and service levels for these programs to be sure that specific gaps in coverage do not result from these changes.

The CCare program closed out the 2015-17 biennium with an excess of \$3 million Other Funds revenues. These were distributions of revenue from the Medical Marijuana Program during the 2015-17 biennium; CCare no longer receives medical marijuana revenues in the 2017-19 biennium. These revenues will be returned to the Medical Marijuana Program. It is anticipated that additional resources will be needed in the Medical Marijuana Program during the 2019-21 biennium.

The Subcommittee approved an additional 4 positions (2.62 FTE) for the Medical Marijuana Program. That 2.62 FTE includes increasing two existing partially funded positions to full-time. As a part of SB 1057, the major marijuana bill from the 2017 session, this program was reduced by 16 positions. In addition, 6 more vacant positions were eliminated as part of the agency budget. All Compliance Specialists were eliminated from the staff as of July 1, 2018. At the time, it was estimated that most processors, dispensaries, and growers would move to the recreational marijuana program under the Oregon Liquor Control Commission (OLCC). While most processors and dispensaries have moved, most of the 30,000 growers still remain with OHA. It is essential that the program has the capability to do the compliance work necessary to enforce medical marijuana laws, as well as maintain administrative functions. An increase of \$1.4 million Other Funds expenditure limitation is included. The appropriate staffing level for this program will be reexamined as part of the agency budget process during the 2019 legislative session, when more data is available on numbers of growers remaining with the Medical Marijuana Program.

SB 1057 also required OHA to enter into an agreement with OLCC to use its cannabis tracking system to track the propagation, processing and transfer of medical marijuana. The bill also required OHA to establish a new fee to cover these costs and to transfer all resulting revenue to the Marijuana Control and Regulation Fund for use by OLCC to pay program costs. OHA implemented, by rule, an annual fee of \$480, identical to the fee already in place for recreational marijuana users of the system. This is expected to result in \$3.6 million of revenues to be transferred to the Fund. A budget adjustment of \$3.6 million Other Funds expenditure limitation is included allowing the agency to transfer those resources.

Two positions (0.50 FTE) are added to the Health Licensing Office to address the added workload associated with HB 4129, issuing residential care facility administrator licenses. The additional Other Funds expenditure limitation needed for this change can be absorbed within the agency's existing expenditure limitation.

The budget includes an increase of \$10.8 million Other Funds expenditure limitation, which allows the agency to spend available revenues on enhancements to the Women, Infants, and Children (WIC) Information System Tracker. These revenues were recovered through a lawsuit after an earlier WIC contractor failed to fulfill contract requirements.

Central Services/Statewide Assessments and Enterprise-Wide Costs

Budget adjustments include the use of leftover bond proceeds from the Oregon State Hospital Replacement Project to pay debt service, freeing up \$1.4 million General Fund for other purposes. The transfer of eligibility services and the ONE system to DHS results in a reduction of \$2.8 million General Fund in Statewide Assessments and Enterprise-wide Costs. This includes the transfer of funding needed to pay usage-based assessments related to the Processing Center, such as Enterprise Technology Services, as well as facility costs, starting April 1, 2018.

Department of Human Services

Many of the budget adjustments in HB 5201 for the Department of Human Services (DHS) are driven by actions needed to rebalance the agency's budget and realign work between DHS and the Oregon Health Authority (OHA). At the January 2018 meeting of the Interim Joint Committee on Ways and Means, the agency presented a rebalance report tied to several dynamics affecting DHS' budget. These include savings or funding gaps due to changes in caseload and costs increases; costs associated with negotiated collective bargaining agreements for non-state employees; and other program changes or issues arising since the 2017 legislative session.

Overall, the DHS rebalance plan projects savings of \$4.3 million General Fund; the calculation assumes availability of \$9.7 million from the special purpose appropriation for non-state employees and excludes the transfer in of Medicaid eligibility staff from OHA since those additional costs also come with funding from OHA. The \$4.3 million in General Fund savings consists of \$20.1 million in net savings from caseload and cost per case updates offset by \$15.8 million in other costs, which are mostly due to a decrease in the federal Medicaid match rate.

The rebalance plan approved by the Subcommittee is generally consistent with the DHS request from January; initial rebalance assumptions around cost projections in the Intellectual and Developmental Disabilities (IDD) and Employment Related Day Care (ERDC) programs have been modified. Notably, the revised IDD assumptions will allow the agency to delay action on program eligibility or service changes until at least next biennium; this timeframe supports further vetting of options during the 2019 legislative session, if warranted or desired. Since the January report, the timing of the formal transition of Medicaid eligibility services to DHS from OHA was shifted from March 1 to April 1, 2018, which drives different numbers for that action.

The Subcommittee also approved new budget adjustments or investments, including the agency's request to use rebalance savings to address workload and backlog issues in the background check unit. Additional funding was provided for Oregon Food Bank and positions were added to help the Child Welfare program address its most immediate needs.

While many issues are covered in the DHS rebalance plan and by other budget adjustments, budget risks do remain. These include changes to caseloads based on future forecasts, the agency's ability to manage personal services expenditures including cost of living increases or other bargained costs, volatility in usage-based costs or charges for services, assessment of federal program penalties, federal law or funding changes, and legal costs. The Subcommittee acted on these risks by, as noted previously, approving a \$30 million special purpose appropriation to the Emergency Board for both DHS and OHA to access if caseload costs or other budget challenges prove to be unmanageable.

A more detailed description of significant budget changes by program follows.

Self Sufficiency Programs

The budget adjustments approved by the Subcommittee for the Self Sufficiency Programs (SSP) increase the budget by \$44.8 million General Fund (\$137.3 million total funds) and 475 positions (319.66 FTE). The increase is primarily due the transition of Oregon Health Plan eligibility work and staff from OHA to DHS.

The fall 2017 forecast projects the 2017-19 overall Supplemental Nutrition Assistance Program (SNAP) caseload to be 5.3% lower than earlier estimates, which equates to serving 6,759 fewer households over the biennium. Caseloads in the Temporary Assistance for Needy Families (TANF) cash assistance programs are up 2.5% from the spring numbers, at a biennial average of 18,559 families. The associated cost of \$5.8 million is covered by one-time federal TANF carryforward in the DHS rebalance plan.

Since the TANF caseload number went up with the fall forecast, there are no cost savings for the agency to calculate and report on as directed in a budget note contained in the budget report for HB 5006 (2017). The next checkpoint for calculating savings will be upon completion of the next biannual caseload forecast, which is the spring forecast expected to be finalized by May 2018.

The Subcommittee approved \$300,000 General Fund, on a one-time basis, for distribution to the Oregon Food Bank for improvements in cold storage infrastructure. Funding will help the state's food bank network upgrade and expand commercial refrigerators, freezers, mobile coolers, and refrigerated trucks.

Initially, the DHS rebalance proposed repurposing \$2.7 million General Fund within the SSP budget to ensure adequate capacity for supporting both the ERDC and the Teen Parent programs. Upon further review, the agency plans to continue to manage the caseload at the highest level possible – but still under budget – by using the reservation list, which was activated in November 2017. The Subcommittee approved \$1,904,453 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher rates negotiated for SEIU (effective 10/1/17) and AFSCME (effective 1/1/18) child care providers. While sound estimates are used to project these costs, changes in the ERDC caseload composition or provider changes later in the biennium may decrease the purchasing power of the program's budget. The agency is also experiencing some provider attrition, which adds another layer of complexity to the program capacity balancing act; based on latest costs projections DHS is still expecting to serve an average of about 8,300 families over the biennium.

Another \$750,000 General Fund was approved, also sourced by the special purpose appropriation, for one-time training costs for SEIU and AFSCME child care providers. The funding will be spent by DHS as a pass-through to the Early Learning Division (ELD) within the Oregon Department of Education; ELD will use the dollars to expand existing contracts with Portland State University to support the training.

Consistent with legislative discussions and effective September 1, 2017, OHA operationally shifted management of its Medicaid eligibility work to DHS; the move is intended to help centralize and streamline eligibility processes. The related budget adjustment approved by the Subcommittee reflects a "lift and place" of the OHP processing center into SSP, which adds \$35.5 million General Fund, \$96.5 million Federal Funds expenditure limitation, and 474 positions (318.86 22 FTE). A corresponding decrease is in the OHA budget; these values reflect an April 1, 2018 transfer date.

Other costs affecting the SSP budget in the rebalance plan approved by the Subcommittee include \$1.2 million General Fund to pay for a phone system contract for the OHP processing center; the expenditure was not in the OHA budget so it is not covered in the transfer. One position (0.79 FTE) is added to prevent a double fill and support activities under the My Future My Choice program, which is supported with federal dollars. The budget includes technical adjustments and transfers, the largest of which is a transfer of \$24.3 million Federal Funds to Child Welfare to realign TANF expenditure limitation. HB 5201 also adds \$13.8 million General Fund (\$13.8 million total funds) for this program's share of the statewide salary distribution.

The approved rebalance also includes a technical adjustment to more evenly distribute reductions taken during the legislative session; these are related to Department of Administrative Services' assessments and charges that ended up hitting some programs disproportionately. The adjustment affects other programs and is net-zero agencywide.

Child Welfare

The budget approved by the Subcommittee for Child Welfare (CW) reflects increases of \$29.0 million General Fund, \$7.9 Other Funds expenditure limitation, \$46.2 million Federal Funds expenditure limitation, and 177 positions (76.94 FTE). This amount includes \$9.9 million General Fund (\$16.9 million total funds) from the statewide salary adjustment.

Budget adjustments include the DHS rebalance plan as presented in January 2018; forecasts for all individual caseloads within CW grew between the spring and fall forecasts, driving a net increase of \$8.2 million General Fund (\$16.7 million total funds) between caseload and changes in cost per case growth. The overall number of children served is expected to average 22,321 over the biennium, which is an increase of 3.4% from the prior forecast. The approved rebalance also reflects an increase of \$0.7 million General Fund due to an update in the Federal Medical Assistance Percentage (FMAP). Based on the latest federal estimates, the 2017-19 biennial average FMAP rate will decrease from 63.53% to 63.33%, which raises the state contribution and reduces federal support. This rate change also affects other agency programs.

Other and Federal Funds expenditure limitation increases support a federal grant, capture federal match on applicable child savings, and provide for the purchase of software and technical assistance supporting domestic and sexual assault programs. Position clean-up actions reclassify four positions and a net decrease of 0.04 FTE. Technical adjustments and transfers account for a decrease of \$4.1 million General Fund (total fund increase of \$18.1 million); this includes the movement of 9 positions (9.00 FTE) from CW to Shared Services to help improve coordination between investigations and regulatory oversight of child caring agencies. The net total funds increase is driven by the \$24.3 million Federal Funds related to TANF transferred to CW.

In addition to rebalance adjustments, the Subcommittee added \$750,000 General Fund to the budget for three initiatives supporting foster parents; the funding was obtained from a special purpose appropriation established in SB 5526 (2017) for this use. DHS convened a statewide workgroup to identify a set of services to help support foster parents. About 60% of the funding would go to respite care, paying for a mix of services for both group (Foster Parents' Night Out model) and child-specific services. The program plans to spend 25% on training experienced foster parents to be mentors; these parents will provide support to new foster parents by helping them meet the needs of children in care and navigate the system. The remaining 15% will be used to cover immediate needs, such as purchasing a car seat or crib, of a child or sibling group in a foster home.

The approved spending plan also includes an adjustment to budget changes approved in SB 5526 (2017). These are connected to SB 102 (2017), which established an account to capture and spend savings required under federal law; these are state monies that would have been spent on adoption assistance if the federal government had not begun to help pay for more placements. During the 2017 session, enough funding (\$3.3 million) was moved to the account to support a program (October 1, 2017 start date) paying working foster parents caring for children (ages 0 through 3) a \$300 monthly stipend to defray the cost of child care. Since the 2017 session, DHS identified additional savings for another transfer

of \$6.5 million in 2017-19; with this transfer plus federal match, about \$10 million total funds will be available for childcare stipends in 2017-19. Assuming an April 1, 2018 start date, this funding level supports a higher stipend of \$375 per month, includes children ages 0 through 5, and is expected to serve close to 1,300 children when fully implemented. The \$10 million spending level is tied to federal rules which allow only 70% of the savings to be used for this new program, the remaining 30% must be spent on post-adoption and/or post-guardianship assistance activities. With the current funding mechanism, the stipend should be sustainable at this level going forward, if caseload and savings projections hold.

To address ongoing concerns from both executive and legislative leadership about child safety and staff workload in CW, the Subcommittee also approved \$13.3 million General Fund, \$4.5 million Federal Funds expenditure limitation, and 186 positions (85.90 FTE). The funding supports a thoughtful and incremental roll-out of this supplemental position authority, as the Subcommittee recognized the agency is currently challenged to fill already existing vacant positions. The budget package also includes positions dedicated to CW recruitment efforts, which is expected to help the agency make progress in filling and reporting on positions. The following positions are approved:

Child Welfare Staffing Increase - February 2018

Start Date	Class	Role	General Fund	Federal Funds	Total Funds	Pos	FTE
Apr-18	SSA	Case Aide	\$ 2,135,125	\$ 532,575	\$ 2,667,700	25	15.75
Apr-18	HRA3	Recruiting	\$ 236,890	\$ 59,036	\$ 295,926	2	1.26
Jul-18	SSA	Case Aide	\$ 1,640,001	\$ 409,115	\$ 2,049,116	23	11.50
Jul-18	PEMC	Manager	\$ 354,453	\$ 88,343	\$ 442,796	4	2.00
Jul-18	SSA	Case Aide	\$ 1,782,610	\$ 444,690	\$ 2,227,300	25	12.50
Jul-18	SS1	Caseworker	\$ 2,153,355	\$ 947,045	\$ 3,100,400	25	12.50
Jul-18	OS2	Office Specialist (Case Support)	\$ 1,557,410	\$ 388,440	\$ 1,945,850	25	12.50
Oct-18	PEMC	Manager	\$ 210,547	\$ 52,484	\$ 263,031	3	1.14
Oct-18	SS1	Caseworker	\$ 1,708,060	\$ 836,090	\$ 2,544,150	25	9.50
Jan-19	PEMC	Manager	\$ 155,261	\$ 38,716	\$ 193,977	3	0.75
Jan-19	SS1	Caseworker	\$ 1,262,840	\$ 725,160	\$ 1,988,000	25	6.25
Jan-19	HRA3	Recruiting	\$ 52,327	\$ 13,043	\$ 65,370	1	0.25
Total			\$ 13,248,879	\$ 4,534,737	\$ 17,783,616	186	85.90

In addition to direct funding, the Subcommittee also approved a \$2.5 million special purpose appropriation to the Emergency Board for the program to access as the agency continues to develop and implement its action plan to improve child safety, stabilize the workforce, and help foster families. The CW program will report on these efforts as part of the interim reporting required under a budget note in the budget report for SB 5526 (2017).

Vocational Rehabilitation

The budget approved by the Subcommittee for Vocational Rehabilitation (VR) reflects increases of \$0.5 million General Fund, along with \$5,910 Other Funds expenditure limitation and \$4.5 million Federal Funds expenditure limitation. No changes are made to position counts or FTE; total funds of \$1.6 million cover the statewide salary adjustment for this program.

The fall 2017 forecast projects the 2017-19 VR caseload to be about 8.4%, or 820 clients, higher than the spring estimate. With a recent award of \$3.4 million in federal reallocation dollars, the program is hoping to continue to avoid activating the Order of Selection (priority wait list) in 2017-19. The rebalance request approved by the Subcommittee contains the additional expenditure limitation to spend the reallocation funding. One position is reclassified in the rebalance plan.

The rebalance also includes a technical adjustment to more evenly distribute reductions taken during the legislative session; these are related to Department of Administrative Services' assessments and charges that ended up hitting some programs disproportionately. The adjustment affects other programs and is net-zero agencywide.

Aging and People with Disabilities

Budget adjustments made by the Subcommittee for the Aging and People with Disabilities (APD) program reflect a decrease of \$4.7 million General Fund, an increase of \$33.2 million Other Funds expenditure limitation, a decrease of \$35.2 million Federal Funds expenditure limitation, and a net decrease of 2 positions (2.00 FTE). Total funds of \$8.7 million cover the statewide salary adjustment for this program.

The 2017-19 legislatively adopted budget included higher rates for Community Based Care providers (Assisted Living, Residential Care, Memory Care, and In-home Agency). The Subcommittee added \$1,180,695 General Fund and \$2,467,705 Federal Funds expenditure limitation to augment the rate increase scheduled for July 1, 2018. When coupled with \$2.2 million General Fund in savings from an expected lower than budgeted nursing facility rate in the second half of the biennium and matched with \$7.2 million in Federal Funds, rates will increase by 5% instead of 2.5% on that date. These same providers received a 5% rate increase on July 1, 2017.

As noted in the Emergency Board overview section, the Subcommittee approved a \$300,000 special purpose appropriation to be allocated to the DHS Aging and People with Disabilities program to increase access to ventilator-assisted services in nursing facilities. The agency may

request these funds, which are anticipated to help cover a higher rate paid for these services, after completing work under the following budget note, which was also approved by the Subcommittee:

Budget Note:

The Department of Human Services shall work with the Oregon Health Authority to develop a plan to increase access to ventilator-assisted services in nursing facilities, effective January 1, 2019. The plan should address criteria used to enroll nursing facilities and respiratory providers; the rate methodology proposed for compensating these services; state Medicaid plan amendments and administrative rules required to implement this initiative; any information technology changes needed to support the program; the projected costs for these services in the 2017-19 and 2019-21 biennium for the two agencies; and any other actions needed or barriers to be mitigated before service implementation. The Department shall prepare and submit a report containing the plan elements to the Emergency Board prior to October 1, 2018.

A rebalance plan based on the fall 2017 caseload forecast was also approved by the Subcommittee. While, overall, long term care caseloads are 1.8% below the spring 2017 forecast (a decrease of 655 clients), nursing facilities' caseloads are 3.2% higher. That change plus an increase in cost per case is driving a need of \$8.5 million General Fund (\$28.9 million total funds). However, these costs are more than offset by net savings of \$17.3 General Fund (\$57.7 total funds) across the in home and community based care caseloads. These savings also help cover increased costs due to the FMAP change; in APD that shifts \$5.9 million in costs from federal dollars to state General Fund.

The rebalance also includes a management action decreasing the budget by \$10 million General Fund (\$31 million total funds) to account for the caseload forecast not yet capturing the decrease in caseload expected to occur from strengthening the level of care assessment. This change was not implemented until after data used for the fall forecast were captured. The agency will be tracking eligibility changes for clients to determine the associated impact on the caseload and to ensure savings will not be double counted in future rebalances.

There is also risk that the actual caseload reduction may be offset by costs; some of these are tied to providing ongoing supports to people who would have otherwise become homeless, been evicted, or are at risk of abuse or exploitation. In addition, a recent legal agreement requires APD to pause policy and rule changes affecting hours and eligibility that were implemented last summer and fall. This means most consumers will be temporarily restored to their prior level of care while the agency and advocates negotiate future standards and procedures for in-home and residential care, which will affect expenditures. This work is expected to be done by May 2018.

The APD budget is also affected by collective bargaining for non-state workers. The Subcommittee approved \$1,340,585 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher adult foster care rates. Based on negotiations, rates will increase by 2.0% on February 1, 2018 and again by 4.5% on January 1, 2019. To cover a \$0.15 per hour wage increase

for home care workers effective April 1, 2018, the Subcommittee approved \$2,625,292 also originating from the special purpose appropriation. Collectively, these non-state worker costs will be matched with just over \$7.6 million Federal Funds.

To meet federal program requirements, the approved rebalance adds \$31.2 million Other Funds expenditure limitation for waived case management services. The additional limitation is needed to separately track program expenditures and receive the allowed higher match rate.

Technical adjustments and transfers account for a net decrease of \$0.7 million General Fund (\$2.0 million total funds). Actions include the transfer of positions between APD and other programs, driving a net decrease of one position (1.00 FTE). Other position actions include reclassifying one position and abolishing one position (1.00 FTE).

Intellectual and Developmental Disabilities

Budget adjustments made by the Subcommittee for the Intellectual and Developmental Disabilities (IDD) program reflect an increase of \$3.2 million General Fund, an increase of \$111,296 Other Funds expenditure limitation, a decrease of \$12.2 million Federal Funds expenditure limitation, and a net increase of 11 positions (7.70 FTE). Total funds of \$4.6 million cover the program's statewide salary adjustment.

The Subcommittee acknowledged the program's revised plan toward meeting a generic \$12 million General Fund reduction approved in the 2017-19 legislatively adopted budget. Instead of making eligibility or other program changes to meet the target, the agency will manage the reduction with management actions. These actions are spending \$1.3 million less on housing maintenance contracts and rent subsidies, based on an updated assessment of needs; reducing ability to respond to cost per case by volatility by \$6.0 million, based on recent cost per case actuals; and assuming approximately \$6.0 million in enhanced federal match for system work, pending federal approval. While these changes do not address long term budget sustainability, they do allow the agency to continue its work with stakeholders on IDD program changes that can help bend the cost curve. There is also some risk that these assumptions, particularly around cost per case, may not hold and possibly require legislative budget action before the end of the biennium.

The rebalance actions approved by the Subcommittee reflect decreases in both case management enrollment and services' caseloads from the previous forecast, at 3.2% lower overall or 1,527 fewer clients over the biennium. However, individuals are expected to be served in higher cost settings (group homes), which is a cost driver. The net projected budget effect is a decrease of \$9.2 million General Fund (\$31.6 million total funds). This helps offset FMAP General Fund impacts; for IDD the rate change shifts \$6.3 million in costs from federal to state funding.

The approved plan also uses \$0.7 million General Fund (\$1.4 million total funds) in savings to pay for an error made in building the 2017-19 budget. Workload model positions (case managers) supporting children with intensive medical and/or behavioral needs were overlooked; these caseloads have collectively grown by more than 20% over the last two years. A total of 10 positions (6.70 FTE) are funded.

The IDD budget is also affected by collective bargaining for non-state workers. The Subcommittee approved \$1,165,140 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher adult foster care rates. Based on negotiations, rates will increase by 2.0% on July 1, 2018. To cover a \$0.15 per hour wage increase for personal support workers, effective April 1, 2018, the Subcommittee approved \$1,902,412 from the same special purpose appropriation. Collectively, these non-state worker costs will be matched with just over \$6.9 million Federal Funds.

The approved budget changes include technical adjustments and transfers increasing the IDD budget by \$0.8 million total funds and transferring in one position (1.00 FTE) from APD.

Central Services

For this program, the Subcommittee approved a budget increase of \$294,639 total funds and one position (1.00 FTE). The changes tie to a rebalance action transferring in a human resources position from OHA (1.00 FTE); this is a companion action to the lift and place transfer of OHP eligibility between the two agencies. Technical adjustments and transfers account for a net decrease of \$0.2 million total funds. Five compliance specialist positions are also reclassified in the agency's plan. An additional \$255,557 total funds for the statewide salary adjustment is also part of the overall increase.

Shared Services

The budget approved by the Subcommittee for Shared Services is a net increase of \$14.9 million Other Funds expenditure limitation and 45 positions (44.80 FTE) over the legislatively adopted budget. Adjustments include the net transfer in of 11 positions (11.00 FTE) from various programs, including positions from Child Welfare noted previously. Other changes are due to position realignment between agency programs (in both DHS and OHA) and Shared Services after new positions are approved in the budget; sometime programs request and carry the budget for shared components directly during budget build. For the statewide salary adjustment, \$3.5 million Other Funds expenditure limitation is added.

Other position actions move one position (1.00 FTE) in from OHA due to the OHP processing center transition. The approved rebalance plan also includes several actions to clean-up positions: reclassifications upward and downward; abolishing and establishing positions; and bringing part-time positions to full-time. These changes will allow DHS to alleviate several double fills and make positions more consistent with how they are really being used. Effective April 1, 2018, a procurement position is transferred to the Department of Administrative Services (DAS), which reduces the budget by \$152,247 Other Funds and one position (0.63 FTE). The position supports the consolidation of certain information technology contracting work at DAS.

In response to a DHS request from January 2018, the Subcommittee approved the use of General Fund savings from rebalance to support adding positions to the Background Check Unit (BCU), which is part of Shared Services. The corresponding budget increase for the program is

\$6,644,952 Other Funds expenditure limitation and 33 positions (24.75 FTE). With these positions in place, BCU expects to see the processing backlog drop down to 2 weeks by December 2018; currently many checks take more than 8 weeks and sometimes 10 weeks or longer.

Just over half of the projected cost is for positions or position-related expenditures, with the bulk of the remainder going to cover fingerprint processing fees charged by the Department of State Police and the Federal Bureau of Investigation. Currently BCU does not recover any costs from individuals or entities undergoing background checks; costs are covered by the applicable DHS and OHA programs. Subject individuals include agency employees, home care workers, personal support workers, child care providers, child caring agencies, child welfare providers, direct support professionals, residential care facilities, nursing facilities, and adult foster homes. About 80% of the work is related to DHS programs.

State Assessments and Enterprise-wide Costs

The budget approved for this program by the Subcommittee reflect net increases of \$15.5 million General Fund, \$228,063 Other Funds expenditure limitation, and \$15.1 million Federal Funds expenditure limitation. Drivers include an increase of \$3.4 million General Fund (\$10.3 million total funds) due to the OHP processing center move; these funds are transferred from OHA and cover rent, utilities, telecommunications, information technology, and other centralized costs associated with these positions. The approved rebalance contains a shift of \$0.6 million total funds from OHA to DHS to transfer rent, utilities, and janitorial costs for part of a Salem building (Cherry City Business Center). OHA has vacated the space and DHS, which already occupies part of the building, needs more square footage.

To support the additional BCU resources, the Subcommittee added \$4,281,343 General Fund, \$161,472 Other Funds expenditure limitation, and \$2,202,137 Federal Funds expenditure limitation; these adjustments allow the shared services funding line to cover the costs of the 33 positions (24.75 FTE) added to the unit.

Technical adjustments and transfers account for an increase of \$5.0 million General Fund (\$8.9 million total funds), primarily to align the assessment budget with policy package changes in program budget structures. Changes tied to position transfers affecting Shared Services are also included. Funding for the statewide salary adjustment is also included, at \$4.6 million totals funds; this primarily covers increased costs tied to collective bargaining for Shared Services positions.

Long Term Care Ombudsman

Budget adjustments for this agency include a technical action shifting \$28,639 General Fund between programs; the statewide inflation reduction taken in HB 5006 (2017) was incorrectly calculated, removing too much funding from the Long Care Ombudsman budget structure and not enough from the Oregon Public Guardian (OPG) structure. The change nets to zero agency-wide.

The Subcommittee also eliminated a \$200,000 General Fund special purpose appropriation to the Emergency Board for costs associated with the public guardian and conservator program HB 5021 (2017) and directly appropriated the same amount to the agency for the OPG program. The special purpose appropriation was sourced by funding removed from the OPG 2017-19 budget during the legislative process. In January 2018, as directed by a budget note, the agency reported on several steps taken to help manage program spending. These include minimizing legal costs, streamlining banking processes, and maximizing caseload capacity. Since the 2017 legislative session, the program has refocused its work, with an emphasis on developing the volunteer program and working with local entities to provide services. Regarding pro bono services, OPG is also developing a concept that would tap professional fiduciaries to act as volunteer deputies. In turn for helping OPG with cases, fiduciaries would receive training and experience that could also be used to meet professional continuing education requirements.

The \$200,000 General Fund restored to the program will pay for two permanent, full-time Deputy Guardian positions (Program Analyst 2 classification) effective July 1, 2018 (1.00 FTE). The positions will be out-stationed in rural areas of the state, which will overcome barriers to contracting in certain areas, provide maximum support for volunteers, and expand program access. With these resources, OPG should be able to serve a minimum of 40 additional clients and possibly more as the volunteer program evolves.

JUDICIAL BRANCH

Judicial Department

The Subcommittee increased the General Fund appropriation for judicial compensation by \$735,683, for the 2017-19 biennium costs of providing a \$5,000 per year salary increase to all statutory judges, beginning on July 1, 2018. The judicial salary increase is enacted by House Bill 4163, the 2018 session program change bill. The total fiscal impact of the salary increase will be \$1,300,000 General Fund in the current biennium. This cost will be financed from the combination of the General Fund appropriation increase and the carryforward of \$564,317 General Fund from the prior biennium. The cost of the salary increase will rise to approximately \$2,600,000 General Fund beginning with the 2019-21 biennium, when it will be in effect for the full twenty-four months of the biennium.

The Subcommittee increased the General Fund appropriation for operations by \$2,378,568, to avoid employee layoffs, furloughs, court closures, and other significant public service reductions during the second year of the current biennium. The Judicial Department presented a \$5.3 million General Fund request for this purpose to the interim Joint Committee on Ways and Means in January 2018. The combination of the approved General Fund increase, the distribution of General Fund to the Department for employee compensation costs, and the carryforward of General Fund from the prior biennium, will support the expenditure level targeted in the January 2018 request and enable the Department to avoid additional service reductions.

The Subcommittee also acknowledged receipt of a compensation plan change report required under ORS 8.105 (1). The report is posted on the Oregon Legislative Information System website under the Capital Construction Subcommittee March 2, 2018 meeting materials. The

Department reported that the Chief Justice has approved the same provision in the executive branch compensation plan for management service and unrepresented employees, whereby effective February 1, 2019, salaries are increased 6.95% and responsibility to pay the 6% PERS pick-up switches from the employer to the employee. The changes do not affect judges, and are projected to cost \$854,000 General Fund and \$62,800 Other Funds during the 2017-19 biennium. The costs will be covered within the legislatively approved budget provided in this bill.

Public Defense Services Commission

The Subcommittee increased the General Fund appropriation for professional services by \$1,340,000, to expand the Parent Child Representation Program. This program works to improve the quality of legal representation for parents and children in juvenile dependency and termination of parental rights cases. The program currently operates in three counties. The funding will be used to expand the program to Coos and Lincoln counties, beginning July 1, 2018. The cost of this expansion will double to \$2,680,000 General Fund in the 2019-21 biennium, when it will be in effect for the full twenty-four months of the biennium.

The Subcommittee also approved a one-time General Fund appropriation of \$450,000 to fund an Oregon-specific caseload standards study and an assessment of Oregon public defense services. The Commission will work with the American Bar Association for a study to develop standards for the time attorneys need to adequately represent clients in various case types, and to develop associated workload/caseload standards. The Commission will also work with the Sixth Amendment Center to assess the status of public defense services in the state.

The Subcommittee also approved an adjustment to the calculation of the 2019-21 biennium current service level for professional services. The Commission is instructed to add \$4.2 million General Fund to the current service level as otherwise historically calculated. This adjustment is intended to address concerns about contract rate amounts paid to trial-level public defense contract and hourly-paid providers. The amount is calculated to equal the cost of providing a 2% increase in rates for the full twenty-four months of the 2019-21 biennium, however, it is understood that the Commission may choose to allocate the funds in another manner to best address concerns about provider pay.

LEGISLATIVE BRANCH

The Subcommittee approved a net-zero General Fund rebalance. The adjustments include reductions to agency budgets to account for higher than anticipated reversions from the 2015-17 biennium, appropriately split reversions between Legislative Administration Committee (LAC) and the Legislative Policy and Research Office as those budgets became newly separated agency budgets beginning this biennium, and to accommodate LAC projects including closed captioning, online training, and additional ADA and diversity needs, including one additional position (0.50 FTE) dedicated to such work. In addition to projects funded through rebalance described above, \$700,000 General Fund is provided to LAC for workplace improvements for the Legislative Branch. The Subcommittee approved increasing Other Funds expenditure limitation by \$151,550 for costs of issuance on Article XI-Q general obligation bonds authorized in SB 5702 for the Capitol Accessibility,

Maintenance, and Safety project. Costs of issuance will be paid with bond proceeds. Bonds are scheduled to be sold in spring 2019, so no additional debt service is due in the 2017-19 biennium. An adjustment to debt service is also included, which results in a General Fund reduction of \$48,618 and an increase in Other Funds expenditure limitation of \$48,619. An increase of \$250,000 Other Funds expenditure limitation is included for the Legislative Counsel Committee for ongoing staffing and office needs.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee increased, on a one-time basis, constitutionally dedicated Lottery Funds expenditure limitation by \$846,821 and authorized 13 limited duration positions (5.37 FTE) for additional costs related to Japanese beetle eradication efforts. During the 2016 invasive pests trapping season, the Oregon Department of Agriculture (ODA) trapped a record number of Japanese beetles in the Cedar Mill and Bethany neighborhoods in NW Portland. Early in the 2017 legislative session, ODA received \$801,380 constitutionally dedicated Lottery Funds for the 2015-17 biennium to begin a five-year eradication effort. An additional \$1,113,115 in constitutionally dedicated Lottery Funds was included in the ODA budget for 2017-19 for continuing eradication costs. During the 2017 eradication project, even more beetles were trapped in this area and were found in areas surrounding the initial treatment area, as well as in traps at the Portland airport, Swan Island, and Douglas County. The increase in areas needing treatment, coupled with higher than anticipated costs to maintain the quarantine and dispose of green waste in the existing treatment area, will require additional resources beyond what was approved in the 2017-19 adopted budget for ODA. In addition, the Lottery Funds allocation for the Department was increased by \$1,359,653 to pay for any additional eradication efforts as needed. The Department would need to request an increase in expenditure limitation from either the Emergency Board or the Legislature to spend this additional Lottery Funds allocation.

A technical adjustment was also approved that reduced the Certifications Program Other Funds expenditure limitation by \$16,836 and 0.10 FTE to correct an error in the position count that occurred when a position budgeted in two programs was eliminated.

Department of Environmental Quality

The Subcommittee approved a one-time increase of \$1,917,084 General Fund, \$2,965,300 Other Funds expenditure limitation, and the addition of months to six existing limited duration positions (3.38 FTE) to continue planning and begin development of an environmental data management system (EDMS). The Other Funds represent the portion of the proceeds from the sale of \$5 million Article XI-Q bonds that will be spent in the 2017-19 biennium and includes \$70,000 for the cost of issuing the bonds. This funding is to be used to implement the foundational build of a customized off-the-shelf software solution that will replace multiple outdated and disparate information technology systems currently in use at the Department of Environmental Quality (DEQ). The EDMS project will improve regulatory processes, provide a common platform to receive and share environmental information, and support e-commerce and web-based interactions. Of the total General Fund appropriated,

\$833,867 will pay the debt service on the \$5 million in 2017-19 as the bonds are scheduled to be sold May 2018. The remaining \$1,083,217 General Fund will be used to update and complete foundational documents required to complete Stage Gate 3 endorsement, prepare the Request for Proposal, and pay a Quality Assurance contract. Early estimates indicate the EDMS project will cost \$18 million when completed.

The Subcommittee approved an Other Funds expenditure limitation increase of \$17,834,248 to implement a new electric vehicle rebate program, with the understanding that the Department of Administrative Services (DAS) will unschedule the limitation until sufficient revenues are received. HB 2017 (2017) included a privilege tax of 0.5% on the sale of vehicles beginning January 1, 2018. Monies raised by this tax will be deposited in the Zero-emissions Incentive Fund to be used for rebates on the purchase or lease of electric vehicles to encourage increased utilization of these vehicles. The bill tasked DEQ with establishing and operating the electric vehicle rebate program. At the time the bill passed, no expenditure limitation was provided for the actual rebate payments. The use of this privilege tax for rebates had been challenged in court, therefore DAS is directed to unschedule the increase until these legal challenges are resolved.

A technical adjustment was approved that increased Federal Funds expenditure limitation by \$342,092 and decreased Other Funds expenditure limitation by \$272,092 to accommodate the transfer of administration of a federal grant from the Oregon Health Authority (OHA) to DEQ. OHA had been receiving an on-going federal grant for coastal water monitoring and passing most of the grant funding on to DEQ to do the actual water quality monitoring work. In 2017, both agencies agreed that DEQ should take over the administration of the grant. The 2017-19 OHA budget was adjusted to reflect this change, but the DEQ adjustment was not included in its budget.

The Subcommittee also approved a \$1 million General Fund increase and the addition of 4 positions (2.32 FTE) in the Air Quality program. This funding is to be used to address backlogs in air quality permitting, with emphasis on processing permit renewals. Of the amount approved, \$343,092 is for process improvement activities and is being added on a one-time basis. This funding will not be used to support Title V permitting work because the federal Clean Air Act requires that all Title V permitting work be supported through fees paid by regulated entities. As such, the Department will need to seek authorization to increase fees for the Title V program during the 2019 Legislative session to ensure Title V related permitting operations are sufficiently staffed.

A \$165,892 Other Funds expenditure limitation increase was approved for the Air Quality program to support two positions (1.08 FTE) using existing fund balance revenue from current Greenhouse Gas Reporting (GHG) fees. These positions will work on expanding the Department's existing GHG program to include collection of product output data, as well as, provide quality assurance of currently submitted emissions data.

Department of Fish and Wildlife

The Subcommittee approved a one-time General Fund appropriation increase of \$350,000 for the Fish Division to operate the Leaburg Fish Hatchery located on the McKenzie River for the second year of the 2017-19 biennium. On July 1, 2018, the U.S. Army Corps of Engineers (Corps) will no longer pay for the Oregon Department of Fish and Wildlife (ODFW) to operate and maintain the hatchery, which it had done since

the facility was constructed in 1953 to mitigate for lost trout habitat caused by construction of federal dams in the Willamette Valley. The Corps will now instead contract with a private entity to purchase trout and will continue to pay ODFW to produce steelhead at another ODFW facility. ODFW plans to continue to produce trout at the facility, which would boost the pounds of trout released in the Willamette Valley by 20% and increase Chinook releases by 6%.

In addition, a one-time \$50,000 General Fund increase was approved for culling of elk herds on the Cold Springs National Wildlife Refuge, which is located just outside Hermiston. The elk forage outside the Wildlife Area and damage commercial agriculture operations on land adjacent to Cold Springs. The funding would be used to pay for the time of existing ODFW staff to work on this project, as well as for a contract with the U.S. Department of Agriculture, Wildlife Services for removing the elk that move onto adjacent farms to feed. The elk meat resulting from the culling of the elk herd will be donated to the local food bank.

Department of Forestry

A one-time increase of \$26,194,224 General Fund to the Department of Forestry, Fire Protection Division was approved for the payment of emergency firefighting costs associated with the 2017 forest fire season. This amount is dedicated to the following specific uses:

- Unbudgeted emergency fire costs (\$22,722,123)
- Fire protection district deductibles (\$915,600)
- Oregon State Treasury loan interest (\$63,561)
- Severity resources (\$2,492,940)

Of the total increase, \$2.0 million is offset by a reduction of the same amount in the special purpose appropriation to the Emergency Board that had been established for this purpose. In addition, Other Funds expenditure limitation is increased one-time only by \$22,743,921, which includes \$10,130,317 for unbudgeted emergency fire costs, \$4,101,866 for reimbursed costs of emergency fire costs from other agencies including the Federal Emergency Management Agency, \$7.0 million for the payment of pass-through reimbursements to other agencies from federal sources, and \$1,511,738 for fire protection district deductibles.

The Subcommittee approved an increase in the General Fund appropriation made to the Department of Forestry in the amount of \$500,000 and a decrease in Other Funds expenditure limitation of \$500,000 to reverse a reduction in General Fund subsidy for fire patrol assessments on low-productivity, east-side forest lands that was included in SB 5519 (2017), the agency's budget bill.

A reservation in the Emergency Fund was made to fund Sudden Oak Death eradication work by the Oregon Department of Forestry as detailed in the Emergency Board section above.

Department of Land Conservation and Development

A one-time increase of \$300,000 General Fund for the Department of Land Conservation and Development's local government grants program was approved for the provisioning of technical assistance grants to eastern Oregon counties for conducting economic opportunity analyses.

Parks and Recreation Department

The Subcommittee approved a \$200,000 increase in Other Funds expenditure limitation for the Oregon Parks and Recreation Department (OPRD) for expenses associated with Sudden Oak Death mitigation work on State Parks properties within the Cape Sebastian State Scenic Corridor. OPRD estimates that the eradication project will be completed by the end of February 2018. Funding for the treatment will come from the Park Stewardship account which receives a portion of fees charged by the agency and is dedicated for the management of natural resources, hazard trees, landscape, and the ocean shore.

An increase of \$20,000 Lottery Funds expenditure limitation was approved for the purpose of making grants to repair recreational trails damaged due to the Chetco Bar fire during the 2017 fire season.

Department of State Lands

An increase in Federal Funds expenditure limitation in the amount of \$155,734 for the Department of State Lands (DSL) was approved for the expenditure of Wetland Program grant funds from the U.S. Environmental Protection Agency (EPA). Of the total, \$121,734 supports five individual initiatives identified in the updated Oregon Wetland Program Plan and will be used in conjunction with an intergovernmental agreement with Oregon State University, Institute for Natural Resources. Additionally, DSL was awarded a supplemental Wetland Program Development Grant (WPDG) that is in addition to the 2015 grant it received from the EPA. The funding award of \$25,000 allows DSL to contract with a third party to complete wetland functional assessments on existing wetland mitigation bank sites prior to the implementation of the Aquatic Resources Mitigation Program initiative in 2018. The reestablishment of expenditure limitation for residual Federal Funds totaling \$9,000 that were not expended in the prior biennium from the original 2015 EPA WPDG is also included in the total additional Federal Funds expenditure limitation for these grants.

A one-time expenditure limitation increase of \$7,244,215 Other Funds is included for cleanup efforts at the Goble, Oregon site on the Columbia River. The funding is for the costs of site security, inventory, and disposal of solid waste and hazardous material, asbestos inventory and abatement, and dewatering and disposal of vessels and structures due to default by the former lessee of the site. DSL is continuing to avail itself of all legal means to recover the costs of the cleanup from the former lessee or the lessee's insurance carrier.

A one-time technical adjustment of \$235,081 Other Funds expenditure limitation is included in the measure to carry forward 2015-17 biennium unexpended grant funding from the University of Michigan for the South Slough National Estuarine Research Reserve. Normally, this limitation would have been reestablished in the agency's budget bill, but the actual unexpended amount was not known at the time of the bill's passage.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$410,102 and authorized the establishment of a limited-duration project manager position (0.67 FTE), the establishment of a permanent, full-time network architect position (0.67 FTE), and the upward reclassification of an existing information systems supervisor position to continue planning for the replacement of the aging Land Administration System (LAS) through the end of the current biennium and ongoing management of the agency's information technology systems.

Water Resources Department

Technical adjustments to the Other Funds and Federal Funds expenditure limitations of the Water Resources Department are included in the measure to rebalance budgeted expenditure authority between programs at the agency. This action results in no net change to the overall expenditure limitation of the agency.

The Subcommittee approved a one-time increase in the expenditure limitation for the Water Resources Department of \$5,269,633 Other Funds for the expenditure of Lottery Revenue bond proceeds for distribution to the City of Carlton to replace the city's finished water supply line in the amount of \$5.15 million and for the payment of bond issuance costs of \$119,633.

Oregon Watershed Enhancement Board

The Subcommittee increased the Measure 76 Lottery Funds expenditure limitation for the Oregon Watershed Enhancement Board (OWEB) grants program by \$5,000,000 to reflect increases in forecasted Lottery revenues constitutionally dedicated to the Parks and Natural Resources Fund, for local grant expenditures.

PUBLIC SAFETY

Department of Corrections

The Subcommittee approved a net-zero technical adjustment to move a total of thirteen positions between program units to align reporting relationships, advance organizational initiatives, and properly assign oversight functions within the agency.

The Subcommittee provided the following direction to the Department of Corrections:

Budget Note:

As of January 25, 2018, the Department of Corrections had 297 inmates in custody over the age of 70. Elderly inmates are housed throughout the state, depending on the location of infirmary and hospice beds, single-story and single-bunk cells and dormitories, and proximity to health care facilities.

The Department of Corrections is directed to evaluate the feasibility of using the Oregon State Penitentiary - Minimum as a dedicated facility for housing male prison inmates over the age of seventy-five. The Department should evaluate the suitability of using OSPM to house elderly inmates and identify any and all facility modifications that would be required to safely house a population that has an above average incidence of mobility limitations and serious health conditions. The suitability evaluation should include a detailed cost analysis and an estimated construction timeframe for those modifications to the existing facility necessary to provide an adequate number of infirmary and hospice beds for this population, as well as any security upgrades, infirmary improvements, medical equipment purchases, and accessibility modifications. The Department is directed to report to the Legislature by February 2019 on the cost and timeframe for remodeling and equipping OSPM, and on the estimated cost of operating the facility, including any extraordinary costs for medical staff, transportation, and other reasonably necessary resources for housing an elderly inmate population.

Criminal Justice Commission

The Subcommittee increased the Criminal Justice Commission's Federal Funds expenditure limitation by \$1,045,940 for two grants awards received in larger amounts than anticipated in the 2017-19 legislatively adopted budget. The awards supplement an existing program supporting Local Public Safety Coordinating Councils in rural Oregon counties and the state's Statistical Analysis Center program.

The Criminal Justice Commission's Other Funds expenditure limitation was increased by \$450,000 for implementation of a new case management system for Oregon's specialty courts. Revenues supporting the expenditure limitation are from asset forfeitures, statutorily dedicated to specialty courts.

Oregon Department of Justice

The Subcommittee approved an increase of \$53,241 Other Funds, \$159,723 Federal Funds, and 0.25 full-time equivalent for the Civil Enforcement Division's Medicaid Fraud Unit. The Unit is projecting a personal services budget shortfall and requested a temporary funding increase. The Subcommittee recommended a permanent resolution of the underlying budget issues with the upward reclassification of two Assistant Attorney General positions to Senior Assistant Attorney General, an upward reclassification of a Principal Executive Manager C to a D (Chief Investigator), and adding 0.25 FTE to an existing Legal Secretary position budgeted at 0.75 FTE.

The Subcommittee approved \$2.8 million Other Funds expenditure limitation for the Child Support Enforcement Automated System (CSEAS), which is to be financed with Article XI-Q bonds authorized in SB 5702. The Subcommittee also approved \$5.4 million Federal Funds expenditure limitation and an increase of 0.25 full-time equivalent. These are one-time costs. Other Funds expenditure limitation of \$56,463 was also added

for the cost of issuance of the bonds. The Subcommittee reduced General Fund Debt Service by \$23,047 to account for a delayed issuance in previously authorized bonding authority. The 2017-19 Article XI-Q bond authority for the project totals \$19.4 million, including \$19,026,170 for project costs and \$373,830 costs of issuance. General Fund Debt Service totals \$12.5 million.

Since 2010, the Oregon Department of Justice's Division of Child Support has been working on a multi-biennia plan to replace its current COBOL-based mainframe child support case management and financial system with a transfer or hybrid solution with custom development that will use some existing software from three states. CSEAS is expected to be completed by 2021 with an implementation cost estimated at \$137.3 million. Federal Funds will provide 66% of eligible program costs under Title IV-D of the federal Social Security Act for both development and ongoing operations and maintenance costs.

The project is within scope, on schedule, and within budget. The primary purpose of the additional bond authority is to safeguard the progress of the project should there be a major issue during User Acceptance Testing (UAT). UAT started in February of 2018 and continues through May of 2018. If by September 30, 2018 any of the additional bonding authority provided for UAT is unneeded, the unused portion is to be released for other statewide purposes. The project does, however, require the immediate expenditure of \$120,738 Other Funds and \$234,374 Federal Funds for contract change orders. The Department of Administrative Services is directed to unschedule \$2,637,799 Other Funds and \$5,164,513 Federal Funds, which may be rescheduled upon the approval of the Legislative Fiscal Office, but only if unanticipated UAT issues arise.

The bill includes an increase of \$185,916 General Fund and the establishment of one permanent full-time Assistant Attorney General (0.63 FTE) in the Criminal Justice Division for the prosecution of election fraud violations under ORS 260.345, which have increased over the course of the last several biennia. The 2019-21 cost totals \$293,381 General Fund.

The Subcommittee approved an increase of \$1.3 million Other Funds expenditure limitation and the establishment of four limited duration positions (2.68 FTE) in the General Counsel Division as one-time costs. The position cost is \$1 million and includes: one Assistant Attorney General position for Health and Human Services; one Assistant Attorney General position for Tax and Finance; one Assistant Attorney General position for Business Transactions; and one Senior Assistant Attorney General position for Government Services. The Division is experiencing higher caseload work related to: procurement, bonding, expended lottery offerings, litigation agreement implementation, legal sufficiency reviews, and agency administrative rules development. An additional \$258,252 was approved for administratively-authorized limited duration position costs that the agency incurred pending the approval of this request. The revenue to support this request will come from billings to state agencies, which will total \$1.9 million (\$574,288 above the limitation request to account for agency overhead costs).

Two technical adjustments were approved to the Civil Enforcement Division's General Fund appropriation. HB 5015 (2017) eliminated a \$3.2 million General Fund appropriation for enforcement of the Master Tobacco Settlement Agreement (MTSA) as the Department no longer requires the General Fund for defending the state's enforcement actions to the arbitration panel. A portion of the reduction included \$127,059

General Fund for standard inflation; however, HB 5006 (2017), as part of a statewide adjustment, also included a reduction of \$127,059 for inflation. The Subcommittee's action restores the inflation reduction to provide funding for civil rights enforcement.

The Subcommittee also approved a technical adjustment to transfer \$25,646 General Fund from the Appellate Division to the Civil Enforcement Division to correct for an Oregon Law reference error in HB 5006 (2017).

A technical adjustment to the Child Support Enforcement Automated System (CSEAS) information technology project was approved. The adjustment increases months on six existing positions by 3.17 FTE. This adjustment is self-financed by reducing budgeted services and supplies by \$708,017 and increasing personal services by a corresponding amount. This adjustment aligns budgeted indirect charges for the program with agency practice.

Oregon Military Department

The Subcommittee approved a one-time General Fund appropriation of \$260,724 to cover expenses incurred by the Oregon Military Department for services provided by the Oregon National Guard during and after the total solar eclipse on August 21^t, 2017.

The Other Funds expenditure limitation for the Community Support program was increased, on a one-time basis, by \$5,442,829 to reimburse wildland firefighting expenses incurred by the Oregon Military Department during the 2017 fire season.

The Subcommittee increased the agency's Federal Funds expenditure limitation by \$16,421,308 for lead dust abatement projects at eight armories located throughout Oregon.

Pending federal approval of the agency's proposed indirect cost allocation plan, the Subcommittee recommended \$1,590,544 General Fund be added to the Office of Emergency Management to cover 2017-19 administrative expenses that can no longer be charged to federal grants. The Subcommittee also approved the following budget note:

Budget Note:

The Oregon Military Department - Office of Emergency Management (OEM) is directed to assess and update OEM's processes, policies, and practices for internal control over grants management, separate from and in addition to any external financial or programmatic audits currently underway. The updated practices should align to the Internal Control-Integrated Framework as updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Military Department is to undertake immediate action to correct any identified deficiencies.

The Military Department is directed to submit a quarterly progress report to the Legislature at each meeting of the Emergency Board in 2018. The Military Department is directed to provide a final written report on the assessment and corresponding updated processes, policies, and procedures to the Joint Committee on Ways and Means during the 2019 legislative session, prior to consideration of the agency's budget for 2019-21.

Department of Public Safety Standards and Training

The Other Funds expenditure limitation for the Operations program was increased, on a one-time basis, by \$623,260 to reimburse the Department of Public Safety Standards and Training for expenses incurred for training and certifying Oregon National Guard members as wildland firefighters during the 2017 fire season.

The Subcommittee increased the Department of Public Safety Standards and Training's Other Funds expenditure limitation by \$400,000 to continue and expand mental health and crisis intervention training for first responders with funding from the Oregon Health Authority.

The Subcommittee increased the agency's Other Funds expenditure limitation by \$3,657,838, and authorized seven permanent positions (4.06 FTE) and six limited duration positions (3.48 FTE) to add five basic police classes and one basic corrections class to the agency's training calendar to meet demand during the 2017-19 biennium.

Department of State Police

The Subcommittee increased the agency's Other Funds expenditure limitation by \$12,770,000 for federally reimbursable expenses incurred during mobilizations coordinated by the State Fire Marshal during the 2017 fire season in Oregon. Additionally, the agency's General Fund appropriation was increased by \$3,255,945 to cover the portion of the Patrol Division's and State Fire Marshal's 2017 fire season expenses that are not eligible for federal reimbursement.

The Department of State Police is undertaking a significant rebalance of its resources between program units to better support the Patrol Division and to minimize the practice of holding trooper positions vacant. The Subcommittee approved \$2,975,558 General Fund and 25 positions (25.00 FTE) to resolve double-filled support positions. This action requires the agency to reduce its 2017-19 appropriation for services and supplies and capital outlay to fund \$1,737,202 of the total cost of these positions, which is \$4,712,760. It is the intention of the Legislature that the agency's services and supplies and capital outlay budgets be restored to current service levels for the 2019-21 budget.

The Subcommittee also approved a net-zero budget action to re-classify 49 positions per classification studies completed by the Department of Administrative Services, Chief Human Resources Office. Three studies reclassified five Automotive Technician 1 positions to Automotive Technician 2s, three Office Specialist 1 positions to Office Specialist 2s, fourteen Administrative Specialist 1 positions to Administrative Specialist 2s, twenty-five Office Specialist 2 positions to Administrative Specialist 1s, and two Office Coordinator positions to Administrative Specialist 1s.

Once implemented, these position actions and increased General Fund support will allow the agency to begin to fill trooper positions, with a recruit school class of fourteen troopers anticipated for October 2018, and an additional class of twenty troopers in January 2019.

TRANSPORTATION

Department of Aviation

Other Funds expenditure limitation for the Department of Aviation is increased by \$950,000 on a one-time basis to provide oversight and funding for three unmanned aircraft system test ranges in the state.

Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation (ODOT) is increased by \$117,530,107 to fund implementation of the Transportation Package of 2017 (HB 2017), and includes 179 positions (77.63 FTE).

Other Funds expenditure limitation for ODOT is increased by \$10,000 to implement SB 375 (2017) related to the posting of informational materials about human trafficking at roadside rest areas. This is a one-time adjustment supported by the Transportation Operating Fund.

The Other Funds expenditure limitation for the Local Government Program includes funds for highway safety improvements near the Kenton Line to aid enhanced safety related to trains, pedestrians, and vehicles.

Legislative Fiscal Office

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Salem OR 97301
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Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair
Rep. Tina Kotek, House Co-Chair

Certificate

September 26, 2018

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 276.390; ORS 291.326(1)(a), (b), (c), and (d); and ORS 291.375; this hereby certifies that the Emergency Board, meeting on September 26, 2018, took the following actions:

1. Treasurer of State

Acknowledged receipt of a report on investment expenses related to the Oregon Public Employees Retirement Fund.

2. Secretary of State

Acknowledged receipt of a report on Help America Vote Act funds, with the understanding that the agency will include an update on the actions taken to enhance elections security with its 2019-21 biennium agency request budget.

3. Department of Education

Department of Human Services

Increased the Federal Funds expenditure limitation established for the Department of Education by section 5(1), chapter 590, Oregon Laws 2017, Early learning programs, by \$7,207,837 and authorized the establishment of 12 limited duration positions (3.96 FTE) for the expenditure of additional federal Child Care Development Block Grant funding.

4. Department of Education

Allocated \$13,547 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Education by section 1(1), chapter 590, Oregon Laws 2017, Operations, and allocated \$338,687 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Education by section 2(4), chapter 590, Oregon Laws 2017, Other K-12 grant-in-aid programs, for grants to school districts for connecting schools to high-speed telecommunications and the internet and for related administrative costs.

5. Department of Education

Increased the Other Funds expenditure limitation established for the Department of Education by section 3(1), chapter 590, Oregon Laws 2017, Operations, by \$163,889 and authorized the establishment of three limited duration positions (0.87 FTE) to increase the capacity of business services staff.

- 6. Department of Education**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, Food Nutrition Service in the amount of \$100,000 for the Child and Adult Care Food Program Meal Service Training grant.
- 7. Department of Education**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Education in the amount of up to \$750,000 for the Grants to States for School Emergency Management Program.
- 8. Department of Education**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Education in the amount of \$642,435 for the Pathways to STEM Apprenticeship for High School Career and Technical Students grant.
- 10. Higher Education Coordinating Commission**
Acknowledged receipt of a report on the statewide criteria developed to evaluate and prioritize public university capital requests proposed in the Commission's agency request budget.
- 11. Higher Education Coordinating Commission**
Approved, retroactively, the submission of a federal grant application to the Corporation for National Community Services Training and Technical Assistance in the amount of \$161,537 for the Oregon Volunteers AmeriCorps program.
- 12. Department of Human Services**
Acknowledged receipt of a report on the agency's workforce-related efforts in the child welfare program.
- 13. Department of Human Services**
Acknowledged receipt of a report on efforts to curb costs in the Intellectual and Developmental Disabilities program.
- 14. Department of Human Services**
Approved, retroactively, the submission of a federal grant application to the Administration for Community Living in the amount of up to \$560,000 annually over two years, to support business case development for the No Wrong Door System within the Aging and People with Disabilities Program.
- 15. Department of Human Services**
Approved, retroactively, the submission of a federal grant application to the Administration for Community Living in the amount of \$350,000 over 18 months, to expand dementia-capable services offered in home and community-based settings by the Aging and People with Disabilities Program.
- 16. Department of Human Services**
Acknowledged receipt of a report on the agency's work to improve position management practices.

- 17. Department of Human Services**
Acknowledged receipt of a report and allocated \$300,000 from the special purpose appropriation made to the Emergency Board by section 132(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, for ventilator-assisted services in nursing facilities.
- 18. Department of Human Services**
Approved, retroactively, the submission of a federal grant application to the Administration on Children, Youth and Families for one-time funding in the amount of \$301,558 to support kinship navigator efforts for the Child Welfare program.
- 19. Department of Human Services**
Acknowledged receipt of a report on increasing rural jobs in Oregon.
- 20. Department of Justice
Department of Human Services**
Acknowledged receipt of a report on the phased-in implementation of full legal representation for child welfare caseworkers.
- 21. Oregon Health Authority**
Allocated \$160,450 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 545, Oregon Laws 2017, Programs, for the Drinking Water Services Program and authorized the establishment of one permanent Natural Resources Specialist 4 position and one limited duration Natural Resources Specialist 3 position for a total of 0.66 FTE to work on emerging contaminants and emergency preparedness related to water quality.
- 22. Oregon Health Authority**
Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention, State Physical Activity and Nutrition (SPAN) Program, in the amount of up to \$1.3 million annually over five years, to support the state in its continued efforts to improve nutrition and increase safe and accessible physical activities.
- 23. Oregon Health Authority**
Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention, State Actions to Improve Oral Health Outcomes, in the amount of up to \$3,125,000 over five years, to support the state in its efforts to decrease dental caries and oral health disparities.
- 24. Oregon Health Authority**
Approved, retroactively, the submission of a federal grant application to the Substance Abuse and Mental Health Services Administration, Improving Life Trajectories for Youth and Young Adults with Serious Mental Disorders Program, in the amount of up to \$1 million per year for up to five years, to improve access to developmentally appropriate

and culturally and linguistically competent treatment and support services for Oregonians between the ages of 16 and 25 who have serious mental disorders.

25. Oregon Health Authority

Approved, retroactively, the submission of a federal grant application to the Substance Abuse and Mental Health Services Administration in the amount of up to \$400,000 per year for four years to identify youth who are at high risk for developing psychosis and to provide early interventions.

26. Oregon Health Authority

Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention in the amount of up to \$80,000 over a 19-month period to supplement the current Pregnancy Risk Assessment Monitoring System grant.

27. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) program in the amount of \$397,166 over a three-year period to improve Oregon's sex offender registration and notification processes and systems.

28. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$288,605 to improve the quality and timeliness of forensic science and medical examiner's office services.

29. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$841,009 over a two-year period to increase the ability of the state's forensic laboratory to process and analyze DNA samples more quickly and efficiently.

30. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$805,650 over a three-year period to increase the ability of the state's forensic laboratory to analyze and identify skeletal, decomposed, and/or partial human remains in the possession of the Department of State Police.

31. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Statistics in the amount of \$848,741 over a two-year period to improve the completeness, automation, and transmittal of records to state and federal systems used by the National Instant Criminal Background Check System for firearm background checks.

- 32. Department of State Police**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Statistics in the amount of \$159,520 over a two-year period to purchase finger- and palm-print biometric scanning equipment for local criminal justice agencies.
- 33. Department of State Police**
Allocated \$134,709 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, to pay for the balance of the agency's implementation costs for the technology solution chosen for the STOP program.
- 34. Department of State Police**
Allocated \$9,865,644 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, and increased the expenditure limitation established for the Department of State Police by section 2(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, by \$7,104,707, to address costs incurred during the 2018 wildfire season, with instructions.
- 35. Military Department**
Acknowledged receipt of a report on the agency's assessment of its processes, policies, and practices for internal control over grants management.
- 36. Military Department**
Allocated \$123,275 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Military Department by section 1 (4), chapter 566, Oregon Laws 2017, Community Support, to reimburse the agency for costs associated with state activation of the Oregon National Guard to support two drinking water delivery missions for the City of Salem during May and June 2018.
- 37. Military Department**
Deferred action on the request for a \$50,000 Emergency Fund allocation and a limited duration position to coordinate emergency drinking water resources until the 2019 legislative session.
- 38. Department of Justice**
Authorized the transfer of \$87,193 from the General Fund appropriation established for the Department of Justice, by section 1(2), chapter 576, Oregon Laws 2017, Civil Enforcement Division, to the General Fund appropriation established for the Department of Justice, by section 1(3), chapter 576, Oregon Laws 2017, Criminal Justice Division, for the Regional Automated Information Network (RAIN) coordinator position.

39. Department of Justice

Allocated \$2,640,456 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Justice by section 1(6), chapter 576, Oregon Laws 2017, Division of Child Support, for a revenue shortfall in Temporary Assistance for Needy Families (TANF) recoveries and additional various program budget shortfalls, with the understanding that the Department of Administrative Services will unschedule \$1,250,000 for the TANF shortfall.

40. Department of Justice

Increased the Federal Funds expenditure limitation for the Department of Justice established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, by \$14,430,275; authorized the transfer of \$5,000,000 from the Federal Funds expenditure limitation established by section 3(4), chapter 576, Oregon Laws 2017, Division of Child Support, to the Federal Funds expenditure limitation established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division; and authorized the transfer of \$553,521 from the Federal Funds expenditure limitation established by section 36, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program, to the Federal Funds expenditure limitation established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, for expenditure of federal grant funding.

41. Department of Human Services

Department of Justice

Judicial Department

Public Defense Services Commission

Acknowledged receipt of a report on progress made toward implementing strategies to improve juvenile dependency systems.

42. Department of Justice

Increased the Other Funds expenditure limitation established for the Department of Justice by section 2(2), chapter 576, Oregon Laws 2017, Appellate Division, by \$507,367; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(3), chapter 576, Oregon Laws 2017, Civil Enforcement Division, by \$356,936; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(6), chapter 576, Oregon Laws 2017, General Counsel Division, by \$1,185,059; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(7), chapter 576, Oregon Laws 2017, Trial Division, by \$444,547; authorized the transfer of \$196,115 General Fund from the appropriation made to the Department of Justice by section 1(2), chapter 576, Oregon Laws 2017, Civil Enforcement Division, to the appropriation made to the Department of Justice by section 1(3), chapter 576, Oregon Laws 2017, Criminal Justice Division; and authorized, within the Other Funds expenditure limitations established for the Department of Justice by section 2, chapter 576, Oregon Laws 2017, the transfer of \$500,000 from subsection (5), Crime Victims' Services Division, to subsection (3), Civil Enforcement Division; for intra-agency charges to fund the Administration Division.

43. Department of Justice

Allocated \$1,343,260 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Justice by section 1(6), chapter 576, Oregon Laws 2017, Division of Child Support, for the Child Support Enforcement Automated System Project; authorized the transfer of \$553,521 from the Other Funds expenditure limitation established for the Department of Justice by section 2(5), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, to supplement the expenditure limitation established for the Department of Justice by section 33, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program; authorized the transfer of \$886,798 from the Other Funds expenditure limitation established for the Department of Justice by section 2(8), chapter 576, Oregon Laws 2017, Division of Child Support, to supplement the expenditure limitation established for the Department of Justice by section 33, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program; for project expenditures.

44. District Attorneys and Their Deputies

Deferred action on the request to allocate funds from the special purpose appropriation made to the Emergency Board for costs related to grand jury recordation until the December 2018 meeting of the Emergency Board.

45. Department of Public Safety Standards and Training

Increased the Federal Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 3, chapter 583, Oregon Laws 2017, by \$325,955, for expenditure of a grant award from the federal Assistance to Firefighters grant program.

46. Department of Public Safety Standards and Training

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 583, Oregon Laws 2017, Operations, by \$77,282 and authorized the establishment of one limited duration Training and Development Specialist 2 position (0.38 FTE) in the Private Security Program.

47. Criminal Justice Commission

Approved, retroactively, a grant application to the U.S. Department of Justice, Bureau of Justice Assistance in the amount of \$181,887 for a Project Safe Neighborhoods grant.

48. Department of Corrections

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Assistance in the amount of \$750,000 over a three-year period to provide treatment to both adults in custody and offenders re-entering the community who suffer from co-occurring substance abuse and mental health disorders.

- 49. Department of Corrections**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention in the amount of \$750,000 over a three-year period to pilot Phase II of the *Parenting Inside Out* program at three agency institutions.
- 50. Columbia River Gorge Commission**
Allocated \$18,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Columbia River Gorge Commission by section 1, chapter 474, Oregon Laws 2017, for operational expenses.
- 51. Department of Fish and Wildlife**
Established a Federal Funds Capital Construction expenditure limitation of \$550,000 for the Department of Fish and Wildlife for the acquisition of 564 acres near the Summer Lake Wildlife Area.
- 53. Department of Agriculture**
Increased the Lottery Funds expenditure limitation established for the Department of Agriculture by section 3, chapter 562, Oregon Laws 2017, by \$1,359,653 to fund efforts to eradicate Japanese Beetle in northwest Portland.
- 54. Department of Agriculture**
Allocated \$100,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Agriculture by section 1(3), chapter 562, Oregon Laws 2017, Natural resources, and authorized the establishment of three seasonal limited duration survey biotechnician positions (0.75 FTE) for the initial phase of the Gypsy moth eradication plan.
- 55. Department of Agriculture**
Allocated \$730,295 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Agriculture by section 1(2), chapter 562, Oregon Laws 2017, Food safety, and authorized the establishment of one limited duration position (0.38 FTE) to purchase laboratory equipment and conduct method development on a potential test for the presence of cyanotoxins in manufactured food products.
- 56. Department of Forestry**
Acknowledged receipt of a preliminary report on the 2018 fire season and increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(2), chapter 592, Oregon Laws 2017, Fire protection, by \$68,379,072 for fire suppression costs; and deferred action on the request for a \$1,415,825 Emergency Fund allocation until the 2014 fire season costs are finalized.
- 57. Department of Forestry**
Allocated \$1,000,000 from the amount reserved in the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(3), chapter 592, Oregon Laws 2017, Private

forests, for the direct treatment of the EU1 lineage of Phytophthora Ramorum (Sudden Oak Death) infested sites, with instructions.

58. Department of Energy

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Energy in the amount of \$600,248 for data collection and research toward developing industry standard practices for energy efficient residential building energy codes.

59. Department of Geology and Mineral Industries

Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$274,000 for the 3D Elevation Program initiative.

60. Department of Geology and Mineral Industries

Approved, retroactively, the submission of a federal grant application to the Federal Emergency Management Agency in the amount of \$1,150,000 for the Cooperating Technical Partners Program.

61. Department of Geology and Mineral Industries

Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration in the amount of \$361,295 for the National Tsunami Hazard Mitigation Program.

62. Department of Geology and Mineral Industries

Increased the Other Funds expenditure limitation established for the Department of Geology and Mineral Industries by section 2(2), chapter 508, Oregon Laws 2017, Mined land reclamation, by \$450,000 for the Mined Land Regulation and Reclamation Program.

63. Parks and Recreation Department

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(3), chapter 547, Oregon Laws 2017, Parks development, by \$1,900,000 for facilities investment projects.

64. Parks and Recreation Department

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(4), chapter 547, Oregon Laws 2017, Direct services, by \$2,000,000 for maintenance projects on state park property.

65. Parks and Recreation Department

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(4), chapter 547, Oregon Laws 2017, Direct services, by \$100,000 for enforcement officer training.

66. Parks and Recreation Department

Increased the Other Funds expenditure limitation established for the Parks and Recreation Department by section 1(4), chapter 547, Oregon Laws 2017, Direct services, by \$455,448 to expend funds received from the Oregon State Parks Foundation for the construction of the Cottonwood Canyon Experience Center.

- 67. Parks and Recreation Department**
Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(2), chapter 547, Oregon Laws 2017, Central services, by \$1,208,230 for increased costs in merchant services and phone reservation fees.
- 68. Parks and Recreation Department**
Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(3), chapter 547, Oregon Laws 2017, Parks development, by \$1,500,000 for the acquisition of state park property.
- 69. Water Resources Department**
Allocated \$1,352,526 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Water Resources Department by section 1(5), chapter 606, Oregon Laws 2017, Director's office, for anticipated legal costs through the end of the 2017-19 biennium.
- 70. Department of Environmental Quality**
Allocated \$380,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Environmental Quality by section 1(2), chapter 591, Oregon Laws 2017, Water quality, and authorized the establishment of four limited duration positions (1.50 FTE) for the lab testing of cyanotoxins in the state's drinking water.
- 71. Department of Aviation**
Deferred action on the request to retroactively approve the submission of a federal grant application to the Federal Aviation Administration in the amount of \$37 million for a runway extension project at the Aurora State Airport until the December 2018 meeting of the Emergency Board, with instructions the agency coordinate with Oregon Solutions at Portland State University for a stakeholder discussion.
- 72. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$5,166,470 for a Bus and Bus Facilities Infrastructure Discretionary grant on behalf of rural transit providers.
- 73. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$3,926,885 for a Low or No Emissions Bus Discretionary grant for the purchase of buses.
- 74. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Rail Administration in the amount of \$3 million for a 2017 Consolidated Rail Infrastructure and Safety Improvements grant to complete significant rail safety and efficiency improvements aimed at reducing congestion and delays for passenger and freight trains at the North Portland and Peninsula Junctions of the Union Pacific line.

- 75. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Rail Administration in the amount of \$3 million for a 2018 Consolidated Rail Infrastructure and Safety Improvements grant to complete significant rail safety and efficiency improvements aimed at reducing congestion and delays for passenger and freight trains at the North Portland and Peninsula Junctions of the Union Pacific line.
- 76. Department of Transportation**
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(1), chapter 604, Oregon Laws 2017, Capital improvement, by \$3,331, 972 for the construction of salt sheds.
- 77. Department of Transportation**
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(15), chapter 604, Oregon Laws 2017, Central services, by \$5,078,026 to increase use of the Emerging Small Business Program.
- 78. Department of Transportation**
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 1(6)(b), chapter 808, Oregon Laws 2015, Meacham Maintenance Station, by \$7,200,000 for the replacement of the Meacham Maintenance Station.
- 79. Department of Transportation**
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(2), chapter 604, Oregon Laws 2017, Maintenance and emergency relief programs, by \$19,895,997 to offset expenses resulting from the Eagle Creek fire and winter storm damages.
- 80. Oregon Business Development Department**
Increased the Other Funds expenditure limitation established for the Oregon Business Development Department by section 55(9), chapter 702, Oregon Laws 2017, regional solutions, by \$3,999,999 for project support.
- 81. Employment Department**
Acknowledged receipt of a report on specific aspects of the agency's liquidated and delinquent accounts receivable.
- 82. Department of Consumer and Business Services**
Approved, retroactively, the submission of a federal grant application to the Centers for Medicare and Medicaid Services in the amount of \$282,754 to research health insurance plan affordability and availability.
- 84. Public Employees Retirement System**
Increased the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(2), chapter 600, Oregon Laws 2017, Financial and Administrative Services Division, by \$79,291, and authorized the establishment of one investment accountant position (0.38 FTE), with the understanding that the Department

of Administrative Services will unschedule the limitation pending Public Employees Retirement System updating the position duties to only include trust fund-related activities.

86. Public Employees Retirement System

Authorized, within the Other Funds expenditure limitations established for the Public Employees Retirement System by section 1, chapter 600, Oregon Laws 2017, the transfer of \$258,244 and four positions (1.50 FTE) from subsection (4), Operations Division, to subsection (1), Central Administration Division; the transfer of \$100,000 from subsection (4), Operations Division, to subsection (2), Financial and Administrative Services Division; and the transfer of \$100,000 from subsection (4), Operations Division, to subsection (5), Compliance, Audit, and Risk Division, for an agency rebalance.

87. Oregon Liquor Control Commission

Increased the Other Funds expenditure limitation established for the Oregon Liquor Control Commission by section 1(2), chapter 578, Oregon Laws 2017, Marijuana regulation, by \$800,000 for fees associated with the Cannabis Tracking System; and increased the Other Funds expenditure limitation established for the Oregon Liquor Control Commission by section 1(1), chapter 578, Oregon Laws 2017, Administrative expenses, by \$1,182,058 for administrative expenses related to replacement and administration of agency information technology systems, with the understanding that the Department of Administrative services will unschedule \$728,596 of the limitation for administrative expenses pending a negotiated contract that demonstrates utilization of the funds.

88. Department of Revenue

Acknowledged receipt of a report on the agency's progress to develop an outcome-based assessment.

89. Department of Revenue

Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(4), chapter 601, Oregon Laws 2017, Business Division, by \$91,124 and authorized the establishment of one limited duration position (0.40 FTE), and increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(2), chapter 601, Oregon Laws 2017, Property Tax Division, by \$4,500 for the implementation of HB 4139 (2018).

90. Department of Revenue

Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(4), chapter 601, Oregon Laws 2017, Business Division, by \$18,098 for the implementation of HB 3180 (2017).

92. Department of Administrative Services

Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(6), chapter 572, Oregon Laws 2017, Enterprise Asset Management, by \$1,505,301 for the purchase of 70 vehicles.

- 93. Department of Administrative Services**
Established a Federal Funds expenditure limitation of \$847,000 for the Department of Administrative Services, Office of the State Chief Information Officer – Policy, to accommodate grants and contracts for statewide aerial imagery.
- 94. Department of Administrative Services**
Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(a), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Operations, by \$9,300,000, and authorized the transfer of \$10,000,000 from the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(b), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Pass-through expenditures, to the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(a), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Operations, for increased services.
- 95. Department of Administrative Services**
Acknowledged receipt of a report on uniform rent rates and recommended to the 2019 Legislative Assembly that it approve, for each agency, an amount sufficient to pay rentals required under the final schedule for uniform rent based on the 2019-21 legislatively adopted budget for the Department of Administrative Services as required under ORS 276.390.
- 96. Department of Public Safety Standards and Training**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Commerce, National Institute of Standards and Technology in the amount of \$214,006 to develop three-dimensional maps of indoor public spaces in Oregon.
- 97. Oregon Business Development Department**
Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency in the amount of \$500,000 for additional capitalization of Oregon Brownfields Cleanup Fund which provides cleanup financing for sites contaminated by hazardous substances and petroleum.
- 98. Oregon Business Development Department**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture in the amount of \$300,000 to support targeted technical assistance and other training leading to the development or expansion of small and emerging private businesses in rural areas.
- 99. Military Department**
Allocated \$188,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Military Department by section 1(3), chapter 566, Oregon Laws 2017, Emergency management, for emergency preparedness equipment for fuel distribution facilities.

Legislative Fiscal Office

900 Court St. NE, H-178
Salem OR 97301
503-986-1828



Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair
Rep. Tina Kotek, House Co-Chair

Certificate

December 14, 2018

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), and (d); ORS 291.371; ORS 291.375; and ORS 656.612(6) this hereby certifies that the Emergency Board, meeting on December 14, 2018, took the following actions:

- 1. Public Defense Services Commission**
Allocated \$66,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Public Defense Services Commission by section 1(3), chapter 582, Oregon Laws 2017, Contracts and Business Services Division, to address workflow needs through the end of the biennium.
- 2. Public Defense Services Commission**
Acknowledged receipt of a report on the status of the Professional Services Account.
- 3. Public Defense Services Commission**
Acknowledged receipt of a report on the implementation of SB 505 (2017), related to grand jury recordation.
- 4. Judicial Department**
Acknowledged receipt of a report on the implementation of SB 505 (2017), related to grand jury recordation, and authorized the use of funds appropriated by section 16, chapter 650, Oregon Laws 2017, for statewide implementation of SB 505.
- 5. Judicial Department**
Approved, retroactively, the submission of a federal grant application to the State Justice Institute in the amount of \$50,000 for development of a two-year strategic plan.
- 6. Department of Education**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services in the amount of up to \$6,000,000 for the Preschool Development Grant Birth-to-Five.
- 8. Department of Education
Department of Human Services**
Increased the Federal Funds expenditure limitation established for the Department of Education by section 4(1), chapter 590, Oregon Laws 2017, Operations, by \$1,874,873, increased the Federal Funds expenditure limitation established for the Department of

Education by section 5(1), chapter 590, Oregon Laws 2017, Early learning programs, by \$5,442,069, and authorized the establishment of 4 limited duration positions (0.84 FTE); and increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(2), chapter 597, Oregon Laws 2017, Child welfare, self-sufficiency and vocational rehabilitation services, by \$7,122,984; for the expenditure of additional federal Child Care Development Block Grant funding.

9. Oregon Health Authority

Approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, increased Federal Funds expenditure limitation, and established and transferred positions, per the attached table, with the understanding that the Department of Administrative Services will unschedule \$11,879,295 General Fund.

10. Oregon Health Authority

Allocated \$260,949 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Oregon Health Authority by section 1(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs; increased the Other Funds expenditure limitation established for the Oregon Health Authority by section 2(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs, by \$32,282; increased the Federal Funds expenditure limitation established for the Oregon Health Authority by section 4(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs, by \$180,359; and authorized the establishment of 6 permanent positions (1.76 FTE) to support ombuds services for individuals eligible for medical assistance programs.

11. Oregon Health Authority

Allocated \$1,500,000 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 545, Oregon Laws 2017, Programs, to invest in community programs aimed at reducing the number of Aid and Assist patients sent to the Oregon State Hospital.

12. Oregon Health Authority

Acknowledged receipt of a report on mental health residential rate standardization.

13. Oregon Health Authority

Acknowledged receipt of a report on creating a single plan of shared accountability for behavioral health coordination within each geographic service area.

14. Department of Human Services

Acknowledged receipt of a report on the agency's workforce-related efforts in the child welfare program.

15. Department of Human Services

Acknowledged receipt of a report on efforts to curb costs in the Intellectual and Developmental Disabilities program.

- 16. Department of Human Services**
Acknowledged receipt of a report on the agency’s work to improve position management practices.
- 17. Department of Human Services**
Allocated \$6,343,891 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement appropriations made to the Department of Human Services, approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, transferred Federal Funds expenditure limitations, and transferred positions; per the attached table.
- 18. Department of Human Services**
Allocated \$2,500,000 from the special purpose appropriation made to the Emergency Board by section 179(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(2), chapter 597, Oregon Laws 2017, Child welfare, self-sufficiency, and vocational rehabilitation, for the child welfare program.
- 19. Department of Human Services**
Allocated \$255,882 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs; increased the Federal Funds expenditure limitation established for the Department of Human Services by section 3(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, by \$969,092; and authorized the establishment of 15 permanent positions (3.75 FTE), to comply with a federal directive on nursing facility complaint investigations.
- 20. Department of Human Services**
Increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, by \$246,504, and authorized the establishment of 4 permanent positions (1.00 FTE), to embed dedicated case managers in four hospitals.
- 21. Department of State Police**
Allocated \$6,300,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, to support cash flow depleted by extraordinary wildfire fighting costs incurred during the 2017 and 2018 wildfire seasons, with instructions.

- 22. Military Department**
Established a Federal Funds Capital Construction expenditure limitation of \$5,300,000 for the Military Department, Capital Construction program, for the Oregon Youth Challenge Program expansion project.
- 23. Military Department**
Established a Federal Funds Capital Construction expenditure limitation of \$1,300,000 for the Military Department, Capital Construction program, to construct an outdoor combat pistol qualification course at Camp Najaf in Corvallis, Oregon.
- 24. Military Department**
Increased the Federal Funds expenditure limitation established for the Military Department by section 3(1), chapter 566, Oregon Laws 2017, Operations, by \$4,000,000 for the demolition of structures at Camp Umatilla in Umatilla, Oregon.
- 25. Military Department**
Established a Federal Funds Capital Construction expenditure limitation of \$9,00,000 for the Military Department, Capital Construction program, for the Camp Umatilla Regional Training Institute Re-Set Project at Camp Umatilla in Umatilla, Oregon.
- 26. Military Department**
Established an Other Funds Capital Improvement expenditure limitation of \$500,000 for the Military Department, Capital Improvement program, to purchase real property adjoining the Camp Rilea Armed Forces Training Center in Warrenton, Oregon.
- 27. Military Department**
Acknowledged receipt of a report on the agency's assessment of its processes, policies, and practices for internal control over grants management.
- 28. Department of Justice**
Acknowledged receipt of a report on the Legal Tools Replacement project.
- 29. Criminal Justice Commission**
Increased the Other Funds expenditure limitation established for the Criminal Justice Commission by section 2, chapter 505, Oregon Laws 2017, by \$200,498, and authorized the establishment of 2 limited duration positions (0.50 FTE) to spend a grant award on the Statistical Transparency of Policing program.
- 30. Department of Public Safety Standards and Training**
Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 583, Oregon Laws 2017, Operations, by \$244,264, for wildland firefighter training expenses incurred during the 2018 fire season.
- 31. Department of Public Safety Standards and Training**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Homeland Security in the amount of \$498,850 for firefighter training equipment.

- 32. Department of Corrections**
Increased the Federal Funds expenditure limitation established for the Department of Corrections by section 3, chapter 573, Oregon Laws 2017, by \$741,924, for expenditure of a federal Second Chance Act grant on the Parenting Inside Out family visiting program.
- 33. District Attorneys and Their Deputies**
Established a General Fund appropriation for grand jury recordation by allocating \$386,107 from the special purpose appropriation made to the Emergency Board by section 17(1), chapter 650, Oregon Laws 2017, to the Department of Justice for the payment of expenses of District Attorneys and Their Deputies; and directed the Department of Justice to reimburse counties for eligible grand jury recordation expenses, as approved by the Emergency Board.
- 34. Department of Veterans' Affairs**
Increased the Lottery Funds expenditure limitation established for the Department of Veterans' Affairs by section 2(1), chapter 585, Oregon Laws 2017, For services provided by the Department of Veterans' Affairs, by \$201,550, and authorized the establishment of 3 permanent positions (0.75 FTE) to establish the agency as the U.S. Department of Veterans' Affairs State Approving Agency for veterans' education programs; and recommended that the Department's Veterans' Services Program Lottery Funds allocation be increased by \$201,550 during the 2019 legislative session.
- 36. Department of Forestry**
Acknowledged receipt of a report on the 2018 fire season; allocated \$1,886,696 from the special purpose appropriation made to the Emergency Board by section 5(1), chapter 592, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 592, Oregon Laws 2017, Fire protection; allocated \$1,601,221 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 592, Oregon Laws 2017, Fire protection, for interest expenses and district deductibles associated with the 2018 fire season; increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(2), chapter 592, Oregon Laws 2017, Fire protection, by \$1,107,962 for 2018 fire season costs and by \$13,727,764 to support the timely processing of payments related to the 2018 fire season; and recommended an increase of \$31,545,752 General Fund appropriation for large fire costs be included in a budget rebalance bill during the 2019 legislative session.
- 37. Water Resources Department**
Acknowledged receipt of a report on publicly owned high-hazard dams in Oregon that have unsatisfactory or poor condition ratings.
- 38. Water Resources Department**
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey for a grant of up to \$150,000 for activities related to the National Groundwater Monitoring Network Data Providers program.

- 39. Department of Geology and Mineral Industries**
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$300,000 for the 2019 State Geological Survey project.
- 40. Department of Aviation**
Approved, retroactively, the submission of a grant application to the Federal Aviation Administration in the amount of \$37,000,000 for a runway extension project at Aurora State Airport, with instructions.
- 41. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$500,000 for the Innovative Coordinated Access and Mobility Program.
- 42. Department of Transportation**
Approved, retroactively, the submission of a federal grant application to the Federal Highway Administration, Competitive Highway Bridge Program in the amount of \$44,500,000 for replacement and rehabilitation of deficient bridges.
- 43. Department of Consumer and Business Services**
Acknowledged receipt of a report on workers' compensation premium assessment rates.
- 44. Public Utility Commission**
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration in the amount of up to \$58,000 for inspections of underground natural gas storage facilities in Oregon.
- 45. Public Employees Retirement System**
Authorized the transfer of \$424,500 from the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(4), chapter 600, Oregon Laws 2017, Operations Division, to the Other Funds expenditure limitation established by section 1(2), chapter 600, Oregon Laws 2017, Financial and Administrative Services Division, for the Oregon Savings Growth Plan.
- 46. Public Employees Retirement System**
Increased the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(5), chapter 600, Oregon Laws 2017, Compliance, Audit and Risk Division, by \$119,542 and authorized the establishment of 2 permanent positions (0.50 FTE) for cybersecurity and business continuity planning; and authorized the transfer of \$500,000 from the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(3), chapter 600, Oregon Laws 2017, Information Services Division to the Other Funds expenditure limitation established by section 1(5), chapter 600, Oregon Laws 2017, Compliance, Audit and Risk Division, for a disaster recovery program.

- 47. Department of Revenue**
Deferred action on the request to transfer \$262,712 General Fund from the Personal Tax and Compliance appropriation to the Administration appropriation to fund a projected budget shortfall.
- 48. Department of Revenue**
Authorized the transfer of \$687,519 from the General Fund appropriation established for the Department of Revenue by section 1(3), chapter 601, Oregon Laws 2017, Personal Tax and Compliance Division, to the General Fund appropriation established for the Department of Revenue by section 1(2), chapter 601, Oregon Laws 2017, Property Tax Division, for a budget shortfall.
- 49. Department of Administrative Services**
Acknowledged receipt of a report on compensation plan changes.
- 51. Department of Administrative Services**
Increased the Other Funds Capital Construction expenditure limitation established for the Department of Administrative Services by section 1(1)(k), chapter 747, Oregon Laws 2017, State Data Center Power Upgrades, by \$6,782,000 to complete the State Data Center Power Upgrades project.
- 52. Department of Administrative Services**
Increased the Federal Funds expenditure limitation established for the Department of Administrative Services, Office of the State Chief Information Officer–Policy, by the Emergency Board at its September 2018 meeting, by \$599,795 to accommodate grants and contracts for Lidar aerial imagery.
- 53. Department of Geology and Mineral Industries**
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$200,000 for the 3D Elevation Program initiative.
- 54. Legislative Fiscal Office**
Transferred unallocated balances in the amount of \$34,462,012 from special purpose appropriations made to the Emergency Board to the Emergency Fund appropriation legal citation, per the attached table.

**ATTACHMENT
Item 9: Oregon Health Authority**

OREGON HEALTH AUTHORITY 2017-19				
December 2018				
Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget	Adjustments to Position Authority	
<u>Transfers, Allocations, and Expenditure Limitation Adjustments:</u>				
Health Care for All Oregon Children				
Ch 652 4, OL 2017	General	(10,259,512)		
Programs				
Ch 545 2(1), OL 2017	Other	895,921,748		
Ch 545 4(1), OL 2017	Federal	430,552,061		
	Total	895,921,748		11 pos / 3.34 FTE
Central Services, Statewide Assessments & Enterprise-wide Costs				
Ch 545 1(2), OL 2017	General	10,259,512		
Ch 545 2(2), OL 2017	Other	(3,903,290)		
Ch 545 4(2), OL 2017	Federal	1,096,027		
	Total	7,452,249		
Public Employees' Benefit Board				
Ch 545 6, OL 2017	Other	80,000,000		
Oregon Educators Benefit Board				
Ch 545 7, OL 2017	Other	81,000,000		
Agency Total				
	General	-		
	Other	1,053,018,458		
	Federal	431,648,088		
	Total	1,484,666,546		11 pos / 3.34 FTE
<u>Request Department of Administrative Services to unschedule:</u>				
Health Care for All Oregon Children				
Ch 652 4, OL 2017	General	7,004,243		
Programs				
Ch 545 1(1), OL 2017	General	4,875,052		

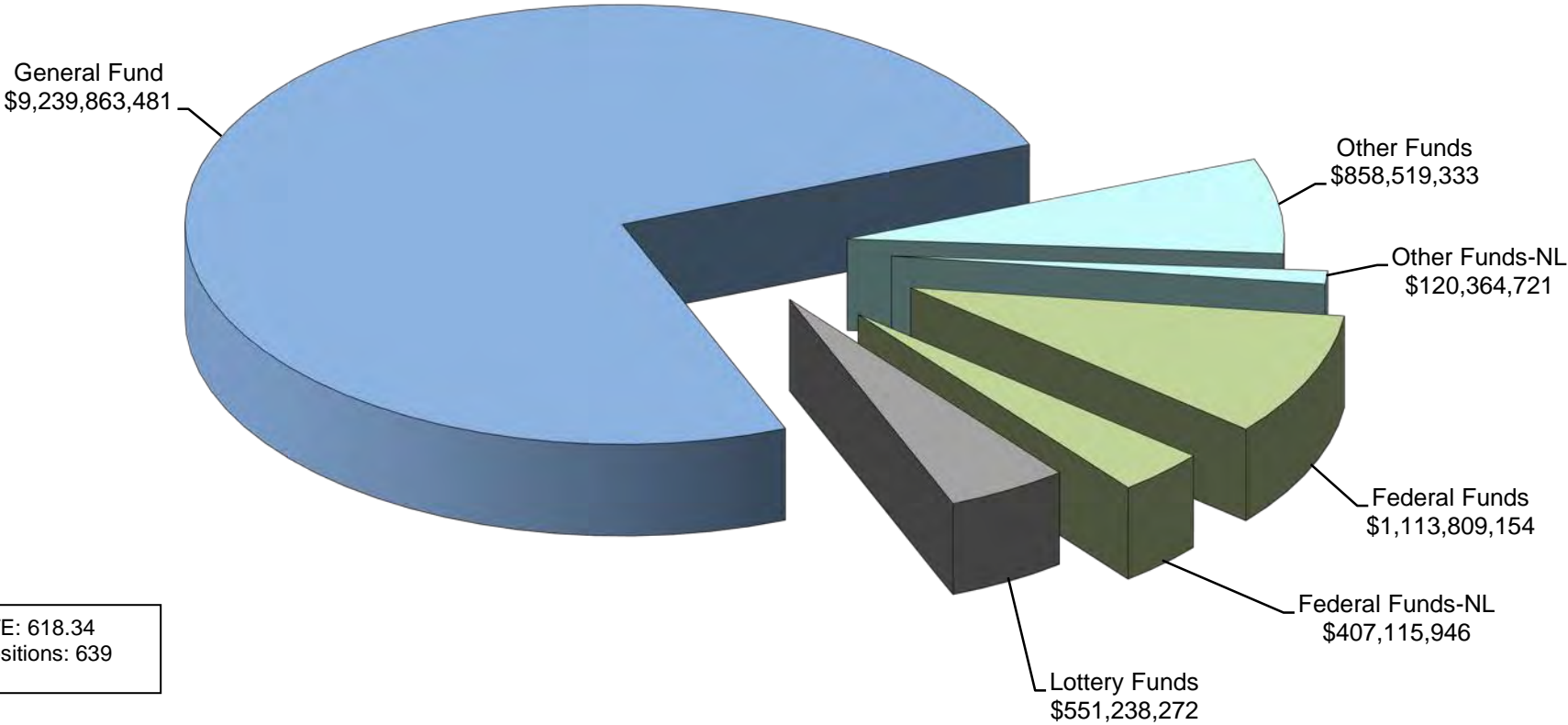
**ATTACHMENT
Item 17: Department of Human Services**

DEPARTMENT OF HUMAN SERVICES 2017-19			
December 2018			
Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget	Adjustments to Position Authority
Transfers, Allocations, and Expenditure Limitation Adjustments:			
Child welfare, self-sufficiency, and vocational rehabilitation services			
Ch 597 1(2), OL 2017	General	22,030,592	
Ch 597 2(2), OL 2017	Other	(577,409)	
Ch 597 3(2), OL 2017	Federal	6,505,565	
	Total	27,958,748	(12) pos / (12.00) FTE
Aging and people with disabilities and intellectual/developmental disabilities programs			
Ch 597 1(3), OL 2017	General	(13,946,216)	
Ch 597 2(3), OL 2017	Other	3,549,816	
Ch 597 3(3), OL 2017	Federal	13,862,387	
	Total	3,465,987	7 pos / 7.00 FTE
Central Services, state assessments, and enterprise-wide costs			
Ch 597 1(1), OL 2017	General	(1,740,485)	
Ch 597 2(1), OL 2017	Other	2,296,942	
Ch 597 3(1), OL 2017	Federal	(20,367,952)	
	Total	(19,811,495)	8 pos / 8.00 FTE
Shared services			
Ch 597 2(4), OL 2017	Other	(222,785)	(3) pos / (3.00) FTE
Department Total			
	General	6,343,891	
	Other	5,046,564	
	Federal	-	
	Total	11,390,455	0 pos / 0.00 FTE

Special Purpose Appropriation Transfer Detail

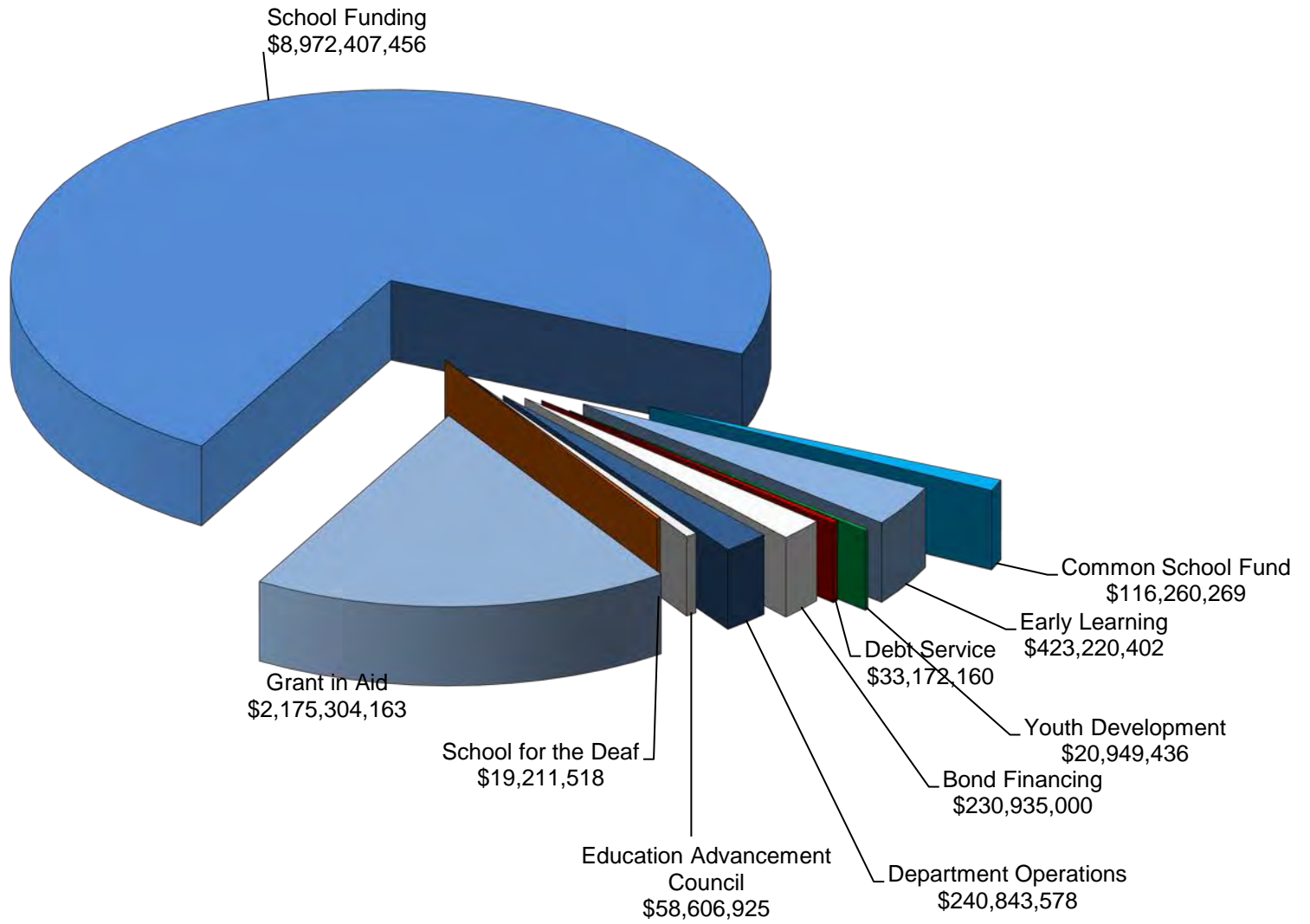
Oregon Laws 2017 & 2018 Chapter/Section	Agency/Purpose	Amount
Chapter 592, sec. 5(1), 2017	Department of Forestry for fire severity suppression costs	(2,113,304)
Chapter 650, sec. 17(1), 2017	State agencies for Grand Jury recording costs	(7,513,893)
Chapter 99, sec. 127(1), 2018	Oregon Health Authority for Mental Health residential rates	(2,000,000)
Chapter 99, sec. 130(1), 2018	Oregon Health Authority/Department of Human Services for Caseload and Cost Per Case Issues	(21,900,227)
Chapter 99, sec. 156(1), 2018	Secretary of State for January 2018 Special Election County costs	(284,588)
Chapter 99, sec. 169(1), 2018	Department of Revenue for position reconciliation	(650,000)
Total transfers from special purpose appropriations		(34,462,012)
Chapter 702, sec. 1, 2017	Emergency Board -- General Purpose	34,462,012
Net General Fund Change		0

**2019-21 Governor's Balanced Budget
\$12.29 Billion All Funds
(by fund source)**



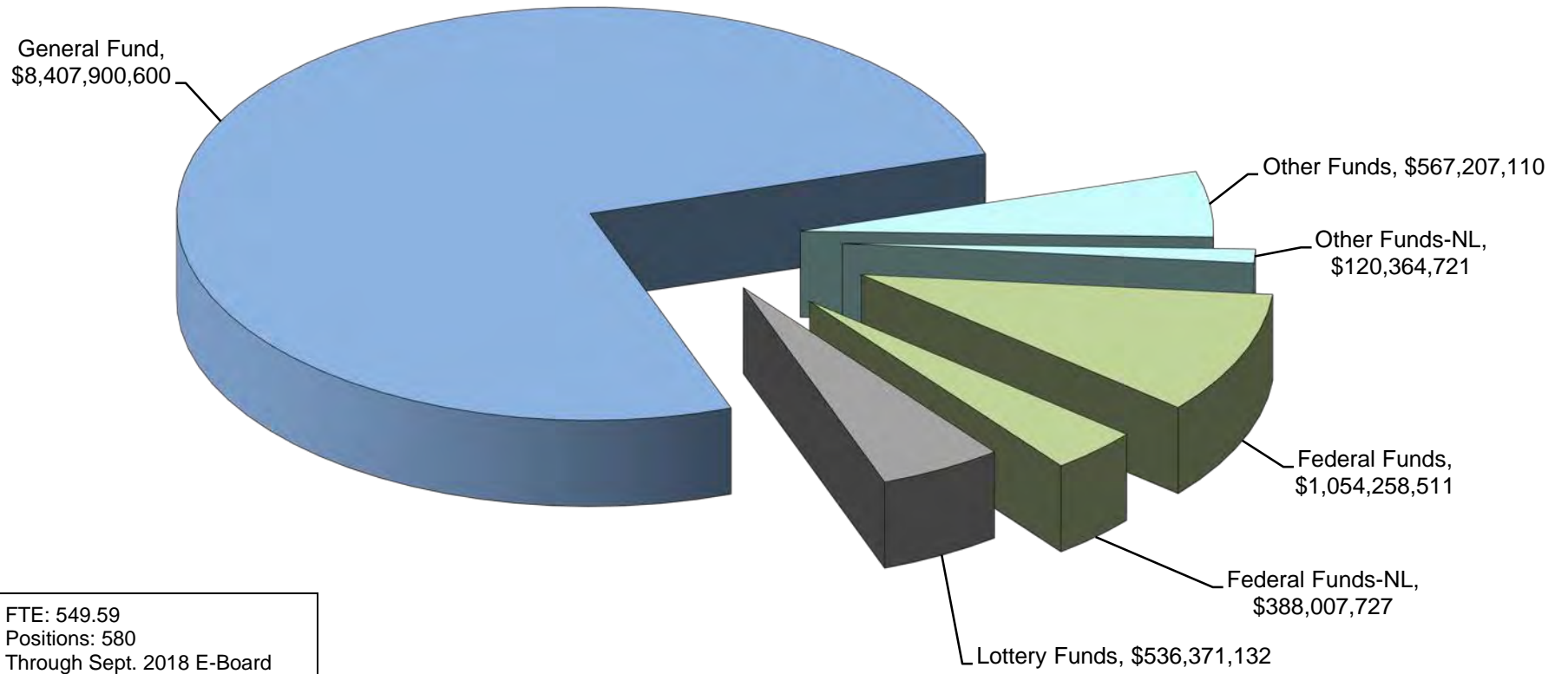
FTE: 618.34
Positions: 639

2019-21 AGENCY REQUEST BUDGET
\$12.29 Billion All Funds
(by program area)



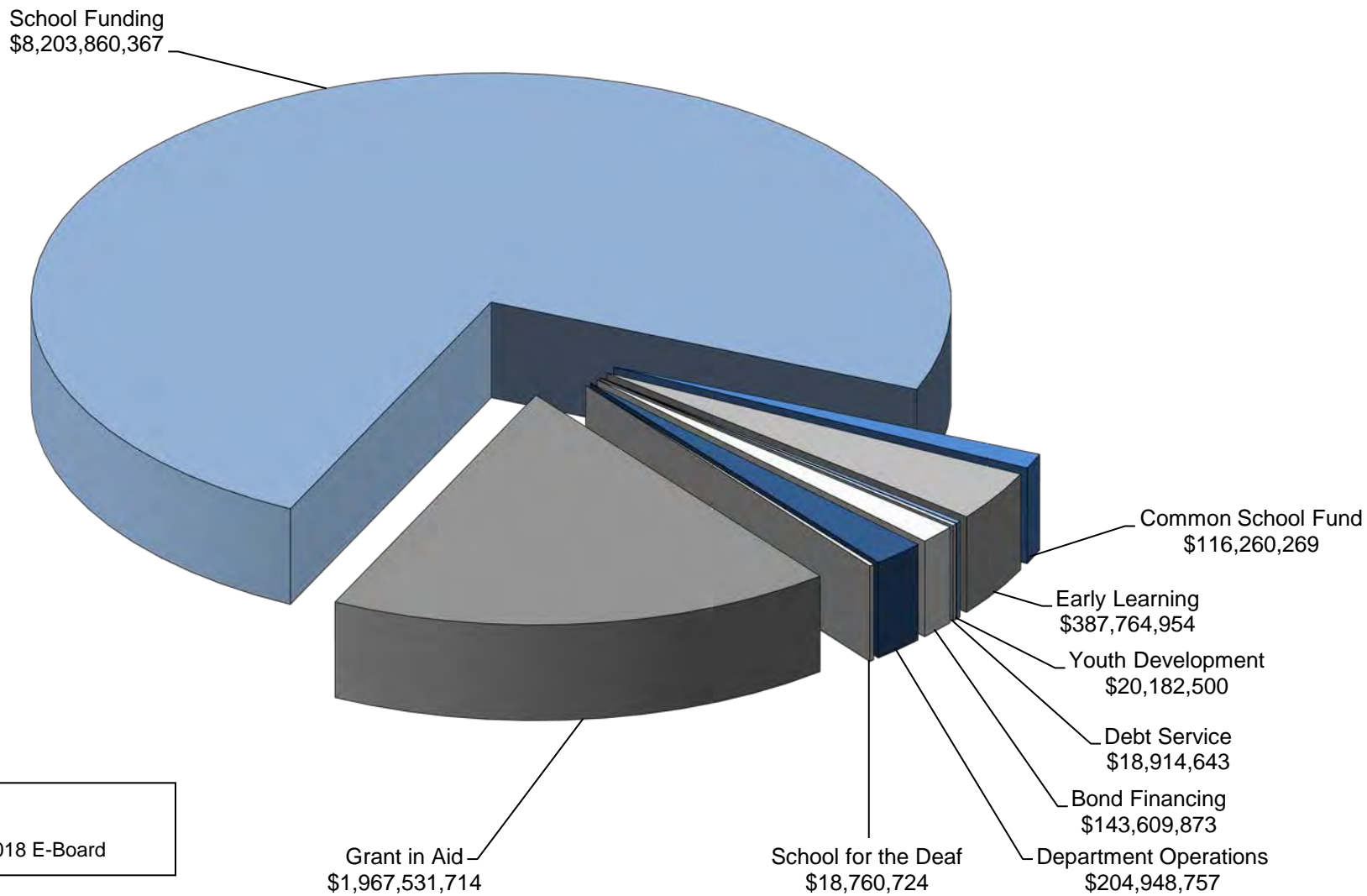
FTE: 618.34
 Positions: 639

**2017-19 Legislatively Approved Budget
\$11.08 Billion All Funds
(by fund source)**



FTE: 549.59
Positions: 580
Through Sept. 2018 E-Board

2017-19 LEGISLATIVELY APPROVED BUDGET
\$11.08 Billion All Funds
(by program area)



FTE: 549.59
Positions: 580
Through Sept. 2018 E-Board

MISSION STATEMENT AND STATUTORY AUTHORITY

Governance

In accordance with ORS 326.011, the Governor shall appoint a State Board of Education (SBE) consisting of seven members, confirmed by the Senate, who establish policy for the administration and operation of the public elementary and secondary schools in the State of Oregon. The Governor also, per ORS 326.300 and 326.311, serves as the Superintendent of Public Instruction, and acts as executive head of the Oregon Department of Education (ODE).

The Superintendent of Public Instruction, under ORS 326.300, shall appoint a Deputy Superintendent of Public Instruction, who shall perform any act or duty of the Office of Superintendent of Public Instruction designated by the Governor, which includes acting as executive head of the Oregon Department of Education.

Governor Kate Brown, Superintendent of Public Instruction, appointed Colt Gill as Deputy Superintendent of Public Instruction on January 12, 2018. He was confirmed by the Senate during the 2018 Legislative Session.

State Board of Education Mission

The Oregon State Board of Education works to ensure that every Oregon public school student has equal access to high quality educational services that promote lifelong learning and prepare students for their next steps following high school graduation; including college, work, and citizenship.

To accomplish this goal, the Board has established the following expectations for Oregon's education enterprise:

- **A common core of rigorous standards for all** – Set rigorous standards so all students are challenged and acquire the knowledge and skills to be successful in their next steps.
- **An aligned PK-20 education system** – Implement a continuum of learning by creating fluid transitions at every point of the education system so all students have access to high quality life-long learning.
- **A personalized learning experience for each student** – Create safe culturally competent and engaging learning environments in every school, so the individual needs of all students are met.
- **A connected educational community** – Strengthen relationships between schools and local communities, so all students enter school/college ready to learn, and have access to relevant life-long learning experiences.
- **A corps of quality educators prepared and ready to take on new challenges** – Train and support educators and organize schools to support excellent teaching for each student.
- **A system to provide adequate and appropriately allocated resources** – Ensure effective and efficient resource allocation, infrastructure, and governance, to improve achievement.

Oregon Department of Education Mission

The Oregon Department of Education's (ODE's) mission is to foster equity and excellence for every learner through collaborations with educators, partners, and communities. In fulfilling its mission, ODE has a vision to ensure all students have access to, and benefit from, a world-class, well –rounded, and equitable education system.

ODE provides leadership for all elementary and secondary students in Oregon's public schools and education service districts (ESDs). The agency is responsible for developing state standards, guiding school improvement efforts, developing and implementing Oregon's statewide student assessment system, and reporting student performance. Responsibilities also extend to public preschool programs, the Oregon School for the Deaf, regional programs for children with disabilities, education programs for youth in Oregon correctional facilities, and a variety of other federal and state education programs. ODE's activities are funded with a combination of General Fund, lottery funds, federal grants, and miscellaneous other funds; the latter, primarily from grants and fees.

Statutory Authority

Oregon Revised Statutes (ORS), chapters 326 to 348, have provisions granting authorities and duties to the State Board and the Oregon Department of Education.

More specifically, ORS 326.111 establishes the agency and prescribes its general functions, ORS 326.310 prescribes general educational duties for the superintendent, ORS 326.021 establishes the State Board, and ORS 326.051 prescribes the Board's general functions.

Oregon Administrative Rules (OAR), Chapter 581, contains rules adopted by the Board.

AGENCY STRATEGIC PLAN

Background

As the underpinning of education reform efforts began in 2011, the Legislature adopted Senate Bill 253. This frames what has come to be known as the 40-40-20 goal. By 2025, this goal aims for 40 percent of Oregonians to have a baccalaureate degree or higher, for 40 percent to have an associate's degree or certificate in a skilled occupation, and for the remaining 20 percent, without a postsecondary credential, to have at least a high school diploma or its equivalent credential.

The 2012 Legislature continued its effort on defining the 40-40-20 goal, by passing a bill to streamline and strengthen more than two dozen state investments for children from birth to age five, and to help more at-risk youth arrive in kindergarten with the skills and support they need to succeed in school (HB 4165). In 2013, the Legislature furthered these efforts by merging the Early Learning Division and Youth Development Division into ODE, and by increasing strategic investments in support of the 40-40-20 goal (HBs 3232 and 3233).

The 2015 Legislature realigned and reprogrammed the strategic investments made in 2013, to provide focus on increasing teacher effectiveness, closing the achievement gap, and preparing students for post-secondary success. In addition, the Legislature increased investments in early childhood programs and provided funding for a new mixed delivery preschool model to begin in the 2016-17 school year.

Long-Term Goals

To ensure alignment with the current goals and priorities of the Governor, Oregon Legislature, and State Board of Education, ODE has gone through a re-evaluation of the agency's long-term goals. While the previous goals were aligned with the work of the agency, there was a need to more succinctly identify the desired results for those the agency serves. As a result, ODE adopted five agency long-term goals that clearly define who the agency is serving, as well as the intended results of the long-term goals.

1. **Start Strong:** Every student enters school ready to learn.
2. **Be Proficient and Transition Successfully:** Every student is supported and on track to meet expected grade level outcomes through a well-rounded education.
3. **Graduate College and Career Ready:** Every student graduates from high school ready for college, career, and civic life.
4. **Experience Outstanding Customer Service:** Every student, district, and agency employee is supported through high-functioning business operations.
5. **Focus on Equity:** Interrupt and transform historically inequitable systems.

These five agency goals will be measured by Key Performance Measures approved by the Legislature. The Department will continue to use the performance measures proposed for the 2019-21 budget, but will update them to reflect the new goals they are measuring.

Short-Term Goals

ODE is in the process of executing its 2017-19 strategic plan. The plan outlines a variety of strategies with tactical focus areas that are aligned with the agency long-term goals. As ODE outlines its 2019-21 Agency Budget Request, the policy option packages will help form the focus areas for the agency 2019-21 strategic plan. Each of the 2019-21 policy options packages fit into the agency long-term goals as follows. Policy packages in red denote packages that were approved in whole or in part in the Governor's Recommended Budget.

- **Goal 1: Every student enters school ready to learn.**
 - Policy Package 151 – ELD Capacity
 - Policy Package 152 – ELD Preschool
 - Policy Package 153 – ELD Baby Promise
 - Policy Package 154 – Quality Improvement Systems
 - Policy Package 156 – ELD Family Supports
 - Policy Package 157 – Child Care Licensing

- **Goal 2: Every student is supported and on track to meet expected grade-level outcomes through a well-rounded education.**
 - Policy Package 103 – Safe and Effective Schools for All Students
 - Policy Package 105 – Best Practices in Reducing Chronic Absenteeism of Students
 - Policy Package 106 – Well-Rounded, Student-Centered Teaching and Learning
 - Policy Package 107 – Meet the Nutritional Needs of All Students
 - Policy Package 108 – High Quality and Safe School Facilities
 - Policy Package 111 – Professional Development and Best Practices for Educators (placeholder)

- **Goal 3: Every student graduates from high school ready for college, career, and civic life.**
 - Policy Package 101 – Ensure Students Graduate Future Ready
 - Policy Package 109 – Improved Levels of Service for Students with Special Needs
 - Policy Package 110 – Education and Job Reengagement Opportunities

- **Goal 4: Every student, district, and agency employee is supported through high-functioning business operations.**
 - Policy Package 112 – Accountability, Compliance and Efficiency of Business Systems
 - Policy Package 113 – Adequate Levels of Business Services
 - Policy Package 114 – Sustainable Resources for Pupil Transportation Program

➤ **Goal 5: Interrupt and transform historically inequitable systems**

- Policy Package 102 – Support for Historically Marginalized and Underserved Populations Policy Package 112 – Accountability, Compliance and Efficiency of Business Systems
- Policy Package 104 – Protect the Civil Rights of Students

2019-21 SHORT-TERM PLAN

Agency Programs

More information on the following primary programs is located on the agency's website, as well as in other sections of this document. Many of these programs will be impacted by the initiatives discussed in more detail in the policy option packages included in this budget document.

Office of the Deputy Superintendent of Public Instruction

The Office of the Deputy Superintendent provides the overall supervision and management of the Department of Education. In its leadership role, it develops and implements education policy, and ensures the implementation of legislative, executive branch, and federal government policies and procedures are done with fidelity. Elements of the office include:

- State Board of Education
- Office of Indian Education
- Quality Education Commission
- Fair Dismissal Appeals Board
- Communications
- Internal Auditing
- Legal and Legislative Coordination

Office of Equity, Diversity & Inclusion

The Office of Equity, Diversity & Inclusion team works to close the achievement gap, and better serve students of color and English Language Learners, through an intentional focus on equity, diversity and inclusion.

- Civil Rights
- Closing the Achievement Gap
- Limited English and Immigrant
- Migrant Education

Office of Teaching and Learning

The Office of Teaching, Learning and Assessment ensures all components of Oregon's public and private educational enterprise, pre-kindergarten through postsecondary (PK-20), are effectively interconnected to provide appropriate and personalized instruction for each student. In addition, this office manages student assessments across the state. This office provides leadership, professional development for teachers and administrators, and tools for student success to Oregon's districts and schools.

- Common Core/College and Career Readiness
- Educator Effectiveness
- Federal Programs
- Data, Operations & Grant Management
- School Improvement
- Secondary/Post-secondary Transitions
- Student Assessments

Office of Accountability, Research and Data Analysis

The Accountability, Research and Data Analysis supports ODE's roles of accountability, leadership, and school improvement, represented by data collection from, and reporting on, Schools, Districts, and Educational Service Districts (ESDs).

- Accountability & Reporting
- Research & Data Analysis

Office of Student Services

The Office of Student Services supports and monitors programs providing direct services to diverse learners, and assists in the development of strategies to address unique learning differences. Units in this office manage programs including special education, early childhood special education, accountability and program compliance, pupil transportation and fingerprinting, and capacity building and partnerships with community stakeholders. This work is designed to ensure multiple teaching and learning strategies encompass student needs derived from socio-economic, social emotional, linguistic, cultural, ethnic, or other differences.

- Child Nutrition
- Early Childhood Education
- Education Programs & Assessments
- Special Education General Supervision
- IDEA Compliance and District Resources
- Pupil Transportation and Fingerprinting
- Oregon School for the Deaf
- Regional Programs / Best Practices

Office of Finance and Information Technology

The Office of Finance and Administration, in addition to traditional business functions, manages the State School Fund and the Office of School Facilities.

- Employee Services
- Budget Services
- Financial Services
- Procurement Services
- Business Services
- School Finance – State School Fund and Common School Fund
- Office Of School Facilities
- Information Technology Services
 - Information System Analysis and Development
 - Network Security and Infrastructure Management
 - Project Management
 - Help Desk Support

Early Learning Division (ELD)

Oregon's Early Learning Division is charged with improving kindergarten readiness and family stability, while making sure multiple systems are more coordinated and aligned to effectively support families. The ELD reports to the Early Learning Council.

- Oregon Prekindergarten Program
- Oregon Early Head Start
- Office of Child Care
- Healthy Families of Oregon
- Relief Nurseries
- Preschool Promise
- Administration and Other Early Learning Initiatives

Youth Development Division (YDD)

The Youth Development Division provides evidence-based/best practice community prevention and intervention services for at-risk middle and high school age youth who are chronically acting out and/or are victims of neglect. The YDD reports to the Youth

Development Council, which was established by House Bill 4165 in 2012, to assist the Chief Education Officer, formerly the Oregon Education Investment Board, in overseeing a unified system that provides services to school-age children. The YDD serves youth age 12 through 24 years of age in a manner that supports academic success, reduces criminal involvement, and is integrated, measurable, and accountable.

Oregon Educator Advancement Council (EAC)

The Governor's budget establishes the Educator Advancement Council in the Department of Education as a separate office, much like the Early Learning and Youth Development divisions.

The Chief Education Office sunsets statutorily on June 30, 2019. The interagency and cross-sector functions of the Chief Education Office are critical to achieving the Governor's vision of a seamless system of education and will be assumed by the Governor as Superintendent of Public Instruction. Under the Governor's direct leadership and authority, continued reform of state government functions to improve student opportunity and outcomes, and greater accountability across the education system will be achieved. The Educator Advancement Council will remain an innovative and independent public- nonprofit partnership supported administratively by the Oregon Department of Education.

2019-21 Agency Initiatives

ODE proposed twenty-one policy option packages within the 2019-21 Agency Request Budget. Of these twenty-one policy option packages, six are directly linked to the Early Learning Division (151, 152, 153, 154, 156 and 157) and one is directly linked to the Youth Development Division (110). The remaining fourteen are specific to ODE's Grant-In-Aid Programs and its remaining Department Operations.

In addition to the twenty-one policy option packages, ODE is recommending fifteen legislative concepts, in which nine (LC 309, 311, 314, 315, 317, 318, 319, 320, and 323) have corresponding policy option packages requesting budgetary resources for the proposed policy change/addition. Three of the fifteen legislative concepts are linked to the Early Learning Division (317, 318, 322), and two are linked to the Youth Development Division (310 and 316).

2019-21 Policy Option Packages

➤ Policy Package 101 – Ensure Students Graduate Future Ready

General Fund: \$16.5 million. FTE: 8.40. Strategic Investments to support increasing graduation rates through the expansion of student access to career and technical education (CTE) and other hands-on learning experiences through Grant-in-Aid and Operations.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 102 – Support for Historically Marginalized and Underserved Populations**

General Fund: \$17.0 million. FTE: 1.84. Strategic Investments provide enhancement to existing supports and programs that focus on improving education success for historically underserved populations through Technical Services, Grant-In-Aid and Operations. *(Legislative Concept 314)*

This package was approved as modified in the Governor's Recommended Budget. \$11.2 million GF, 1 position (0.92 FTE)

➤ **Policy Package 103 – Safe and Effective Schools for ALL Students**

General Fund: \$6.3 million. FTE: 6.44. Strategic Investments to carry out recommendation made by the *Advisory Committee on Safe and Effective Schools for ALL Students* and the *Oregon Task Force on School Safety* which work collectively to provide an inclusive, safe, and welcoming learning environment conducive to learning for all students and staff. *(Legislative Concept 309 and Legislative Concept 315)*

This package was approved as modified in the Governor's Recommended Budget. \$6.3 million GF, 7 positions (6.44 FTE)

➤ **Policy Package 104 – Protect the Civil Rights of Students**

General Fund: \$1.6 million. FTE: 4.18. Strategic Investments to investigate risk; review complaints; ensure compliance; and provide technical assistance and professional development for the civil right of all Oregon students.

This package was approved as modified in the Governor's Recommended Budget. \$1.3 million GF, 4 positions (3.26 FTE)

➤ **Policy Package 105 – Best Practices in Reducing Chronic Absenteeism of Students**

General Fund: \$8.6 million; Other Funds: \$0.4 million. FTE: 3.76. Strategic Investments that expand the use of current best practices and investments targeted to reduce chronic absenteeism, implement trauma informed/social emotional learning practices, and create effective and welcoming learning environments for all students. *(Legislative Concept 320)*

This package was approved as modified in the Governor's Recommended Budget. \$4.9 million GF, 5 positions (3.76 FTE)

➤ **Policy Package 106 – Well-Rounded, Student-Centered Teaching and Learning**

General Fund: \$42.8 million; Other Funds: (\$0.2) million; Federal Funds: (\$12.1) million. FTE: 7.36. Investments focused on promoting student centered teaching and learning through resources that support a balanced system of assessments through expanded continuous improvement supports.

This package was approved as modified in the Governor's Recommended Budget. \$15.2 million GF, \$10.7 million Total Funds, 1 position (0.92 FTE)

➤ **Policy Package 107 – Nutritional Needs of All Students**

General Fund: \$2.5 million FTE: 1.46. Investments focused on ensuring existing Child Nutrition Programs are able to continue providing support to low-income students in receiving healthy and nutritional food. *(Legislative Concept 319)*

This package was approved as modified in the Governor's Recommended Budget. \$0 million GF, \$0.4 million Federal Funds, 2 positions (1.42 FTE)

➤ **Policy Package 108 – High Quality and Safe School Facilities**

General Fund: \$16.2 million; Other Funds: \$65.0 million. FTE: 0.92. Strategic Investments to ensure students are able to learn in safe, accessible, and quality school facilities that optimize their opportunities for success. (Legislative Concept 311)

This package was approved as modified in the Governor's Recommended Budget. \$0 million GF, \$100.9 million OF

➤ **Policy Package 109 – Improved Levels of Service for Students with Special Needs**

General Fund: \$95.0 million; FTE: 9.52. Investments that further enhance existing programs, initiatives and best practices that improve the ability to identify and educate students with specialized needs.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 110 – Education and Job Reengagement Opportunities**

General Fund: \$6.5 million; Other Funds: \$0.6 million. FTE: 6.64. Strategic Investments for collaboration of ODE and Youth Development Division working to increase efforts that work to prevent at-risk youth from becoming disconnected from the education system and/or labor market.

This package was approved as modified in the Governor's Recommended Budget. \$0.3 million GF, \$0.8 million Total Funds, 1 position (0.96 FTE)

➤ **Policy Package 111 – Professional Development and Best Practices for Educators**

General Fund: (Placeholder). FTE: 0.00. This work will be conducted in partnership with the Chief Education Office and the EAC to determine the impact to ODE's 2019-21 Governor's Recommended Budget.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 112 – Accountability, Compliance, and Efficiency of Business Systems**

General Fund: \$1.0 million; Other Funds: \$0.1 million. FTE: 3.66. Investment to improve existing Business Systems to increase the overall customer services to both internal and external customers, and further the ability to conduct research and analysis of student data and information to better inform and direct key state policy and investment strategies.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 113 – Adequate Levels of Business Services**

General Fund: \$2.5 million; Other Funds: \$1.9 million; Federal Funds: \$0.2 million. FTE: 24.48. Strategic Investments for 26 positions (24.48 FTE) – 8 are continuation from 2017-19 – that provide adequate business support services that have not increased at the pace of agency programs, staffing, and initiatives over the last four years.

This package was approved as modified in the Governor's Recommended Budget. \$0.4 million GF, \$2.3 million Total Funds, 13 positions (12.58 FTE)



➤ **Policy Package 114 – Sustainable Resources for Pupil Transportation Programs**

*General Fund: \$0.2 million; Other Funds: \$0.6 million. FTE: 3.68. Strategic Investment that provides adequate resources and staffing to address current workload associated with Pupil Transportation and Fingerprinting Unit. (Legislative Concept 323)
This package was denied in the Governor's Recommended Budget.*

➤ **Policy Package 115 – Program Cleanup Package**

General Fund: (\$0.4) million; Other Funds: \$0.9 million; Federal Funds (\$0.1) million. FTE: (0.60). Technical adjustments that shift funding on positions approved for the Network of Quality Teaching & Learning to realign workloads associated with the programs in NQTL; shifts funding on positions approved for the High School Success and College and Career Readiness Fund (Measure 98) from General Fund to Other Funds; and, requests General Fund backfill for Physical Education grants due to reduction in Master Tobacco Settlement Account (MTSA) funding from DAS.

This package was approved as requested in the Governor's Recommended Budget. -\$0.4 million GF, +\$0.4 million Total Funds, 0 position (-0.60 FTE)

➤ **Policy Package 151 – Early Learning Division - Capacity**

General Fund: (\$0.4) million; Other Funds: \$0.9 million. FTE: 8.36. Strategic Investment that increases the capacity of the Early Learning Division to implement, monitor, and evaluate programs. Includes additional capacity in programmatic and operational positions to increase the ability of the Division to ensure young children and families receive high-quality early care and education supports.

This package was approved as modified in the Governor's Recommended Budget. \$0 GF, \$0.4 million Total Funds, 1 position (0.96 FTE)

➤ **Policy Package 152 - Early Learning Division - Preschool**

General Fund: \$237.0 million. FTE: 10.12. Strategic Investments that expand and align Preschool Promise and Oregon Prekindergarten (OPK) to increase the quality of programs and reach additional children and families.

This package was denied in the Governor's Recommended Budget.

➤ **Policy Package 153 – Early Learning Division – Baby Promise**

General Fund: \$25.0 million; Federal Funds: \$4.3 million. FTE: 3.68. Strategic Investments that build a Baby Promise demonstration project to increase the number of high-quality infant and toddler child care slots and provide access to high-quality care for low-income families. This will serve approximately 900 infants and toddlers and their families across the state, beginning in 2020. (Legislative Concept 317)

This package was approved as modified in the Governor's Recommended Budget. \$10.0 million GF, \$14.3 million Total Funds, 4 positions (3.68 FTE)

➤ **Policy Package 154 – Early Learning Division – Quality Improvements & Professional Learning Supports**

General Fund: \$26.9 million; Federal Funds: \$6.8 million. FTE: 9.20. Strategic Investments that support all early learning programs by creating networks of family and small child care providers to engage in collaborative improvement; building of substitute pools to ensure programs can participate in quality improvements; and designing incentives to support programs in improving quality. (Legislative Concept 318)

This package was approved as modified in the Governor’s Recommended Budget. \$0 million GF, \$6.8 million Federal Funds, 10 positions (9.20 FTE)

➤ **Policy Package 156 - Early Learning Division – Family Supports**

General Fund: 40.9 million. FTE: 2.76. Strategic Investments that provide families with a variety of supports necessary to ensure they have the tools to positively affect their young children’s development.

This package was denied in the Governor’s Recommended Budget.

➤ **Policy Package 157 – Early Learning Division – Child Chare**

General Fund: \$1.5 million; Federal Funds: \$17.6 million. FTE: 29.84. Strategic Investment that increases the amount of federal resources received from the Child Care and Development Fund (CCDF) and more effectively addresses the ratio of licensing staff with licensed child-care programs. In addition, increases funding provided to the Department of Human Services for child-care subsidy and permanently ensuring tandem investigations with DHS.

This package was approved as modified in the Governor’s Recommended Budget. \$1.5 million GF, \$17.6 million Total Funds, 32 positions (29.84 FTE)

2019-21 Legislative Concepts

LC #	Subject	Description
309	Safe & Effective Schools for ALL	Deals with harassment and bullying prevention, social/emotional learning supports, trauma-informed practices and restorative justice practices to better serve all students on their path to graduation.
310	Oregon Youth Challenge	Updates ORS 343.243 and 343.247. Divorce Bend La Pine School District from reporting requirements that apply to schools for students at the Oregon Youth Challenge, and identify alternate method of funding program through the State School Fund distribution formula.
311	Ensuring High Quality and Safe School Facilities: Updating Office of School Facilities	Updates ORS 327.008(8). Eliminates School Facilities Grant established in State School Fund and shifts funding to Hardship grant program for facilities in immediate need of repair and upgrade for health and safety reasons.
312	Changing “Hearing Impairment” Term to “Deaf and Hard of Hearing”	Technical fix to ORS 343.035 and ORS 343.236(1)(a)(B). The Deaf and Hard of Hearing Community consider the term “hearing impairment” implies a negative connotation and is outdated. The term “deaf and hard of hearing” is perceived as an all-inclusive term representing individuals with a wide range of hearing loss and cultural affiliations.
313	Changing Oregon Virtual School District Name	Updates ORS 336.856. Changes the name of the <i>Oregon Virtual School District</i> to <i>Oregon Online</i> , and adds professional development to the statutes to allow staff to establish standards for quality, and support SDs implementing online learning.
314	Alaska Native Education State Plan	Replicates HB 4012 (2015) for the African American Student Success Plan to create the American Indian Alaska Native Education State Plan and grant program.
315	Inclusive Education Bill: Providing Safe and Effective Schools for All Students	Directs the SBE to adopt textbooks and instructional materials that address the contributions and roles of: Native Americans, Americans of European, African, Asian, Pacific Island, Chicano, Latino or Middle Eastern descent, men, women, people with disabilities, immigrants, refugees and individuals who are lesbian, gay, bisexual or transgender, to the economic, political and social development of Oregon and the United States of America. ODE is directed to provide professional development to teachers and administrators on ethnic studies standards.
316	Youth Development Division: Compliance Monitoring Authority	Amends ORS 417.847 to include authority to monitor facilities which detain juveniles to ensure state’s compliance with the Juvenile Justice and Delinquency Prevention (JJDP) Act of 2002.
317	Ensuring Quality Childcare in Oregon/Baby Promise Infant Toddler Care	Establishes Baby Promise Infant-toddler Child Care Program to focus on ensuring quality and safe day care for all children and families served through both licensed and non-licensed day care providers.

LC #	Subject	Description
318	Expanding Oregon Preschool Opportunities	Expansion of Preschool Promise program
319	Meeting the Nutritional Needs of Oregon Students: Funding for Student Meals	Response to HB 3454 (2017) loss of revenues by school districts for implementation of statute.
320	Addressing Chronic Absenteeism: Trauma Informed Pilot Project	Extension and expansion of Trauma Informed pilot program.
321	Medical Statements	Amends ORS343.146 to allow audiologists to issue audiological assessment information to establish special education eligibility in the areas of hearing impairment or deaf/blind. Allow Naturopathic Physicians authority to issue medical information used to establish special education eligibility.
322	Office of Child Care Statutory Revisions	Amends Oregon statutes to expand OCC's authority to conduct inspections of licensed and unlicensed childcare facilities and other technical changes to keep child care facilities safe for children.
323	School Bus or School Activity Vehicle Fees	Amends ORS 820.110 to require ODE-issued certificates for determinations for school bus and school activity vehicle drivers. Allows fees to be charged to support the program.

CRITERIA FOR 2019-21 BUDGET DEVELOPMENT
Principles for Budget Development

- Place the highest priority on activities supporting student achievement and success
- Reflect Governor, State Board, and ODE goals, values, and priorities
- Leverage current employees
- Focus on what works
- Continue to pursue all possible efficiencies
- Ensure a fair and equitable budget that positions the agency and education enterprise for success

OTHER CONSIDERATIONS

Ballot Measures

The department is unaware of any potential ballot measures that would affect current public education programs.

Inmate Work Opportunities

The department uses inmate services for the following: printing and distribution services.

Dispute Resolution

The department ensures certain staff receive training to provide dispute resolution services internally for a variety of programs. The department uses these staff before seeking assistance from outside sources.

Summary of 2019-21 Biennium Budget

Education, Dept of
Education, Dept of
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	551	537.54	11,026,906,558	8,474,804,682	465,409,819	526,575,377	1,053,144,232	118,964,721	388,007,727
2017-19 Emergency Boards	14	7.22	45,803,243	(66,904,082)	70,961,313	40,631,733	1,114,279	-	-
2017-19 Leg Approved Budget	565	544.76	11,072,709,801	8,407,900,600	536,371,132	567,207,110	1,054,258,511	118,964,721	388,007,727
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(17)	(8.98)	3,029,709	2,281,321	-	1,709,952	(961,564)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			14,257,517	14,240,174	41,645	(24,302)	-	-	-
Base Nonlimited Adjustment			20,508,219	-	-	-	-	1,400,000	19,108,219
Capital Construction			(4,297,558)	-	-	(4,297,558)	-	-	-
Subtotal 2019-21 Base Budget	548	535.78	11,106,207,688	8,424,422,095	536,412,777	564,595,202	1,053,296,947	120,364,721	407,115,946
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	2,382,478	1,208,031	-	329,983	844,464	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	419,075	311,468	-	137,218	(29,611)	-	-
Subtotal	-	-	2,801,553	1,519,499	-	467,201	814,853	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	434,261,966	187,829,398	-	246,432,568	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(143,160,726)	(3,604,515)	-	(139,556,211)	-	-	-
Subtotal	-	-	291,101,240	184,224,883	-	106,876,357	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	876,107,079	812,522,430	-	25,120,914	38,463,735	-	-
State Gov't & Services Charges Increase/(Decrease)			6,103,107	5,977,252	-	125,855	-	-	-

Summary of 2019-21 Biennium Budget

Education, Dept of
Education, Dept of
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	882,210,186	818,499,682	-	25,246,769	38,463,735	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	50,772,532	50,772,532	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	(318,023,258)	(315,658,195)	-	-	(2,365,063)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	548	535.78	12,015,069,941	9,163,780,496	536,412,777	697,185,529	1,090,210,472	120,364,721	407,115,946

Summary of 2019-21 Biennium Budget

Education, Dept of
Education, Dept of
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	548	535.78	12,015,069,941	9,163,780,496	536,412,777	697,185,529	1,090,210,472	120,364,721	407,115,946
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	(423,387)	-	-	(423,387)	-	-	-
Modified 2019-21 Current Service Level	548	535.78	12,014,646,554	9,163,780,496	536,412,777	696,762,142	1,090,210,472	120,364,721	407,115,946
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	10	9.18	98,411,258	25,582,961	14,825,495	58,002,802	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(294,157)	(82,751)	-	(211,406)	-	-	-
092 - Statewide AG Adjustment	-	-	(84,162)	(56,148)	-	(19,263)	(8,751)	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	1	0.92	11,189,452	11,189,452	-	-	-	-	-
103 - Safe & Effective Schools for All Students	7	6.44	6,344,441	6,344,441	-	-	-	-	-
104 - Protect the Civil Rights of Students	4	3.26	1,289,915	1,289,915	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	5	3.76	4,855,817	4,855,817	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	1	0.92	10,709,028	15,204,399	-	(495,371)	(4,000,000)	-	-
107 - Nutritional Needs of All Students	2	1.46	357,640	-	-	-	357,640	-	-
108 - High Quality and Safe School Facilities	-	-	100,935,000	-	-	100,935,000	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	1	0.96	825,028	270,028	-	555,000	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Education, Dept of
Education, Dept of
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	13	12.58	2,282,444	350,000	-	1,711,829	220,615	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	(0.60)	401,004	(368,076)	-	929,238	(160,158)	-	-
151 - ELD Capacity	1	0.96	386,919	-	-	349,362	37,557	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	4	3.68	14,289,842	10,000,000	-	-	4,289,842	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	10	9.20	6,770,369	-	-	-	6,770,369	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	32	29.84	17,594,515	1,502,947	-	-	16,091,568	-	-
Subtotal Policy Packages	91	82.56	276,264,353	76,082,985	14,825,495	161,757,191	23,598,682	-	-
Total 2019-21 Governor's Budget	639	618.34	12,290,910,907	9,239,863,481	551,238,272	858,519,333	1,113,809,154	120,364,721	407,115,946

Percentage Change From 2017-19 Leg Approved Budget	13.10%	13.51%	11.00%	9.90%	2.77%	51.36%	5.65%	1.18%	4.92%
Percentage Change From 2019-21 Current Service Level	16.61%	15.41%	2.30%	0.83%	2.76%	23.14%	2.16%	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Capital Bonding - School Facilities
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-089-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	104,297,558	-	-	104,297,558	-	-	-
2017-19 Emergency Boards	-	-	39,312,315	-	-	39,312,315	-	-	-
2017-19 Leg Approved Budget	-	-	143,609,873	-	-	143,609,873	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	(4,297,558)	-	-	(4,297,558)	-	-	-
Subtotal 2019-21 Base Budget	-	-	139,312,315	-	-	139,312,315	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	130,000,000	-	-	130,000,000	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(139,312,315)	-	-	(139,312,315)	-	-	-
Subtotal	-	-	(9,312,315)	-	-	(9,312,315)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	130,000,000	-	-	130,000,000	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Capital Bonding - School Facilities
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-089-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	130,000,000	-	-	130,000,000	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	130,000,000	-	-	130,000,000	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	100,935,000	-	-	100,935,000	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Capital Bonding - School Facilities
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-089-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	100,935,000	-	-	100,935,000	-	-	-
Total 2019-21 Governor's Budget	-	-	230,935,000	-	-	230,935,000	-	-	-
Percentage Change From 2017-19 Leg Approved Budget	-	-	60.81%	-	-	60.81%	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	77.64%	-	-	77.64%	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Department Operations
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-100-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	469	461.77	197,725,784	76,243,663	-	39,635,069	79,142,600	2,704,452	-
2017-19 Emergency Boards	14	7.22	5,645,537	3,286,904	-	1,245,428	1,113,205	-	-
2017-19 Leg Approved Budget	483	468.99	203,371,321	79,530,567	-	40,880,497	80,255,805	2,704,452	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(17)	(8.98)	2,865,639	2,196,443	-	1,611,326	(942,130)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			1,400,000	-	-	-	-	1,400,000	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	466	460.01	207,636,960	81,727,010	-	42,491,823	79,313,675	4,104,452	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	2,310,830	1,125,578	-	345,820	839,432	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	367,012	260,092	-	135,584	(28,664)	-	-
Subtotal	-	-	2,677,842	1,385,670	-	481,404	810,768	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	239,080	182,033	-	57,047	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(1,548,411)	(1,304,515)	-	(243,896)	-	-	-
Subtotal	-	-	(1,309,331)	(1,122,482)	-	(186,849)	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	3,674,360	1,157,863	-	974,388	1,542,109	-	-
State Gov't & Services Charges Increase/(Decrease)			6,103,107	5,977,252	-	125,855	-	-	-

Summary of 2019-21 Biennium Budget

Education, Dept of
Department Operations
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	9,777,467	7,135,115	-	1,100,243	1,542,109	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	466	460.01	218,782,938	89,125,313	-	43,886,621	81,666,552	4,104,452	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Department Operations
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-100-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	466	460.01	218,782,938	89,125,313	-	43,886,621	81,666,552	4,104,452	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	466	460.01	218,782,938	89,125,313	-	43,886,621	81,666,552	4,104,452	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	(1,054,269)	(1,054,269)	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(294,157)	(82,751)	-	(211,406)	-	-	-
092 - Statewide AG Adjustment	-	-	(84,162)	(56,148)	-	(19,263)	(8,751)	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	1	0.92	1,009,452	1,009,452	-	-	-	-	-
103 - Safe & Effective Schools for All Students	7	6.44	1,819,322	1,819,322	-	-	-	-	-
104 - Protect the Civil Rights of Students	4	3.26	1,289,915	1,289,915	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	5	3.76	607,312	607,312	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	1	0.92	4,533,399	5,028,770	-	(495,371)	-	-	-
107 - Nutritional Needs of All Students	2	1.46	357,640	-	-	-	357,640	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	1	0.96	825,028	270,028	-	555,000	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Department Operations
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-100-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	13	12.58	2,282,444	350,000	-	1,711,829	220,615	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	(0.60)	(22,383)	(791,463)	-	929,238	(160,158)	-	-
151 - ELD Capacity	1	0.96	386,919	-	-	349,362	37,557	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	4	3.68	1,227,585	-	-	-	1,227,585	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	10	9.20	2,358,757	-	-	-	2,358,757	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	32	29.84	6,817,838	1,502,947	-	-	5,314,891	-	-
Subtotal Policy Packages	81	73.38	22,060,640	9,893,115	-	2,819,389	9,348,136	-	-
Total 2019-21 Governor's Budget	547	533.39	240,843,578	99,018,428	-	46,706,010	91,014,688	4,104,452	-

Percentage Change From 2017-19 Leg Approved Budget	13.25%	13.73%	18.43%	24.50%	-	14.25%	13.41%	51.77%	-
Percentage Change From 2019-21 Current Service Level	17.38%	15.95%	10.08%	11.10%	-	6.42%	11.45%	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Educator Advancement Council
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-125-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	-	-	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Educator Advancement Council
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-125-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	10	9.18	58,606,925	19,650,000	-	38,956,925	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Educator Advancement Council
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-125-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	10	9.18	58,606,925	19,650,000	-	38,956,925	-	-	-
Total 2019-21 Governor's Budget	10	9.18	58,606,925	19,650,000	-	38,956,925	-	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
OSD
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-200-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	82	75.77	18,415,334	12,131,628	-	6,025,702	258,004	-	-
2017-19 Emergency Boards	-	-	345,390	294,628	-	49,688	1,074	-	-
2017-19 Leg Approved Budget	82	75.77	18,760,724	12,426,256	-	6,075,390	259,078	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	153,142	84,878	-	87,698	(19,434)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	82	75.77	18,913,866	12,511,134	-	6,163,088	239,644	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	71,648	82,453	-	(15,837)	5,032	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	62,991	51,376	-	12,562	(947)	-	-
Subtotal	-	-	134,639	133,829	-	(3,275)	4,085	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	163,013	-	-	159,563	3,450	-	-
Subtotal	-	-	163,013	-	-	159,563	3,450	-	-

Summary of 2019-21 Biennium Budget

Education, Dept of
OSD
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-200-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	82	75.77	19,211,518	12,644,963	-	6,319,376	247,179	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
OSD
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-200-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	82	75.77	19,211,518	12,644,963	-	6,319,376	247,179	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	82	75.77	19,211,518	12,644,963	-	6,319,376	247,179	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
OSD
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-200-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	82	75.77	19,211,518	12,644,963	-	6,319,376	247,179	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	2.40%	1.76%	-	4.02%	-4.59%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Corrections Educational Program
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-250-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	10,928	-	-	10,928	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	10,928	-	-	10,928	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	(10,928)	-	-	(10,928)	-	-	-
Subtotal	-	-	(10,928)	-	-	(10,928)	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Education, Dept of
 Youth Corrections Educational Program
 2019-21 Biennium

Governor's Budget
 Cross Reference Number: 58100-250-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Corrections Educational Program
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-250-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Corrections Educational Program
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-250-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	-	-	-	-	-	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Grant - In - Aid and District Supports
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-300-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	1,966,693,027	453,220,802	-	273,506,378	851,958,120	-	388,007,727
2017-19 Emergency Boards	-	-	500,000	500,000	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	1,967,193,027	453,720,802	-	273,506,378	851,958,120	-	388,007,727
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	19,108,219	-	-	-	-	-	19,108,219
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	1,986,301,246	453,720,802	-	273,506,378	851,958,120	-	407,115,946
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	230,751,042	114,375,521	-	116,375,521	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(2,300,000)	(2,300,000)	-	-	-	-	-
Subtotal	-	-	228,451,042	112,075,521	-	116,375,521	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	85,112,352	29,513,829	-	23,308,196	32,290,327	-	-
Subtotal	-	-	85,112,352	29,513,829	-	23,308,196	32,290,327	-	-
040 - Mandated Caseload									

Summary of 2019-21 Biennium Budget

Education, Dept of
 Grant - In - Aid and District Supports
 2019-21 Biennium

Governor's Budget
 Cross Reference Number: 58100-300-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload	-	-	10,340,884	10,340,884	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	2,365,063	-	-	(2,365,063)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	2,310,205,524	608,016,099	-	413,190,095	881,883,384	-	407,115,946

Summary of 2019-21 Biennium Budget

**Education, Dept of
Grant - In - Aid and District Supports
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-300-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	2,310,205,524	608,016,099	-	413,190,095	881,883,384	-	407,115,946
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	(423,387)	-	-	(423,387)	-	-	-
Modified 2019-21 Current Service Level	-	-	2,309,782,137	608,016,099	-	412,766,708	881,883,384	-	407,115,946
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	(160,030,614)	(157,750,314)	-	(2,280,300)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	10,180,000	10,180,000	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	4,525,119	4,525,119	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	4,248,505	4,248,505	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	6,175,629	10,175,629	-	-	(4,000,000)	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Grant - In - Aid and District Supports
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-300-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	423,387	423,387	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	(134,477,974)	(128,197,674)	-	(2,280,300)	(4,000,000)	-	-
Total 2019-21 Governor's Budget	-	-	2,175,304,163	479,818,425	-	410,486,408	877,883,384	-	407,115,946

Percentage Change From 2017-19 Leg Approved Budget	-	-	10.58%	5.75%	-	50.08%	3.04%	-	4.92%
Percentage Change From 2019-21 Current Service Level	-	-	-5.84%	-21.08%	-	-0.65%	-0.45%	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
School Funding
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-400-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	8,203,860,367	7,653,853,380	464,758,594	85,248,393	-	-	-
2017-19 Emergency Boards	-	-	-	(70,961,313)	70,961,313	-	-	-	-
2017-19 Leg Approved Budget	-	-	8,203,860,367	7,582,892,067	535,719,907	85,248,393	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	8,203,860,367	7,582,892,067	535,719,907	85,248,393	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	73,271,844	73,271,844	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	73,271,844	73,271,844	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	771,977,639	771,977,639	-	-	-	-	-
Subtotal	-	-	771,977,639	771,977,639	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	40,431,648	40,431,648	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	(318,023,258)	(318,023,258)	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2019-21 Biennium Budget

Education, Dept of
School Funding
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-400-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	8,771,518,240	8,150,549,940	535,719,907	85,248,393	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
School Funding
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-400-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	8,771,518,240	8,150,549,940	535,719,907	85,248,393	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	8,771,518,240	8,150,549,940	535,719,907	85,248,393	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	200,889,216	164,737,544	14,825,495	21,326,177	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
School Funding
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-400-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	200,889,216	164,737,544	14,825,495	21,326,177	-	-	-
Total 2019-21 Governor's Budget	-	-	8,972,407,456	8,315,287,484	550,545,402	106,574,570	-	-	-
Percentage Change From 2017-19 Leg Approved Budget	-	-	9.37%	9.66%	2.77%	25.02%	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	2.29%	2.02%	2.77%	25.02%	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Common School Fund
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-450-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	116,260,269	-	-	-	-	116,260,269	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	116,260,269	-	-	-	-	116,260,269	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	116,260,269	-	-	-	-	116,260,269	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2019-21 Biennium Budget

Education, Dept of
Common School Fund
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-450-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	116,260,269	-	-	-	-	116,260,269	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Common School Fund
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-450-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	116,260,269	-	-	-	-	116,260,269	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	116,260,269	-	-	-	-	116,260,269	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Common School Fund
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-450-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	116,260,269	-	-	-	-	116,260,269	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Early Learning Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-500-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	380,557,077	247,940,701	-	11,580,868	121,035,508	-	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	380,557,077	247,940,701	-	11,580,868	121,035,508	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	380,557,077	247,940,701	-	11,580,868	121,035,508	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	14,412,779	9,373,357	-	440,073	4,599,349	-	-
Subtotal	-	-	14,412,779	9,373,357	-	440,073	4,599,349	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2019-21 Biennium Budget

Education, Dept of
Early Learning Division
2019-21 Biennium

Governor's Budget
Cross Reference Number: 58100-500-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	394,969,856	257,314,058	-	12,020,941	125,634,857	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Early Learning Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-500-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	394,969,856	257,314,058	-	12,020,941	125,634,857	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	394,969,856	257,314,058	-	12,020,941	125,634,857	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Early Learning Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-500-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	13,062,257	10,000,000	-	-	3,062,257	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	4,411,612	-	-	-	4,411,612	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	10,776,677	-	-	-	10,776,677	-	-
Subtotal Policy Packages	-	-	28,250,546	10,000,000	-	-	18,250,546	-	-
Total 2019-21 Governor's Budget	-	-	423,220,402	267,314,058	-	12,020,941	143,885,403	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	11.21%	7.81%	-	3.80%	18.88%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	7.15%	3.89%	-	-	14.53%	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Development Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-550-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	20,182,500	13,151,091	-	6,281,409	750,000	-	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	20,182,500	13,151,091	-	6,281,409	750,000	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	20,182,500	13,151,091	-	6,281,409	750,000	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	766,936	499,742	-	238,694	28,500	-	-
Subtotal	-	-	766,936	499,742	-	238,694	28,500	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2019-21 Biennium Budget

Education, Dept of
 Youth Development Division
 2019-21 Biennium

Governor's Budget
 Cross Reference Number: 58100-550-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	20,949,436	13,650,833	-	6,520,103	778,500	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Development Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-550-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	20,949,436	13,650,833	-	6,520,103	778,500	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	20,949,436	13,650,833	-	6,520,103	778,500	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Youth Development Division
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-550-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	20,949,436	13,650,833	-	6,520,103	778,500	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	3.80%	3.80%	-	3.80%	3.80%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Related Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	18,914,642	18,263,417	651,225	-	-	-	-
2017-19 Emergency Boards	-	-	1	(24,301)	-	24,302	-	-	-
2017-19 Leg Approved Budget	-	-	18,914,643	18,239,116	651,225	24,302	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	14,257,517	14,240,174	41,645	(24,302)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	33,172,160	32,479,290	692,870	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Related Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Related Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	33,172,160	32,479,290	692,870	-	-	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	75.38%	78.07%	6.39%	-100.00%	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Service Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-71-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	-	-	18,914,642	18,263,417	651,225	-	-	-	-
2017-19 Emergency Boards	-	-	1	(24,301)	-	24,302	-	-	-
2017-19 Leg Approved Budget	-	-	18,914,643	18,239,116	651,225	24,302	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	14,257,517	14,240,174	41,645	(24,302)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	33,172,160	32,479,290	692,870	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Service Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-71-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	33,172,160	32,479,290	692,870	-	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Ensure Graduate Future Ready	-	-	-	-	-	-	-	-	-
102 - Historically Marginalized & Underserved Pops	-	-	-	-	-	-	-	-	-
103 - Safe & Effective Schools for All Students	-	-	-	-	-	-	-	-	-
104 - Protect the Civil Rights of Students	-	-	-	-	-	-	-	-	-
105 - Best Pracs in Reducing Chronic Absenteesim	-	-	-	-	-	-	-	-	-
106 - Well-Rounded Student-Centered Teach & Learn	-	-	-	-	-	-	-	-	-
107 - Nutritional Needs of All Students	-	-	-	-	-	-	-	-	-
108 - High Quality and Safe School Facilities	-	-	-	-	-	-	-	-	-
109 - Improved Special Needs Levels of Service	-	-	-	-	-	-	-	-	-
110 - Education & Job ReEngagement Opportunities	-	-	-	-	-	-	-	-	-
111 - Prof Development & Best Pracs for Educators	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

**Education, Dept of
Debt Service Costs
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 58100-850-71-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
112 - Accountability Comp & Efficiency of IT Sys	-	-	-	-	-	-	-	-	-
113 - Adequate Levels of Business Services	-	-	-	-	-	-	-	-	-
114 - Sustain Resources for Pupil Transport Progs	-	-	-	-	-	-	-	-	-
115 - Program Cleanup	-	-	-	-	-	-	-	-	-
151 - ELD Capacity	-	-	-	-	-	-	-	-	-
152 - ELD Preschool Promise	-	-	-	-	-	-	-	-	-
153 - ELD Baby Promise	-	-	-	-	-	-	-	-	-
154 - ELD Qual Improvement Prof Development (QIPD)	-	-	-	-	-	-	-	-	-
155 - ELD Professional Development	-	-	-	-	-	-	-	-	-
156 - ELD Family Supports	-	-	-	-	-	-	-	-	-
157 - ELD Child Care Resources	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	33,172,160	32,479,290	692,870	-	-	-	-

Percentage Change From 2017-19 Leg Approved Budget	-	-	75.38%	78.07%	6.39%	-100.00%	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Agencywide Program Unit Summary
2019-21 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
089-00-00-00000	Capital Bonding - School Facilities						
	Other Funds	-	104,297,558	143,609,873	195,000,656	230,935,000	-
100-00-00-00000	Department Operations						
	General Fund	68,741,204	76,243,663	79,530,567	119,162,274	99,018,428	-
	Other Funds	35,329,126	42,339,521	43,584,949	52,681,096	50,810,462	-
	Federal Funds	69,943,229	79,142,600	80,255,805	90,885,549	91,014,688	-
	All Funds	174,013,559	197,725,784	203,371,321	262,728,919	240,843,578	-
125-00-00-00000	Educator Advancement Council						
	General Fund	-	-	-	-	19,650,000	-
	Other Funds	-	-	-	-	38,956,925	-
	All Funds	-	-	-	-	58,606,925	-
200-00-00-00000	OSD						
	General Fund	11,911,005	12,131,628	12,426,256	13,292,483	12,644,963	-
	Other Funds	5,539,875	6,025,702	6,075,390	6,319,376	6,319,376	-
	Federal Funds	293,216	258,004	259,078	247,179	247,179	-
	All Funds	17,744,096	18,415,334	18,760,724	19,859,038	19,211,518	-
250-00-00-00000	Youth Corrections Educational Program						
	Other Funds	15,649,351	-	-	-	-	-
	Federal Funds	1,835,941	-	-	-	-	-

**Agencywide Program Unit Summary
2019-21 Biennium**

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
250-00-00-00000	Youth Corrections Educational Program						
	All Funds	17,485,292	-	-	-	-	-
300-00-00-00000	Grant - In - Aid and District Supports						
	General Fund	258,340,727	453,220,802	453,720,802	796,895,147	479,818,425	-
	Other Funds	61,169,208	273,506,378	273,506,378	412,766,709	410,486,408	-
	Federal Funds	1,070,234,137	1,239,965,847	1,239,965,847	1,276,999,330	1,284,999,330	-
	All Funds	1,389,744,072	1,966,693,027	1,967,193,027	2,486,661,186	2,175,304,163	-
400-00-00-00000	School Funding						
	General Fund	6,904,804,561	7,653,853,380	7,582,892,067	8,150,549,940	8,315,287,484	-
	Lottery Funds	447,703,907	464,758,594	535,719,907	535,719,907	550,545,402	-
	Other Funds	1,175,156	85,248,393	85,248,393	85,248,393	106,574,570	-
	All Funds	7,353,683,624	8,203,860,367	8,203,860,367	8,771,518,240	8,972,407,456	-
450-00-00-00000	Common School Fund						
	Other Funds	136,579,249	116,260,269	116,260,269	116,260,269	116,260,269	-
500-00-00-00000	Early Learning Division						
	General Fund	221,352,454	247,940,701	247,940,701	583,809,684	267,314,058	-
	Other Funds	8,365,236	11,580,868	11,580,868	12,020,941	12,020,941	-
	Federal Funds	112,556,223	121,035,508	121,035,508	143,885,403	143,885,403	-
	All Funds	342,273,913	380,557,077	380,557,077	739,716,028	423,220,402	-

Agencywide Program Unit Summary
2019-21 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
550-00-00-00000	Youth Development Division						
	General Fund	11,564,813	13,151,091	13,151,091	18,070,833	13,650,833	-
	Other Funds	6,054,481	6,281,409	6,281,409	6,520,103	6,520,103	-
	Federal Funds	379,606	750,000	750,000	778,500	778,500	-
	All Funds	17,998,900	20,182,500	20,182,500	25,369,436	20,949,436	-
850-71-00-00000	Debt Service Costs						
	General Fund	-	18,263,417	18,239,116	32,479,290	32,479,290	-
	Lottery Funds	1,434,923	651,225	651,225	692,870	692,870	-
	Other Funds	-	-	24,302	-	-	-
	All Funds	1,434,923	18,914,642	18,914,643	33,172,160	33,172,160	-
TOTAL AGENCY							
	General Fund	7,476,714,764	8,474,804,682	8,407,900,600	9,714,259,651	9,239,863,481	-
	Lottery Funds	449,138,830	465,409,819	536,371,132	536,412,777	551,238,272	-
	Other Funds	269,861,682	645,540,098	686,171,831	886,817,543	978,884,054	-
	Federal Funds	1,255,242,352	1,441,151,959	1,442,266,238	1,512,795,961	1,520,925,100	-
	All Funds	9,450,957,628	11,026,906,558	11,072,709,801	12,650,285,932	12,290,910,907	-

Oregon Department of Education																								
2019-21 Biennium																			Agency Number: 58100					
Agency-Wide Priorities for 2019-21 Biennium																								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request				
Agcy	Prgm/ Div																							
1	1	ODE	SSF	State School Fund	5,6,7,9,10	7	8,150,549,940	535,719,907	85,248,393			\$ 8,771,518,240			N	Y	S, C, FM	OR Const., ORS Ch. 327 et al, IDEA, NCLB	Uniform system of common schools; basic education; special education (incl. MOE)					
2	1	ODE	CSF	Common School Fund - distributions to local districts	5,6,7,9,10	7			116,260,269			\$ 116,260,269			N	Y	S	OR Const., ORS Ch. 327						
3	1	ODE	OSD	OSD Classroom	5,6,7	7	6,705,487		1,207,419	163,410		\$ 8,076,316	38	36.57	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
4	2	ODE	OSD	OSD Nutrition	5,6,7	7	712,682		236,144			\$ 948,826	7	5.25	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
5	3	ODE	OSD	OSD Administration	5,6,7	7	1,076,163		645,907	83,769		\$ 1,805,839	5	5.00	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
6	4	ODE	OSD	OSD Physical Plant	5,6,7	7	1,272,234		3,670,684			\$ 4,942,918	12	11.50	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
7	5	ODE	OSD	OSD Medical	5,6,7	7	448,426		185,048			\$ 633,474	3	2.58	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
8	6	ODE	OSD	OSD Residential	5,6,7	7	2,429,971		374,174			\$ 2,804,145	17	14.87	N	N	S, FM	ORS Ch. 343 and 346, IDEA	Mandatory Placement Option, IDEA Directive					
9	1	ODE	GIA	Youth Corrections Education Program and Juvenile Delinquency Education Program	4,5,6,7	7			17,763,762	2,392,216		\$ 20,155,978			N	Y	C, FM, S	ORS Ch.327, ESSA, IDEA	Eligibility & Reporting					
10	2	ODE	GIA	Early Intervention/Early Childhood Special Education	2,3	7	194,371,463			31,155,674		\$ 225,527,137			N	N	S, FM, FO	ORS Ch. 343.475; IDEA	Mandatory Placement; Optional IDEA Directive					
11	3	ODE	GIA	Long Term Care and Treatment Program	5,6	7	19,655,173		24,400,160	3,021,608		\$ 47,076,941			N	N	FM	ORS Ch. 343.961, IDEA	Eligibility & Reporting					
12	4	ODE	GIA	Hospital & Pediatric Nursing Programs	5,6	7	1,419,773		5,755,379	84,913		\$ 7,260,065			N	N	FM	ORS Ch. 343.261; IDEA	Eligibility & Reporting					
13	5	ODE	GIA	Regional Education Programs	5,6	7	28,731,382		0	33,958,824		\$ 62,690,206			N	N	FM	ORS Ch. 343.236, IDEA	Eligibility & Reporting					
14	6	ODE	GIA	Blind & Visually Impaired Student Fund	4,5,6	7	1,035,630		5,141,521			\$ 6,177,151			N	Y	S	2009 OL Ch 562 Sec 7						
15	7	ODE	GIA	Title I - Part A - Low Income	4,5,6,7	7				321,508,517		\$ 321,508,517			N	Y	FM	ORS 326.051, 326.111; ESSA	Eligibility & Reporting					
16	8	ODE	GIA	Individuals with Disabilities Education Act	4,5,6,7	7				271,534,889		\$ 271,534,889			N	Y	FM	ORS 326.051, 326.111; IDEA	Eligibility & Reporting					
17	9	ODE	GIA	Title I - Part C - Migrant Education	4,5,6,7	7				22,343,514		\$ 22,343,514			N	Y	FM	ORS 326.051, 326.111; ESSA	Eligibility & Reporting					
18	10	ODE	GIA	Title III - English Language Acquisition	4,5,6,7	7				23,637,772		\$ 23,637,772			N	Y	FM	ORS 326.051, 326.111; ESSA	Eligibility & Reporting					
19	1	ODE	ELD	Office of Child Care	1,2,3,4	7	2,159,701		2,132,482	125,634,857		\$ 129,927,040			N	Y	FM	CFDA 93.596	Federal Child Care Development Funds (CCDF) include Mandatory Funding;					

Oregon Department of Education																					
2019-21 Biennium																			Agency Number: 58100		
Agency-Wide Priorities for 2019-21 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div																				
20	2	ODE	ELD	Preschool Promise	1,2,3,4	7	37,087,435					\$ 37,087,435			Y	Y	S	ORS 329.172			
21	3	ODE	ELD	Healthy Families of Oregon	1,2,3,4	7	25,734,343		4,834,879			\$ 30,569,222			Y	Y	S	ORS 417.795			
22	4	ODE	ELD	Relief Nurseries	1,2,3,4	7	9,257,092		2,152,345			\$ 11,409,437			N	Y	S	ORS 417.788			
23	5	ODE	ELD	Oregon Pre-K/Early Head Start	1,2,3,4	7	158,123,362					\$ 158,123,362			N	Y	FM	CFDA 93.600	Office of Head Start		
24	6	ODE	ELD	Kindergarten Partnership and Innovation Fund	1,2,3,4	7	9,410,458					\$ 9,410,458			N	Y	S	2013 OL Ch 728 Sec 26			
25	7	ODE	ELD	Early Learning Hubs	1,2,3,4	7	15,541,667		2,901,235			\$ 18,442,902			N	Y	S	ORS 417.827; 2013 OL Ch 728 Sec 16			
26	1	ODE	YDD	Youth and Community Grants	5,6,7	7	3,371,656		6,457,035			\$ 9,828,691			N	Y			S	SB5518 (2013)	
27	2	ODE	YDD	Youth and Innovation Grants	5,6,7	7	3,291,691					\$ 3,291,691			N	Y			S	SB5518 (2013)	
28	4	ODE	YDD	Gang Prevention & Intervention Grants	5,6,7	7	778,500					\$ 778,500			N	Y			S	SB5518 (2013)	
29	5	ODE	YDD	Juvenile Crime Prevention	5,6,7	7	6,105,780			778,500		\$ 6,884,280			N	Y			FM, S	42 U.S.C. 5601 and ORS 417.855	
30	6	ODE	YDD	Community Schools	5,6,7	7	103,206		63,068			\$ 166,274			N	Y			S		
31	11	ODE	GIA	African American Education Plan	4,5,6,7	7	6,228,000					\$ 6,228,000			N	Y	S	ORS 329.841			
32	12	ODE	GIA	Tribal Attendance Program	4,5,6,7	7	1,609,564					\$ 1,609,564			N	Y	S	ORS 342.950			
33	13	ODE	GIA	English Language Learners	4,5,6,7	7			10,827,307			\$ 10,827,307			N	Y	S	ORS 327.344			
34	14	ODE	GIA	Nutritional Programs	4,5,6,7	7	6,840,958		2,573,740		407,115,946	\$ 416,530,644			N	Y	FM	USDA	Eligibility & Reporting		
35	15	ODE	GIA	STEM and CTE Related Programs	6,7	7	29,858,770			33,332,589		\$ 63,191,359			Y	Y	S, FM	Ch. 344, & Ch 327	Eligibility & Reporting		
36	1	ODE	OPS	Office of Teaching and Learning	10	7	25,268,804		7,787,302	30,000	26,674,559	\$ 59,760,665	87	87.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
37	2	ODE	OPS	Office of Student Services	10	7	6,050,254		3,597,217	4,074,452	25,048,215	\$ 38,770,138	86	85.16	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
38	3	ODE	OPS	Youth Development Division	10	7	2,797,660		46,770		617,882	\$ 3,462,312	9	9.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
39	4	ODE	OPS	Early Learning Division	10	7	12,484,799		3,779,384		23,744,360	\$ 40,008,543	135	131.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
40	5	ODE	OPS	Office of Equity, Inclusion, and Diversity	10	7	1,025,108		4,326,924	0	393,403	\$ 5,745,435	11	11.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
41	6	ODE	OPS	Office of School Facilities Technical Assista	10	7	0		5,075,260	0	0	\$ 5,075,260	0	0.00	N	Y	S	ORS Chapters 326-346, ESSA, IDEA	Reporting		
42	7	ODE	OPS	Office of Deputy Superintendent	10	7	5,419,737		2,185,898	0	346,024	\$ 7,951,659	20	20.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
43	7	ODE	OPS	Office of Finance and Administration	10	7	7,491,826		14,171,722	0	1,767,245	\$ 23,430,793	57	55.85	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
44	7	ODE	OPS	Office of Research & Analysis	10	7	1,057,977		239,685	0	322,790	\$ 1,620,452	4	4.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
45	7	ODE	OPS	Office of Accountability and Information Ser	10	7	15,321,048		1,115,950	0	1,500,215	\$ 17,937,213	57	57.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
46	16	ODE	GIA	Phys Ed Grants	4,5,6,7	7	989,641		3,533,695			\$ 4,523,336			N	Y	S	OL 2007 Sec 10 Ch 839			
47	17	ODE	GIA	High School Success Grants (Measure 98)	4,5,6,7	7	303,185,861		303,185,861			\$ 606,371,722			Y	Y	S	OL 2017 Ch 1, Sec 1			
48	18	ODE	GIA	Chronic Absenteeism Grants	4,5,6,7	7	6,473,779					\$ 6,473,779			Y	Y	S	SB 5516 (2017)			
49	19	ODE	GIA	Trauma Informed Grants	4,5,6,7	7			1,038,000			\$ 1,038,000			Y	Y	S	SB 5516 (2017)			

Oregon Department of Education																					
2019-21 Biennium																			Agency Number: 58100		
Agency-Wide Priorities for 2019-21 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div																				
50	20	ODE	GIA	Regional Promise Grants	4,5,6,7	7	3,229,218					\$ 3,229,218			N	Y	S	ORS 327.820			
51	21	ODE	GIA	Charter School Grants	4,5,6,7	7				7,271,123		\$ 7,271,123			N	Y	FO	2016 OL Chapter 82 Section 2	Eligibility & Reporting		
52	22	ODE	GIA	Dyslexia Training Grants	4,5,6,7	7			1,972,200			\$ 1,972,200			Y	Y	S	ORS 326.726			
53	23	ODE	GIA	Vision Screening Reimbursement	4,5,6,7	7	1,047,500		953,238			\$ 2,000,738			Y	Y	S	SB 187 (2017)			
54	24	ODE	GIA	Foster Care Transportation Grants	4,5,6,7	7			519,000			\$ 519,000			Y	Y	S	SB 5516 (2017)			
55	25	ODE	GIA	Title II - Teacher and Principal Grants	4,5,6,7	7				49,670,486		\$ 49,670,486			N	Y	FM	ORS 326.051, 326.111; ESSA	Eligibility & Reporting		
56	26	ODE	GIA	Title IV - Community Learning Center Grants	4,5,6,7	7				18,787,800		\$ 18,787,800			N	Y	FM	ORS 326.051, 326.111; ESSA	Eligibility & Reporting		
57	27	ODE	GIA	Healthy and Safe Schools Plan Grants	4,5,6,7	7			2,000,000			\$ 2,000,000			Y	Y	S	SB 5516 (2017)			
58	1	ODE	CBF	Oregon School for the Deaf Capital Improvement Projects	None	7						\$ -			Y	Y	S	OL 2017 Ch 570 Sec 1 (6b)			
59	2	ODE	CBF	Oregon School Capital Improvement Matching Program	None	7			130,000,000			\$ 130,000,000			N	Y	S	OL 2015 Ch 783 Sec 2,4,5 OL 2017 Ch 570 Sec 1 (5)			
60	28	ODE	GIA	School District Turnaround Grants	5,6,9	7			2,076,000			\$ 2,076,000			N	Y	S	HB 5016 (2015)			
61	29	ODE	GIA	Low Performing School Grants	4,5,6,7	7			2,595,000			\$ 2,595,000			N	Y	S	HB 5016 (2015)			
62	30	ODE	GIA	School District Collaboration Grants	4,5,6,7	7			14,013,000			\$ 14,013,000			N	Y	S	ORS 329.838			
63	31	ODE	GIA	Mentoring Grants	4,5,6,7	7			11,937,000			\$ 11,937,000			N	Y	S	ORS 329.795			
64	32	ODE	GIA	Leadership Training Grants	4,5,6,7	7			2,595,000			\$ 2,595,000			N	Y	S	ORS 329.874			
65	33	ODE	GIA	Accelerated Learning Grants	6,7	7	3,013,936					\$ 3,013,936			N	Y	S	SB 5518 (2013) & 2011 OL Ch 639 Sec 1-10			
66	35	ODE	GIA	Reach Out to Read Program	4	7	53,820					\$ 53,820			N	Y	S	SB 5518 (2013)			
67	36	ODE	GIA	Start Making a Reader Today (SMART)	4	7	271,631					\$ 271,631			N	Y	S	SB 5518 (2013)			
68	34	ODE	GIA	All Other Programs	4,5,6,7	7			310,232		63,183,459	\$ 63,493,691			N	Y	S, FM	Various budget bills	Eligibility & Reporting		
N/A	N/A	ODE	DS	Debt Service on Lottery-backed Bonds - NOT SUBJECT TO RANKING	N/A	7	32,479,290	692,870				\$ 33,172,160			N	N	D				
n/A	N/A	ODE	OPS	State Government Service Charges	10	7	12,208,100		1,560,509	0	1,251,859	\$ 15,020,468	0	0.00	N	Y	S, FM	ORS Chapters 326-346, ESSA, IDEA	Reporting		
						9,163,780,496	536,412,777	697,185,529	120,364,721	1,090,210,472	407,115,946	\$ 12,015,069,941	548	535.78							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

21. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

OREGON DEPARTMENT OF EDUCATION

10% REDUCTION OPTIONS (ORS 291.216)

The Oregon Department of Education’s (ODE) 2019-21 Current Service Level (CSL) Budget is \$12,015,069,941. This includes \$32,497,290 of General Fund obligated for Debt Service of State General Obligation Bonds, as well as \$692,870 of Lottery Funds for Debt Service of Lottery Backed Revenue Bonds. For the purposes of providing agency reduction options, Debt Service is not required; therefore, the total 2019-21 CSL Budget for reduction purposes is \$11,981,897,781. The table below provides the targeted CSL by fund type, as well as the calculation of both 5% and 10% reductions.

:

Fund Type	2019-21 Current Service Level	2019-21 5% Reduction	2019-21 10% Reduction
General Fund	\$9,131,301,206	\$456,565,061	\$913,130,121
Lottery Funds	\$535,719,907	\$26,785,995	\$53,571,991
Other Funds	\$697,185,529	\$34,859,276	\$69,718,553
Federal Funds	\$1,090,210,472	\$54,510,524	\$109,021,047
Other Funds – Non-Limited	\$120,364,721	\$6,018,236	\$12,036,472
Federal Funds – Non - Limited	\$407,115,946	\$20,355,797	\$40,711,595
Total Funds	\$11,981,897,781	\$599,094,889	\$1,198,189,778

General Fund and Lottery Funds - 10% reduction target for General Fund is \$913,130,121 and Lottery Funds is \$53,571,991.

The table below provides information on what reductions how ODE would target (in ranking order) reductions should an up to 10% reduction be required by the agency.

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2017-19 AND 2019-21)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
Department Operations	2.11% REDUCTION RELATED TO ELIMINATING INFLATIONARY INCREASES FOR ALL SERVICES AND SUPPLIES AND ADDITIONAL \$800K IN VACANCY FACTOR TO BE ARRIVED AT THROUGH ATTRITION AND ADMINISTRATIVE ACTIONS. YDD WILL MAINTAIN STANDARD INFLATION. THE IMPACT WILL BE REDUCED LEVELS IN AGENCY CUSTOMER SERVICE AND EFFICIENCY.	\$1,878,341 – GF	1-GENERAL ADMINISTRATION, INDIRECT PROGRAM SUPPORT, AND DIRECT PROGRAM SUPPORT. REDUCTIONS TO BE PRIORITIZED AND APPLIED WITH LEAST IMPACT TO STUDENTS AND CHILDREN.

OREGON DEPARTMENT OF EDUCATION

Grant in Aid – Nutrition Programs	17.93% REDUCTION TO BREAKFAST AND SUMMER LUNCH PROGRAM. THIS REDUCTION REPRESENTS THE AMOUNT OF ESTIMATED FUNDS NOT NEEDED TO MEET CURRENT NEEDS. NO IMPACT.	\$300,000 – GF	2 SEE DESCRIBE REDUCTION FOR ACTIVITIES.
Grant In Aid – Student Success Grants: Reach Out to Read/SMART/Accelerated Learning Opportunities.	ELIMINATION OF THREE PROGRAMS THAT HAVE BEEN REDUCED TO THE POINT OF A VERY LOW COST/BENEFIT. THE IMPACT WILL BE REDUCED EFFECTIVENESS IN TEACHING LITERACY SKILLS TO YOUNG CHILDREN AND REDUCED TRAINING FOR EDUCATOR OF ACCELERATED LEARNING CLASSES.	\$597,308 – GF	3-SEE “DESCRIBE REDUCTION” FOR ACTIVITIES. REDUCTIONS TO BE PRIORITIZED AND APPLIED WITH LEAST IMPACT TO STUDENTS AND CHILDREN.
Grant In Aid – Student Success Grants: Supporting Accelerated Learning, Physical Education Grants and Regional Promise Grants.	10% REDUCTION – REDUCTION TO THREE STUDENT SUCCESS GRANT PROGRAMS. IMPACT WILL BE REDUCED NUMBER OF STUDENTS TO RECEIVE OPPORTUNITIES FOR COLLEGE CREDITS CLASSES; REDUCED ABILITY TO MEET STATE PHYSICAL EDUCATION STANDARDS; AND REDUCED ABILITY TO DECREASE COST OF LOW-INCOME STUDENTS TO TAKE AP EXAMS..	\$696,094 – GF	4-SEE “DESCRIBE REDUCTION” FOR ACTIVITIES. REDUCTIONS TO BE PRIORITIZED AND APPLIED WITH LEAST IMPACT TO STUDENTS AND CHILDREN.
Grant In Aid – Student Success Grants: Chronic Absenteeism Grants and Vision Screening Reimbursements	10% REDUCTION – REDUCTION TO TWO STUDENT SUCCESS GRANT PROGRAMS. IMPACT WILL BE REDUCED ABILITY FOR SCHOOLS TO DECREASE CHRONIC ABSENTEEISM OF STUDENTS AT RISK OF NOT GRADUATING; AND A DECREASE IN NUMBER OF REIMBURSEMENTS ODE CAN OFFER TO SCHOOL DISTRICTS FOR STUDENT EYE EXAMS.	\$752,128 – GF	5-SEE “DESCRIBE REDUCTION” FOR ACTIVITIES. REDUCTIONS TO BE PRIORITIZED AND APPLIED WITH LEAST IMPACT TO STUDENTS AND CHILDREN.
Grant In Aid – Student Success Grants: High School Success Grants	37.72% REDUCTION TO HIGH SCHOOL SUCCESS GRANT PROGRAM. THIS REDUCTION WILL STILL ENABLE THE LEVEL OF FUNDING PROVIDED IN 2017-19 TO HELP IMPLEMENT SCHOOL STRATEGIES THAT WORK COLLECTIVELY TO IMPROVE HIGH SCHOOL GRADUATION RATES AND COLLEGE AND CAREER READINESS, HOWEVER, REDUCTION WILL NOT PROVIDE OPPORTUNITY TO FURTHER EXISTING EFFORTS AND ACCELERATE OUTCOMES..	\$114,375,521 GF	6-SEE “DESCRIBE REDUCTION” FOR ACTIVITIES.
Grant in Aid – Youth Development Division	ELIMINATION OF COMMUNITY SCHOOLS PROGRAM THAT WILL RESULT IN AN ESTIMATED FIVE SCHOOLS IN OREGON NOT RECEIVING SERVICES THAT FOCUS ON PROVIDING BEST PRACTICES THAT REMOVE EDUCATIONAL BARRIERS FOR AT-RISK STUDENTS. REDUCTION OF 45.95% TO THE YOUTH AND INNOVATION GRANT PROGRAM THAT WILL RESULT IN APPROXIMATELY 15 LESS GRANTS TO ORGANIZATIONS THAT FOCUS ON IMPROVING EDUCATION OR WORKFORCE SUCCESS FOR YOUTH AGES 6-24.	\$1,615,751 – GF	7-SEE “DESCRIBE REDUCTION” FOR ACTIVITIES. REDUCTIONS TO BE FIRST TAKEN IN COMMUNITY SCHOOLS PROGRAM AND THEN BALANCE OF REDUCTION IN YOUTH AND INNOVATION GRANT PROGRAM.

OREGON DEPARTMENT OF EDUCATION

Grant in Aid – Early Learning Division	10.40% REDUCTION IN TOTAL PROGRAMS APPLIED BY HOLDING HARMLESS THE GF CONTRIBUTION TO THE OFFICE OF CHILD CARE, AND ALL REMAINING PROGRAMS EVENLY REDUCED AT 10.49%. IMPACT WILL RESULT IN AN ESTIMATED 2,533 CHILDREN NOT RECEIVE EARLY LEARNING PROGRAM SUPPORTS THROUGH PRESCHOOL OR HEALTHY FAMILY VISITS; 273 LESS CHILDREN AND FAMILIES AT RISK OF CHILD ABUSE AND NEGLECT NOT SERVED; AN ESTIMATED 2,080 CHILDREN IMPACTED WITH LESS SUPPORT FOR EARLY TRANSITION TO K-12; AND REDUCED CAPACITY IN REGIONAL HUBS TO PROVIDE SERVICES.	\$26,770,939 GF	8-SEE DESCRIBE REDUCTION ACTIVITIES. CUTS TO BE TAKEN EVENLY TO ALL PROGRAMS WITH THE EXCEPTION OF THE OFFICE OF CHILD CARE WHICH WILL BE HELD HARMLESS.
Grant in Aid – Nutrition Programs	10% REDUCTION – REDUCTION TO AFTER SCHOOL MEAL/SNACK PROGRAM AND FARM TO SCHOOLS PROGRAM. IMPACT WILL BE REDUCED SUPPORT IN PROVIDE STUDENT WITH HEALTHY FOOD.	\$516,795 – GF	9-SEE DESCRIBE REDUCTION FOR ACTIVITIES. REDUCTIONS TO BE PRIORITIZED AND APPLIED WITH LEAST IMPACT TO STUDENTS AND CHILDREN.
State School Fund	9.43% - REDUCTION IN GENERAL PURPOSE GRANT TO SCHOOL DISTRICTS RESULTING IN DISTRICT REDUCTIONS AND LESS SUPPORT FOR ACADEMIC SUCCESS OF STUDENTS,	\$765,627,244 – GF \$53,571,991 – LF	10-SCHOOL DISTRICTS WILL DECIDE HOW REDUCTIONS WILL BE APPLIED FOR EACH DISTRICT.
Total General Fund and Lottery Funds		\$913,130,121– GENERAL FUND \$53,571,991 – LOTTERY FUNDS	

Other Funds - 10% reduction target for Other Funds is \$69,718,553

Should up to 10% reduction be required by the agency in Other Funds, the reductions will be applied in the ranking order described below.

1. Operations - \$925,478 will result 1.93% reduction resulting from an elimination of inflationary growth in all offices with exception of YDD. This will reduce Department’s ability to provide effective customer service while maintaining all existing programs.
2. Technical Assistance Program - \$507,526: 10% reduction to Technical Assistance Program administered by Office of School Facilities resulting in 20 less school districts provided with support to conduct school facility assessments.
3. Oregon School Capital Matching Program - \$1,300,000: 10% reduction to Matching Program reducing ability to match local school bonds that result in leveraging additional resources for new school facilities and deferred maintenance. .
4. Grant In Aid Programs - \$3,622,620 – 10% reduction to NTQL for educator effectiveness and professional development
5. Grant In Aid Programs - \$63,362,929 – 20.90% reduction in High School Success Grant (results in an equal reduction to General Fund) which will result in missed opportunities to further existing efforts increasing high school graduation rates and preparing students for college and career readiness.

OREGON DEPARTMENT OF EDUCATION

Federal Funds - 10% reduction target for Federal Funds is \$109,021,047

Should up to 10% reduction be required by the agency in Federal Funds, all program areas will be reduced proportionately by the percentage of the cut up to the maximum identified below.

Operations and Grant-In-Aid Programs - \$92,439,564
Operations and Early Learning Division Grant-In-Aid - \$14,937,922
Operations and Youth Development Division Grant-In-Aid - \$1,396,382
Oregon School for the Deaf - \$247,179

Other Funds (Non Limited) - 10% reduction target for Other Funds – Non Limited is \$12,036,472

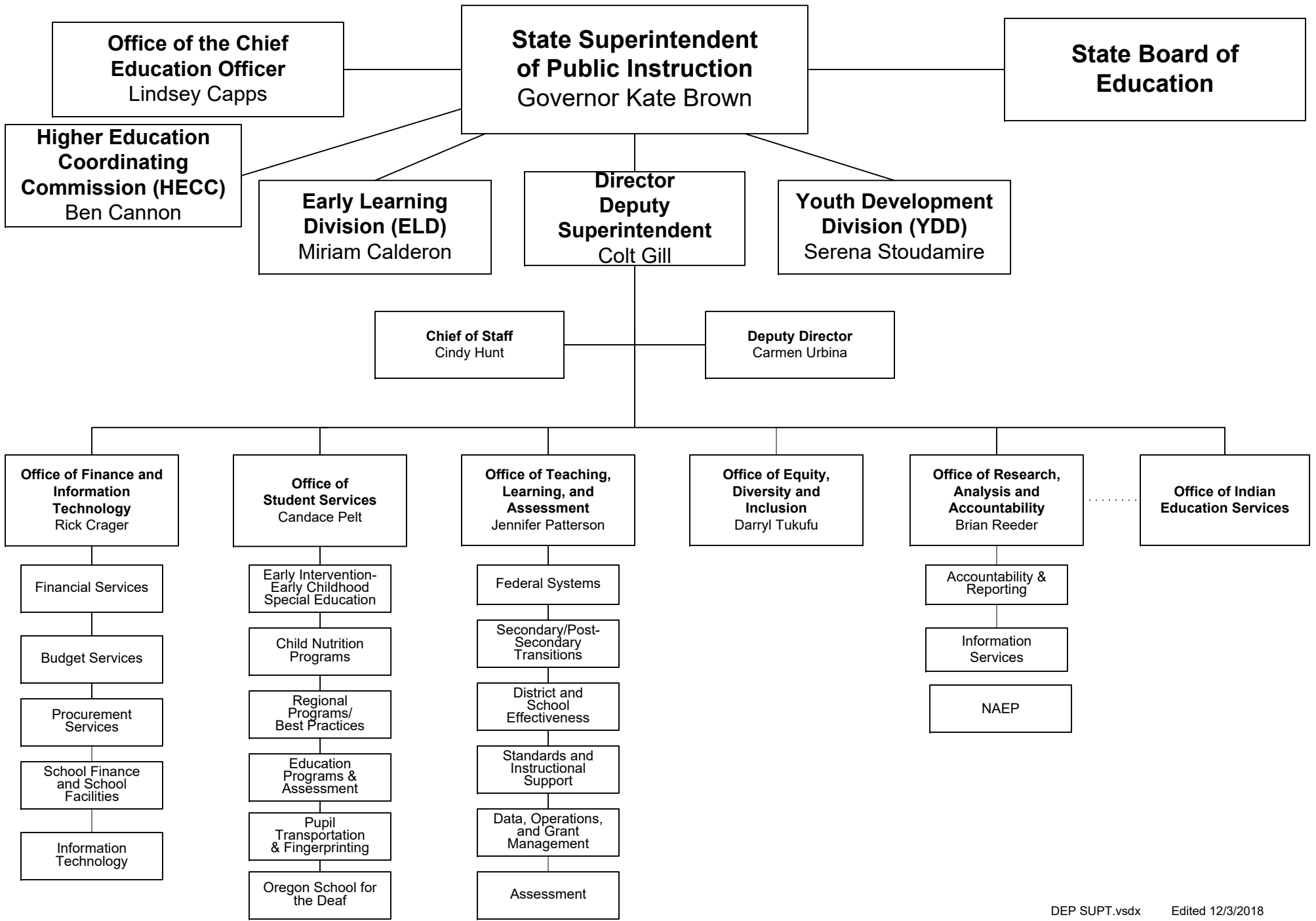
The programs funded from this budget limitation are the Common School Fund and the Commodity District School Revolving Fund. Should up to 10% reductions be required in Other Funds – Non-Limited, the reduction percentage would be applied equally up to \$410,445 for the Commodity District School Revolving Fund and \$11,626,027 for the Common School Fund. Any reduction to the Common School Fund will result in school district reductions that reduce the effectiveness in supporting student in academic success.

Federal Funds (Non-Limited) - 10% reduction target for Federal Funds – Non Limited is \$40,711,595

The programs funded from the budget limitation include a variety of nutrition programs that provide support to both school and community based programs that ensure children are provided with nutritional balanced and low cost meals. Should up to 10% reductions be required for Federal Funds – Non-Limited, the reduction percentage would be applied equally up to \$40,711,595 and result in a reduction in the number of children that can be provided with meals at a low cost

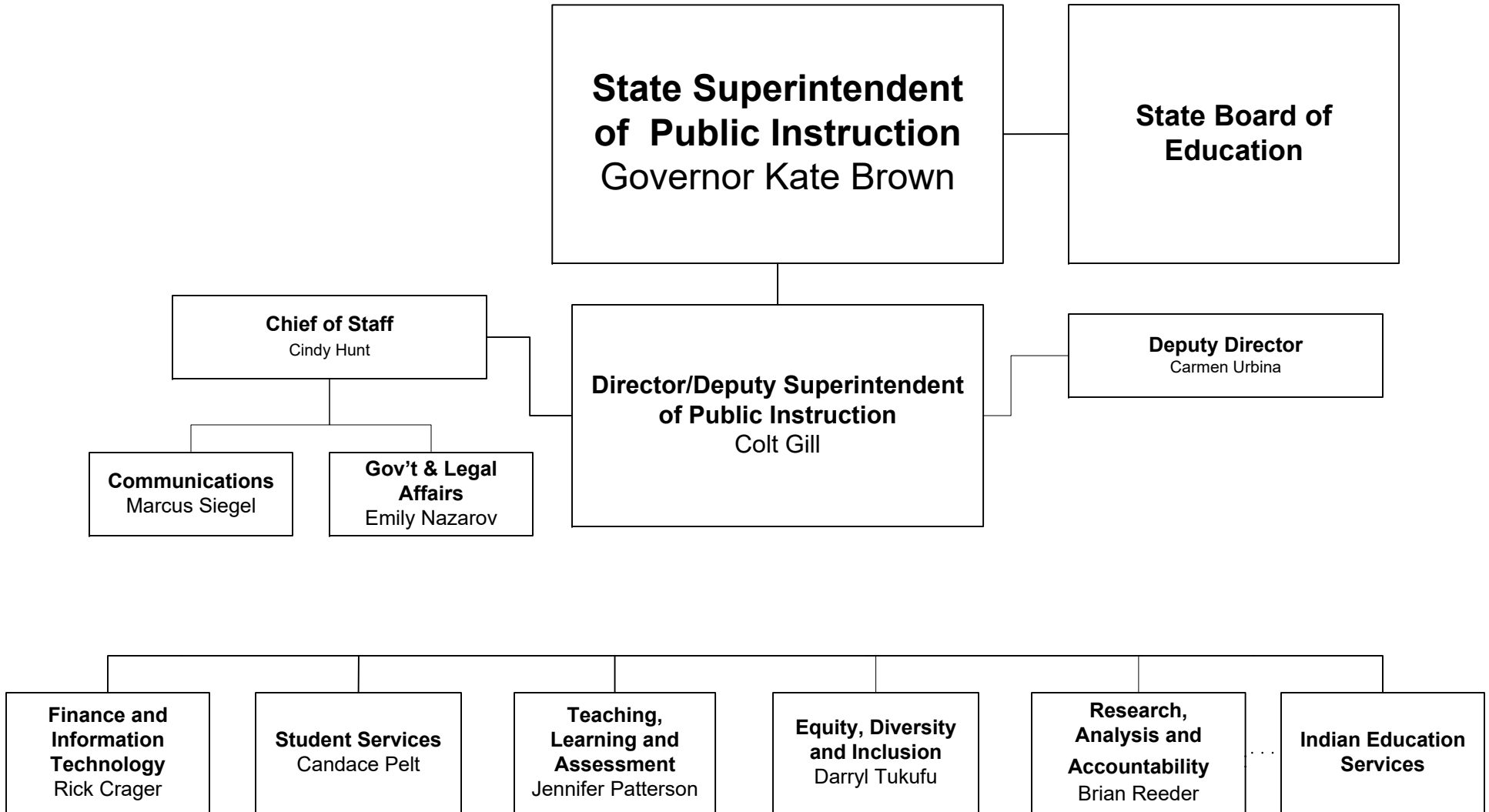
OREGON DEPARTMENT OF EDUCATION

Organization Overview 2018



OREGON DEPARTMENT OF EDUCATION

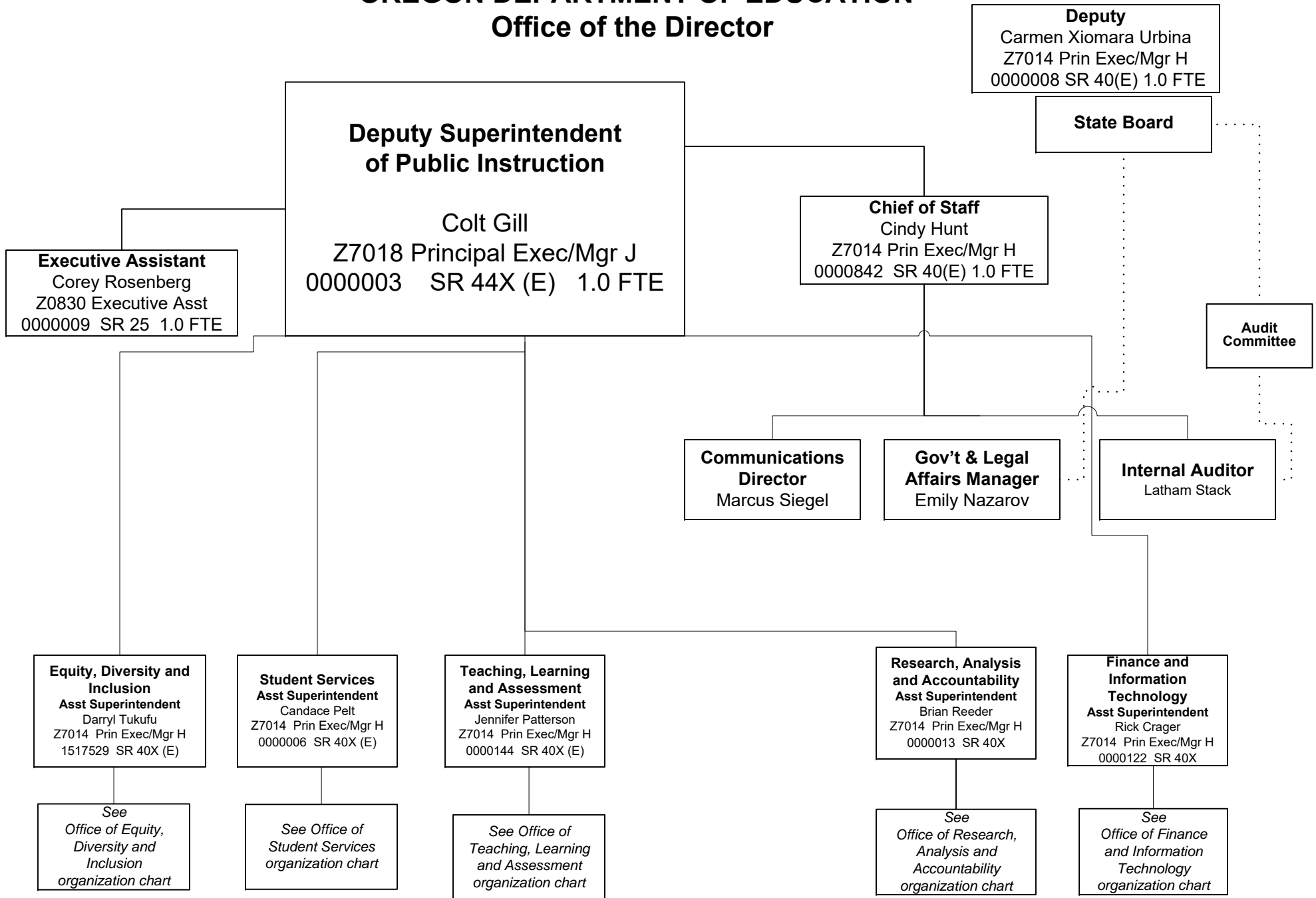
Office of the Director



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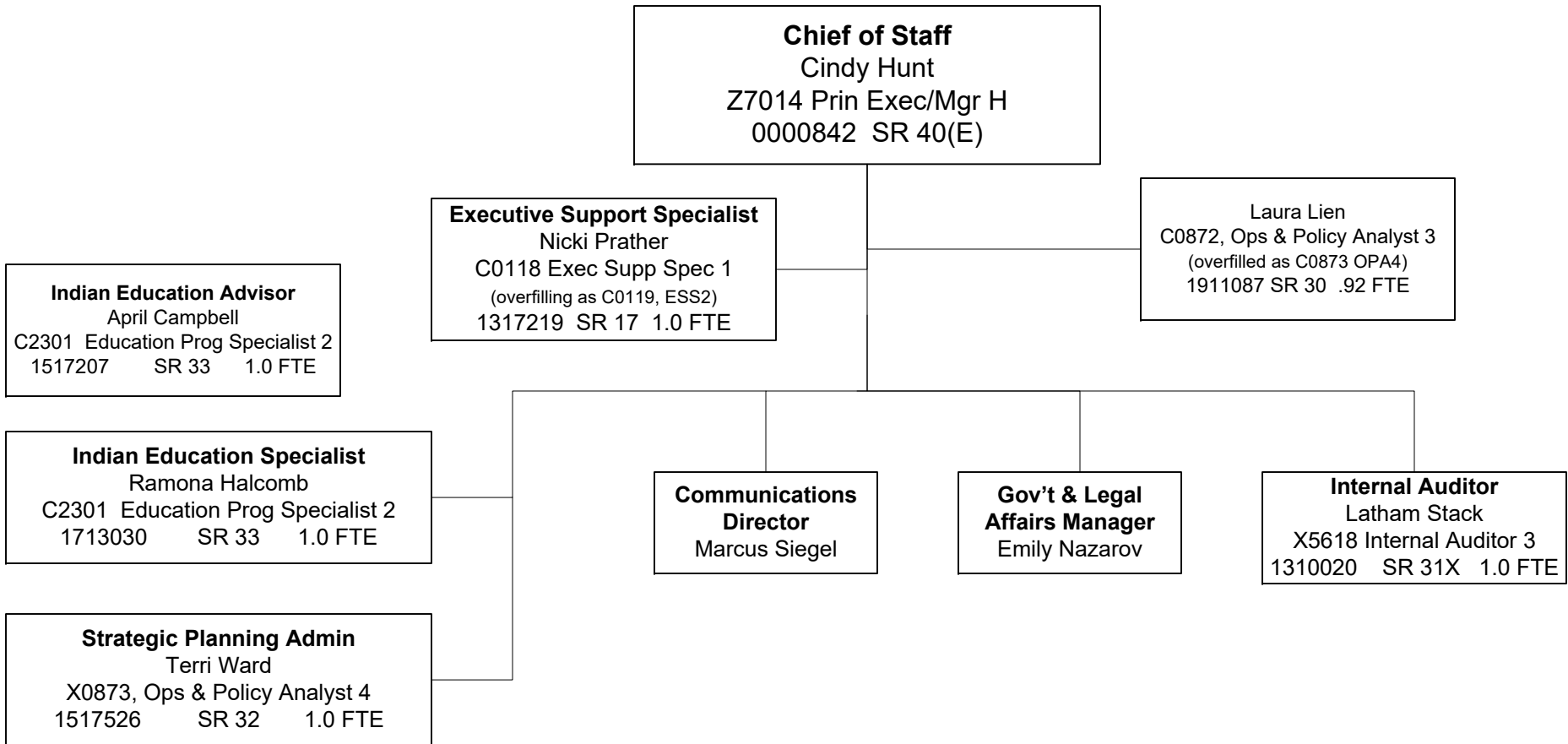


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OREGON DEPARTMENT OF EDUCATION

Office of the Deputy Superintendent

Chief of Staff

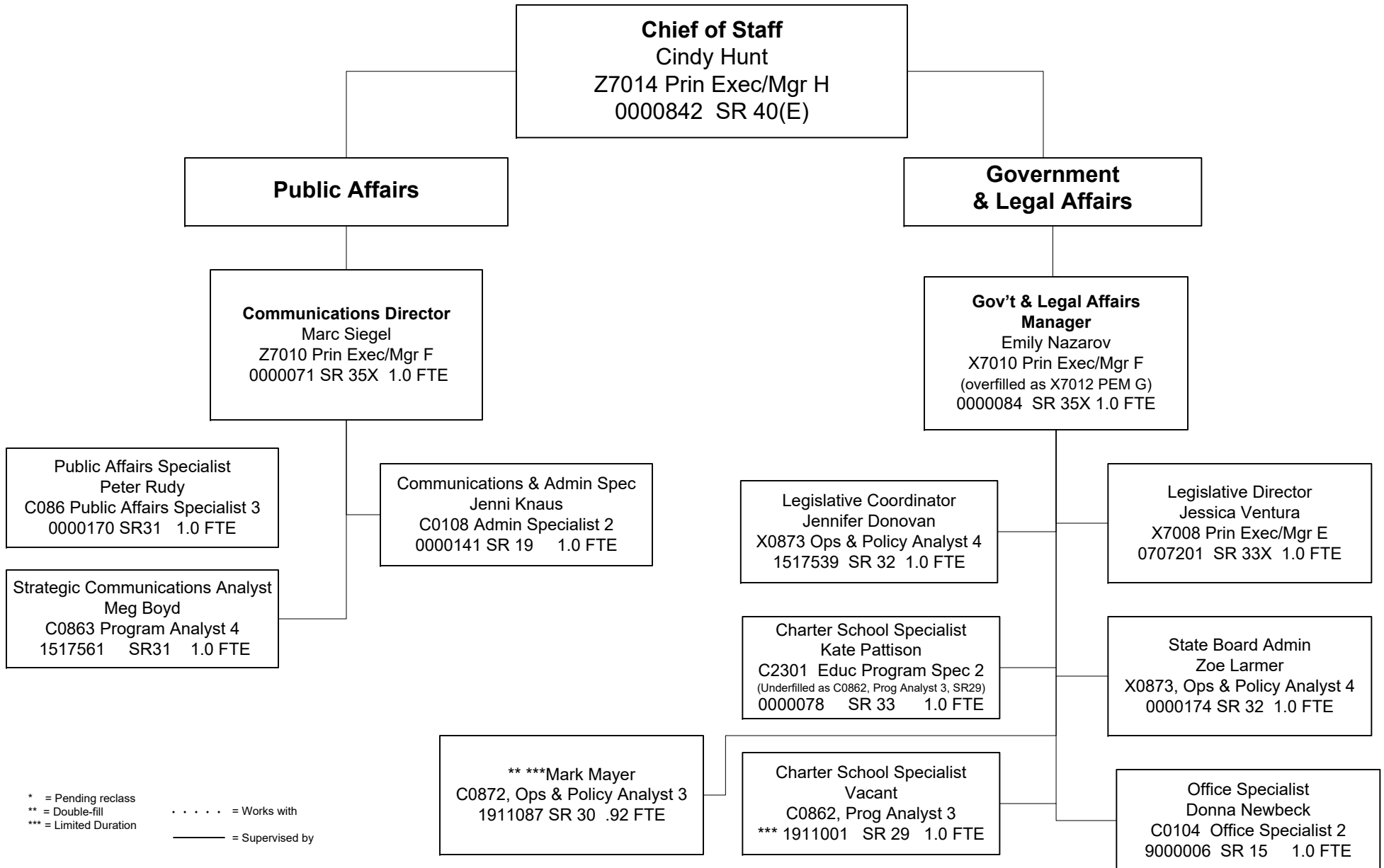


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Office of the Deputy Superintendent

Public Affairs and Government & Legal Affairs

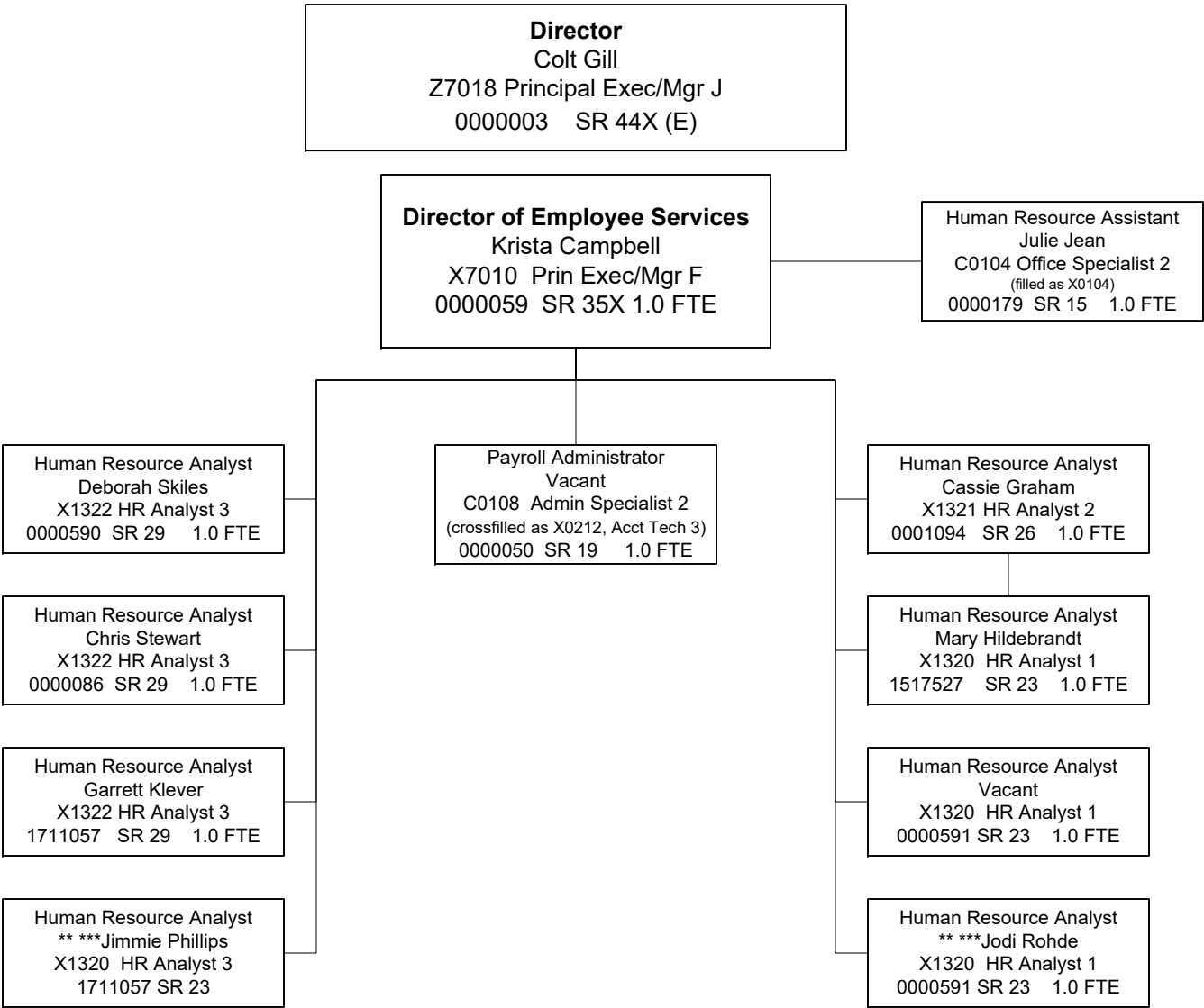


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Human Resources

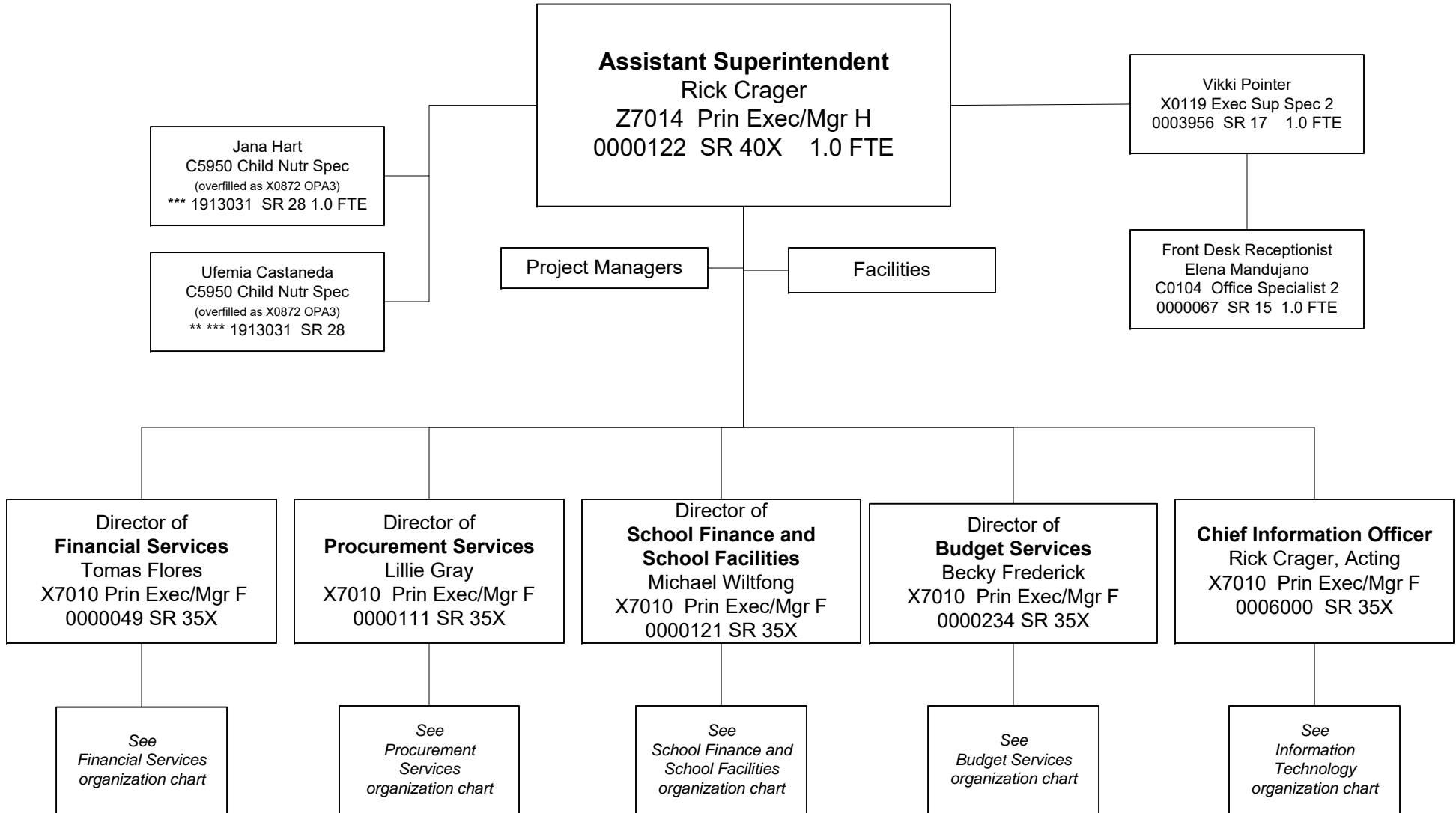


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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Overview

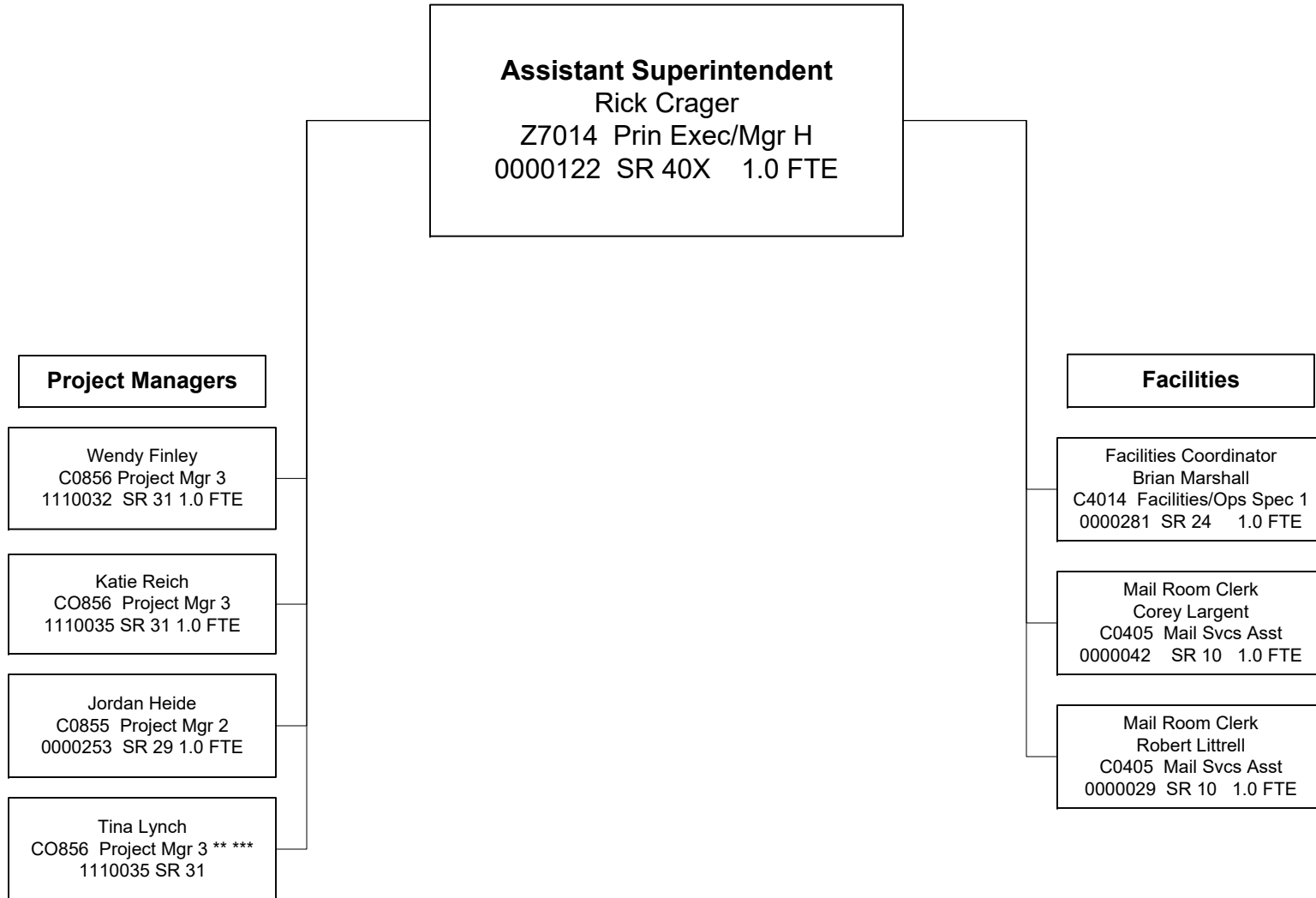


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Office of Finance and Information Technology

Overview

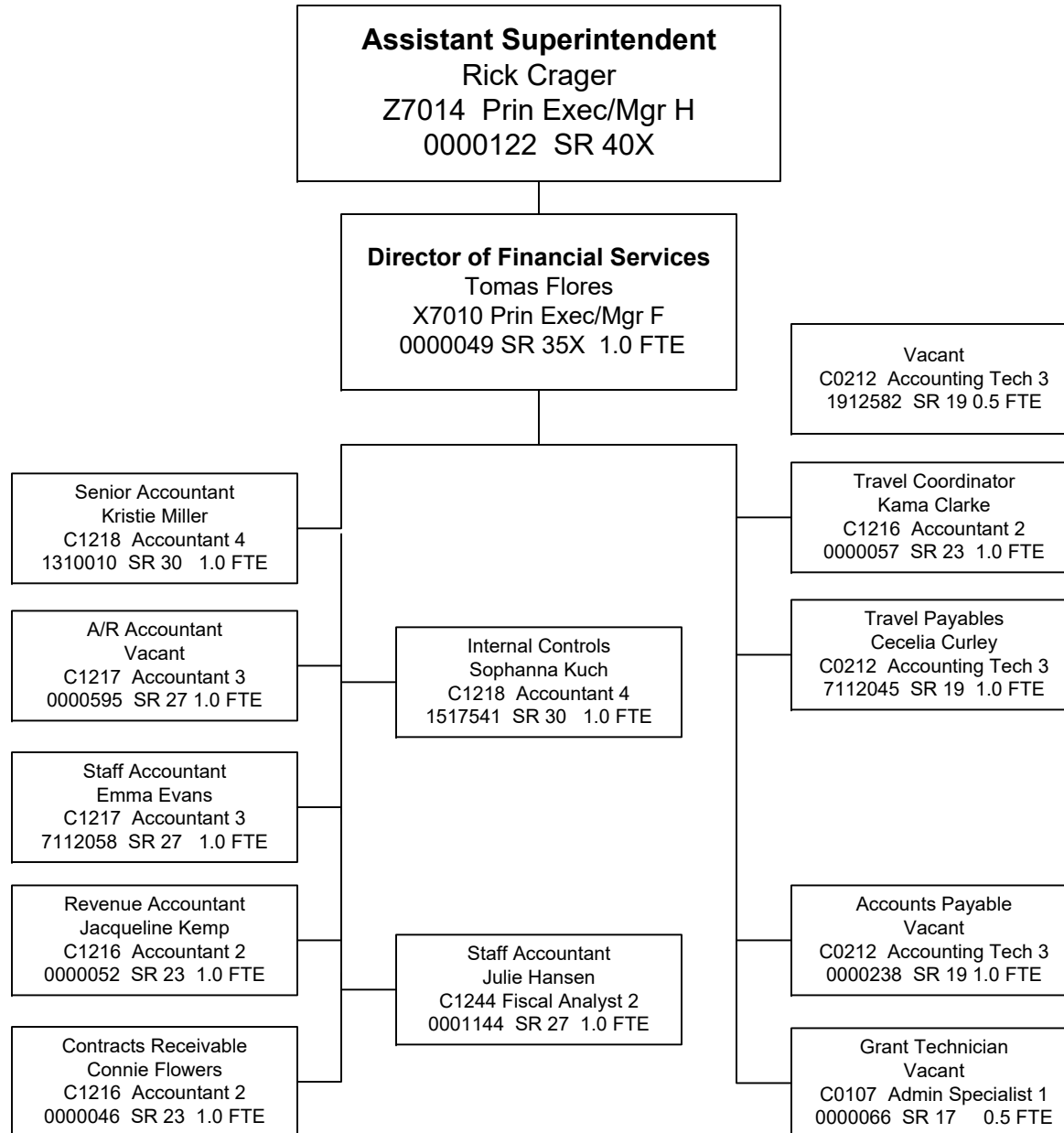


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Office of Finance and Information Technology

Financial Services



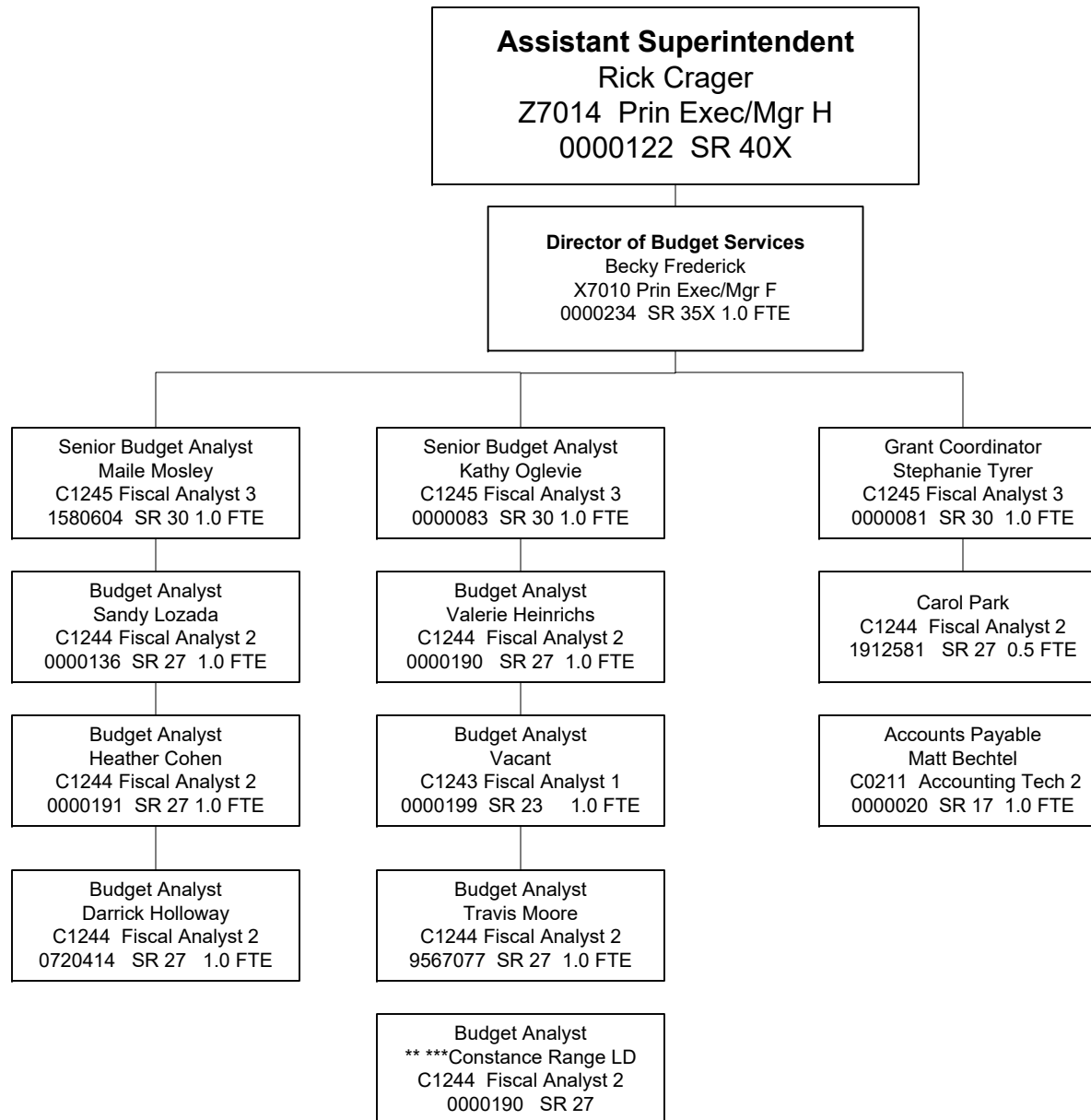
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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Budget Services

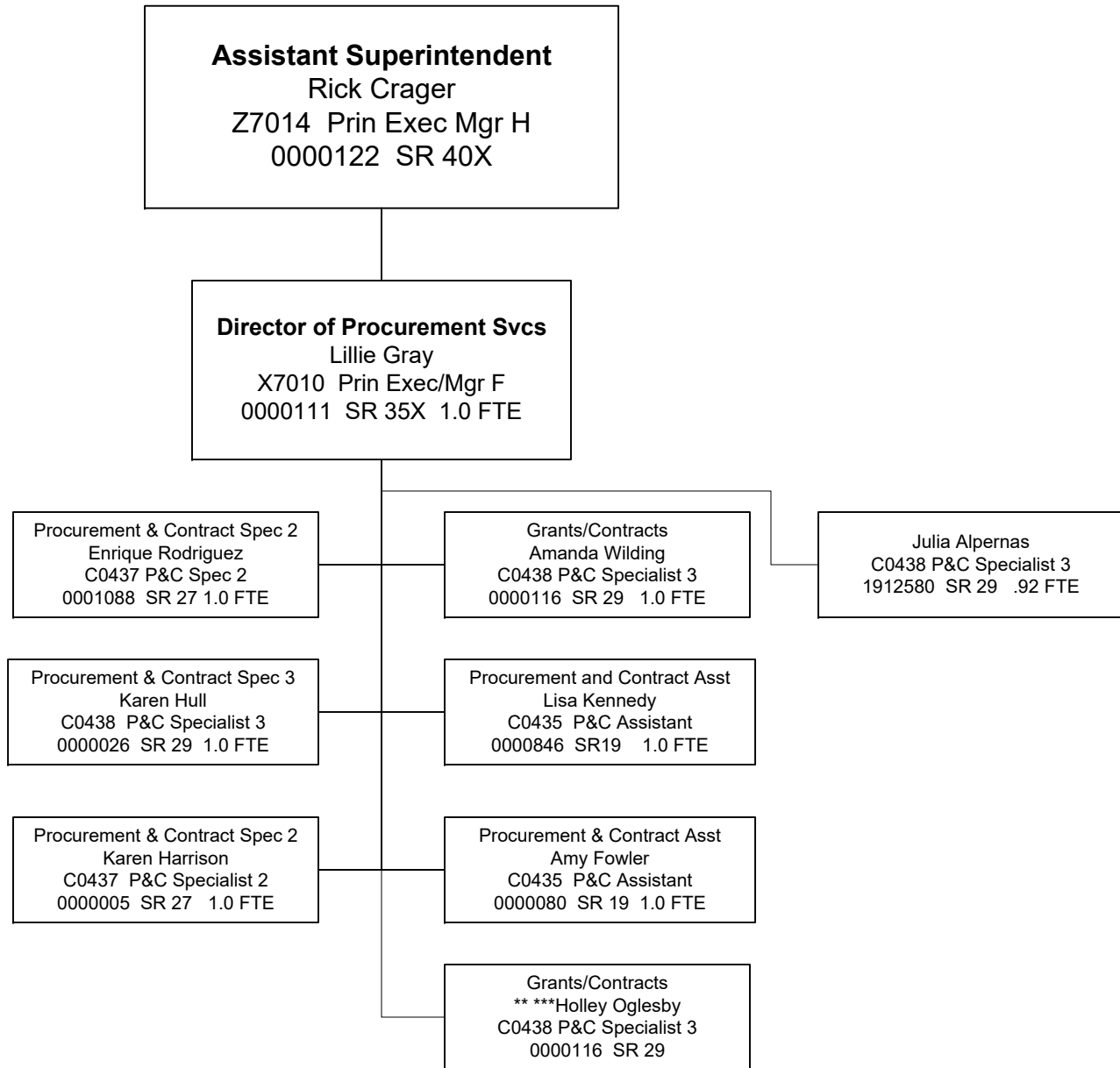


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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Procurement

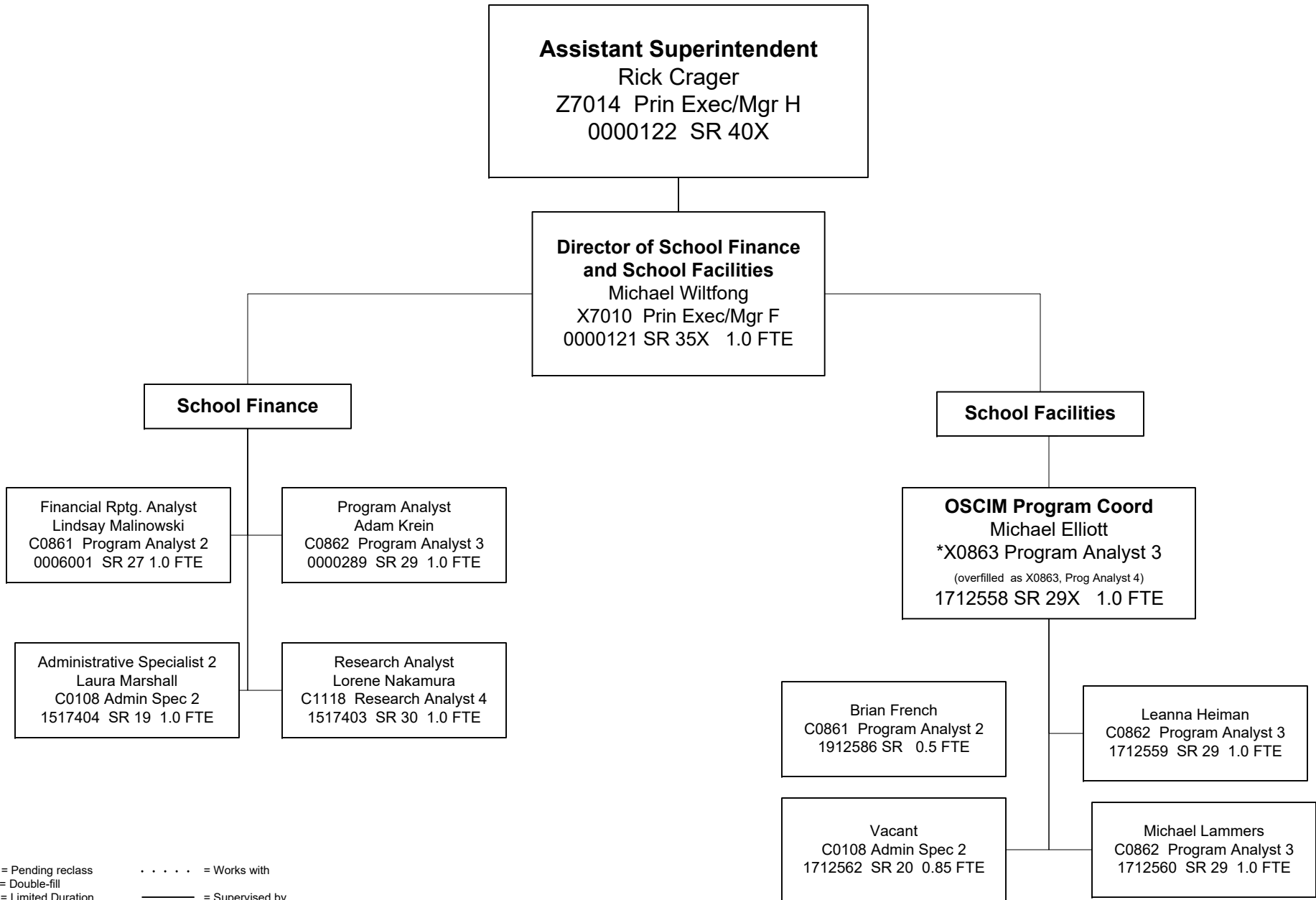


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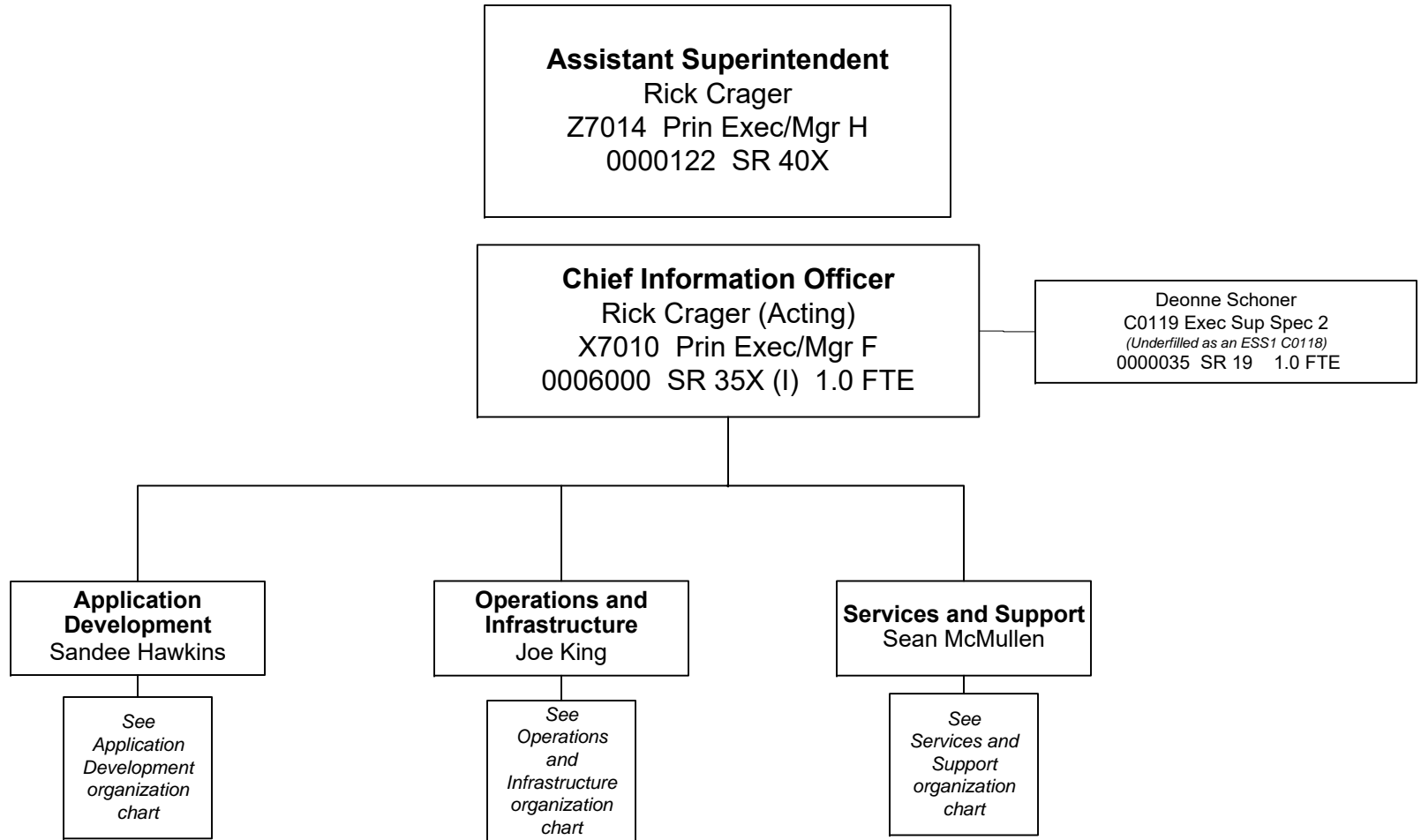
Office of Finance and Information Technology

School Finance and School Facilities



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Office of Finance and Information Technology
Information Technology

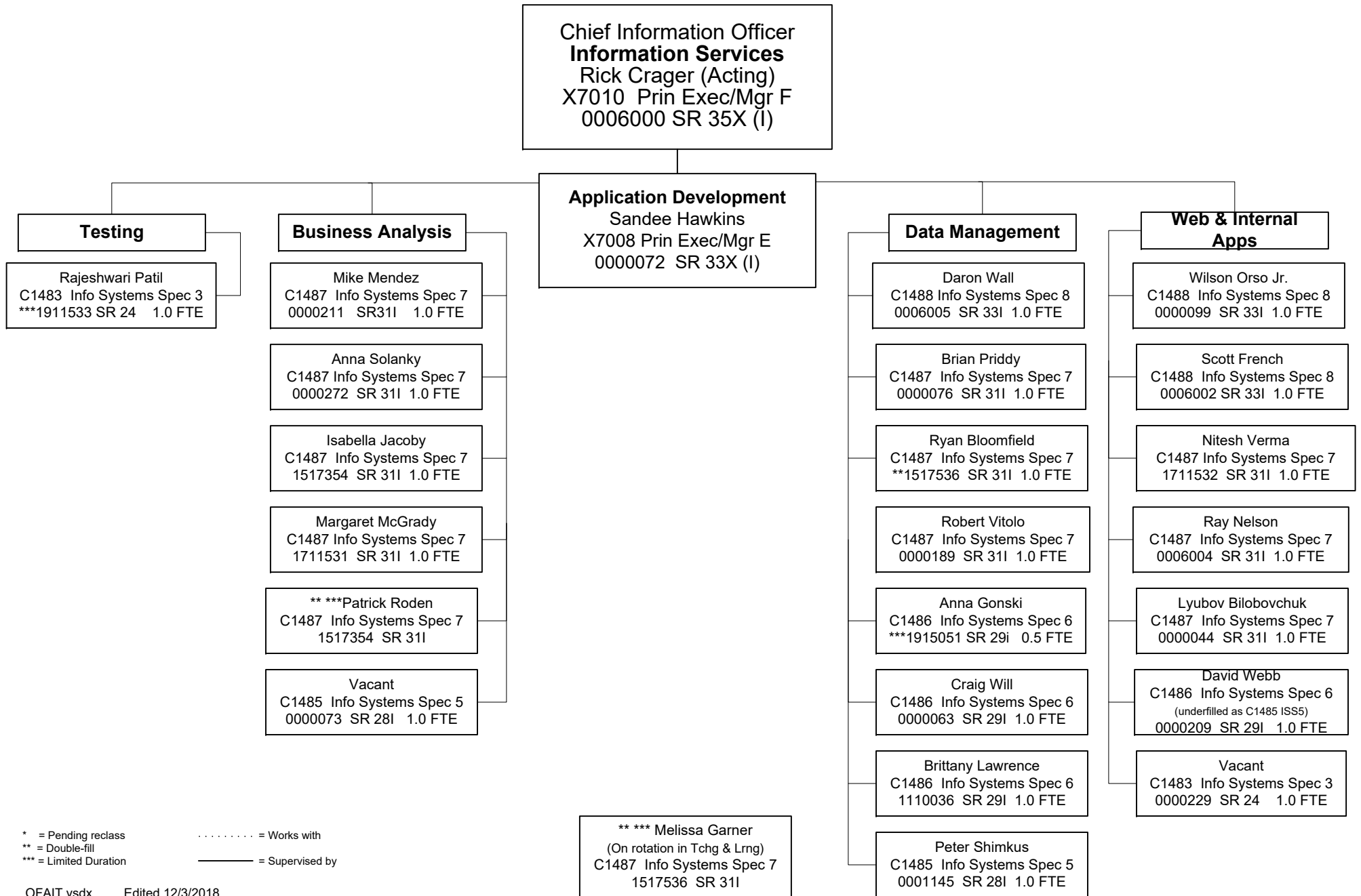


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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Information Technology – Application Development

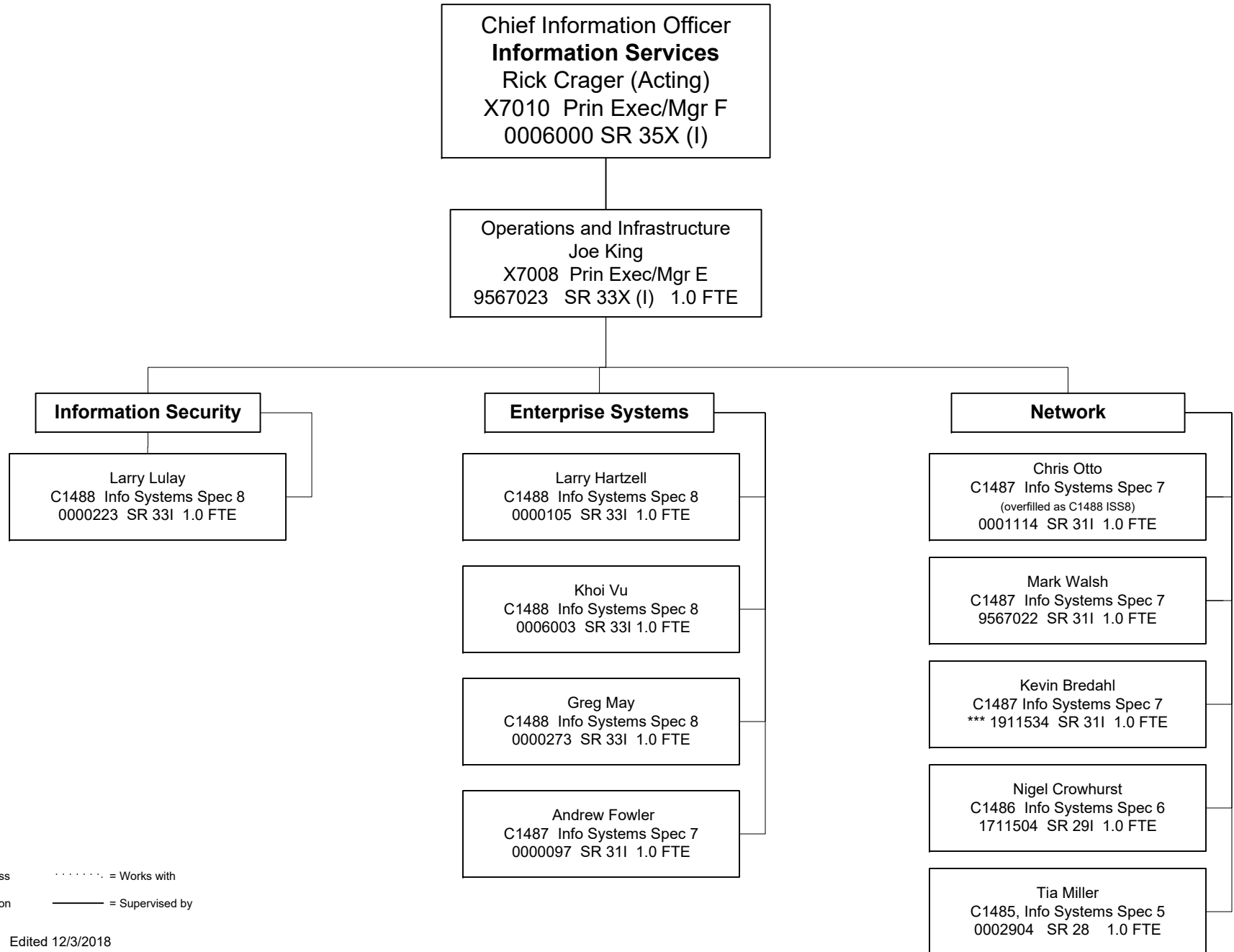


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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Information Technology – Operations and Infrastructure

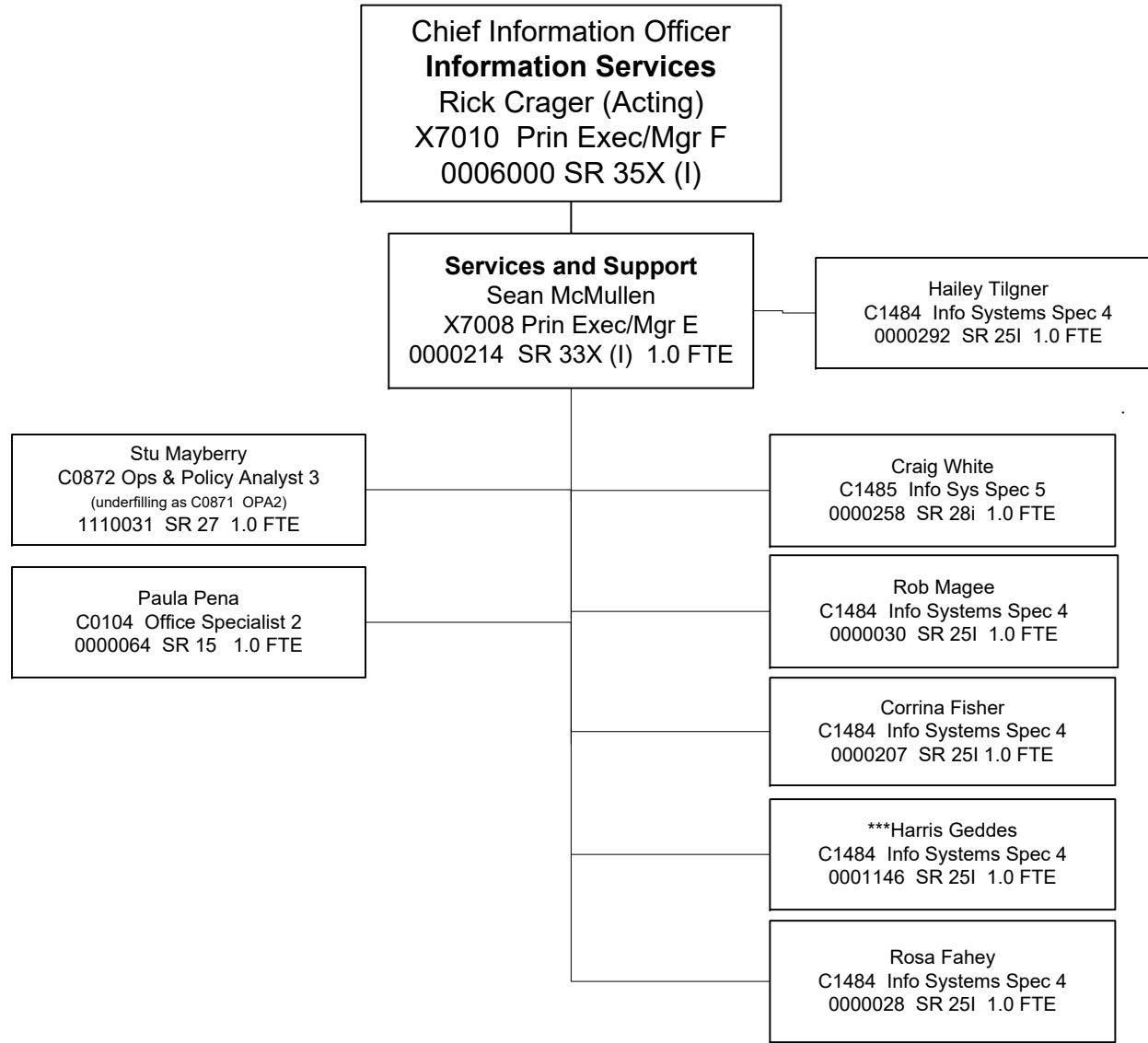


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OREGON DEPARTMENT OF EDUCATION

Office of Finance and Information Technology

Information Technology – Services and Support

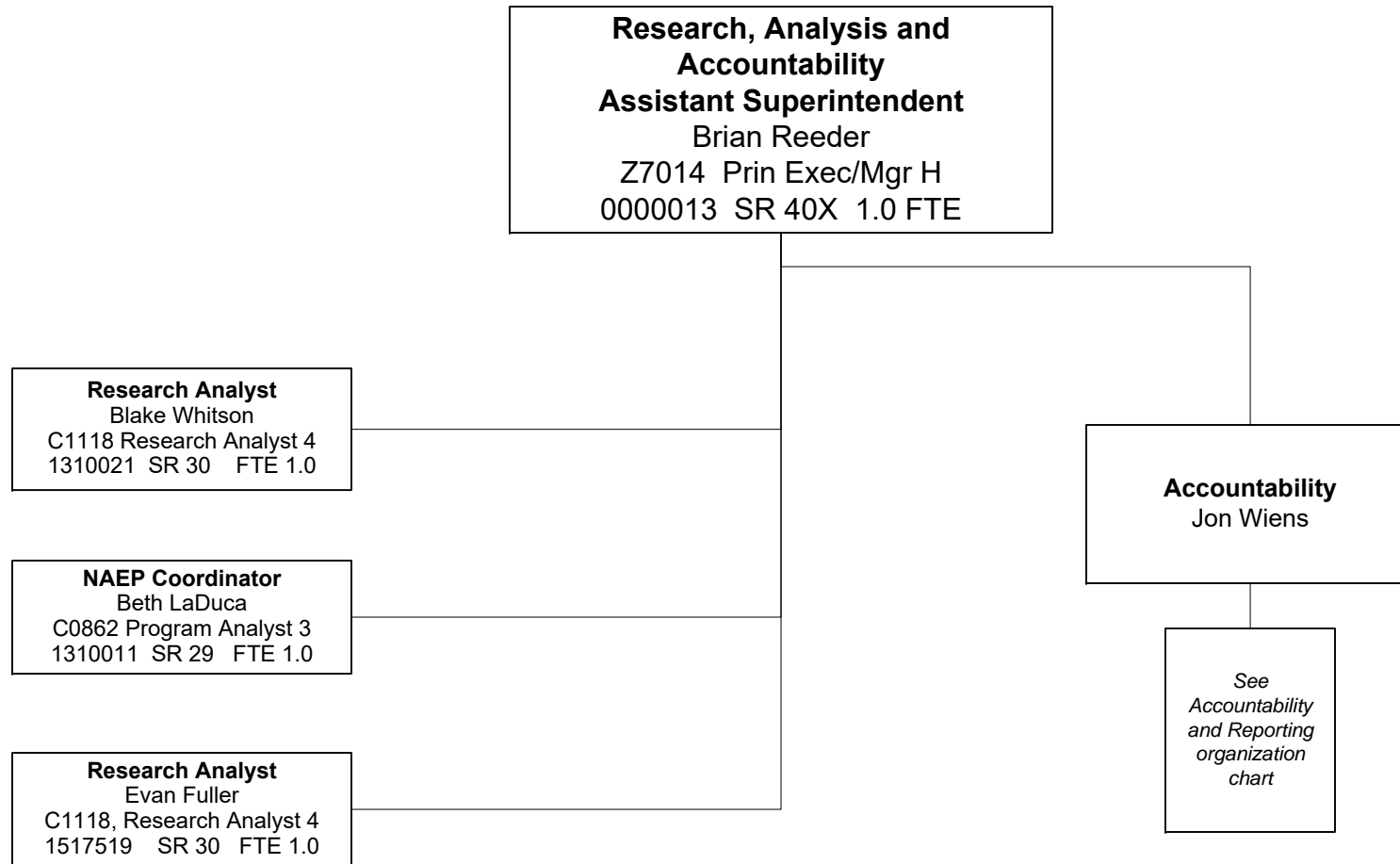


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OREGON DEPARTMENT OF EDUCATION

Office of Research, Analysis and Accountability

Overview



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OREGON DEPARTMENT OF EDUCATION

Office of Research, Analysis and Accountability

Accountability

**Research, Analysis and Accountability
Assistant Superintendent**
Brian Reeder
Z7014 Prin Exec/Mgr H
0000013 SR 40X

Accountability
Jonathan Wiens
X7008 Prin Exec/Mgr F
0000266 SR 35X (E) 1.0 FTE

Surbhi Singh
C0118 Exec Supp Spec 1
(crossfilled as C0107 AS1)
0000203 SR 17 1.0 FTE

Katie Chandler
C0104 Office Specialist 2
0000220 SR 15 1.0 FTE

Reporting and Psychometrics

Josh Rew
C2301 Ed Prog Specialist 2
0000221 SR 33 1.0

Tom Tinkler
C2301 Education Prog Specialist 2
0820016 SR 33 1.0 FTE

Vacant
C2301 Education Prog Specialist 2
0000216 SR 33 1.0 FTE

Saleem Ahmad
C2300 Education Prog Specialist 1
(Crossfilled as RA 4, C1118)
0001101 SR 30 1.0 FTE

Cindy Barrick
C1118 Research Analyst 4
(underfilled as RA 3, C1117)
0910001 SR 30 1.0 FTE

***Steve Slater
C2301 Ed Prog Specialist 2
** 0000221 SR 33X (E)

Elyse Bean
C1118 Research Analyst 4
0000062 SR 19 1.0 FTE

Data Collections

Beth Blumenstein
C1118 Research Analyst 4
0000210 SR 30 1.0 FTE

Robin Stalcup
C1117 Research Analyst 3
1713090 SR 26 1.0 FTE

Vacant
C1116 Research Analyst 2
0000125 SR 22 1.0 FTE

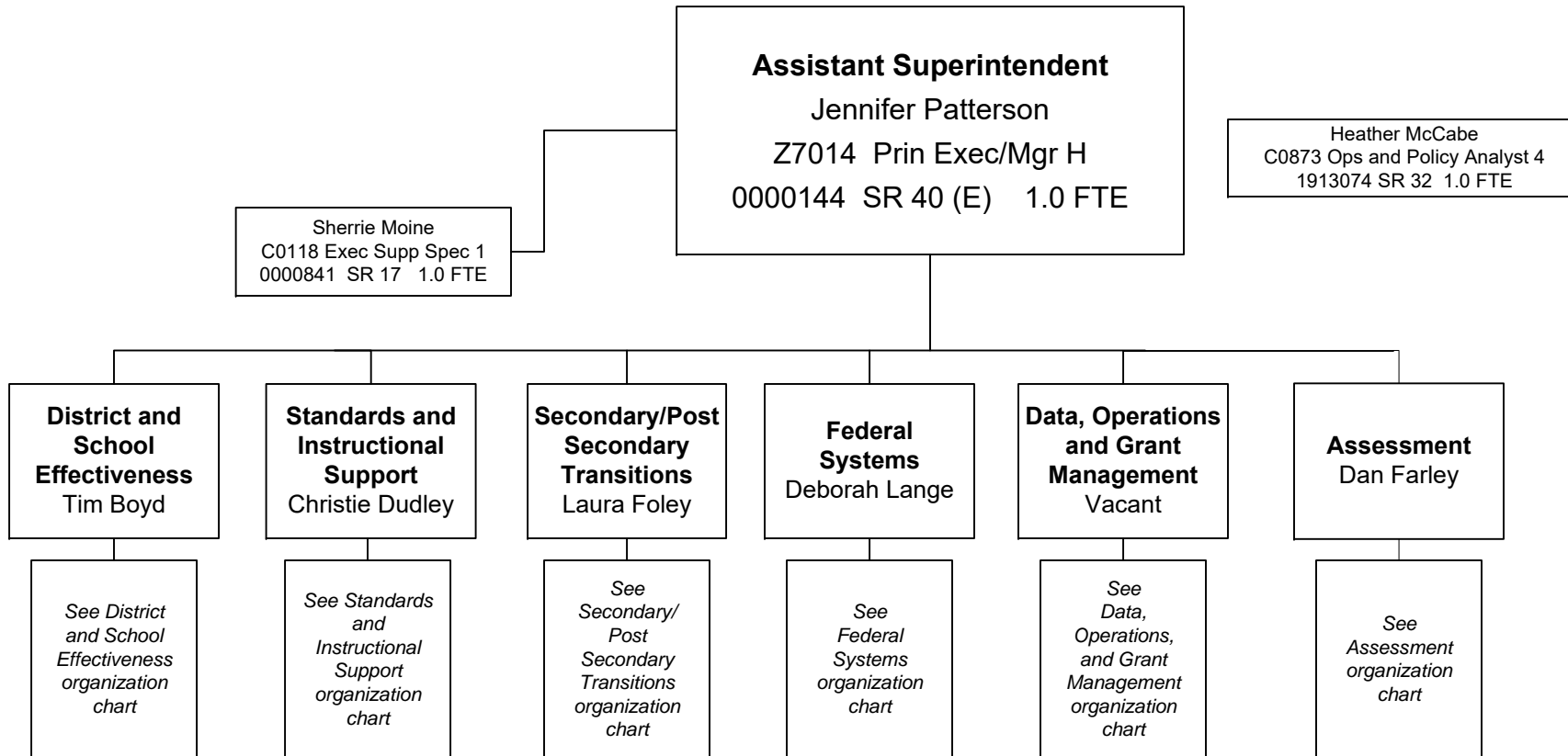
Amanda Hiaasen
C1115 Research Analyst 1
0910006 SR 19

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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment

Overview

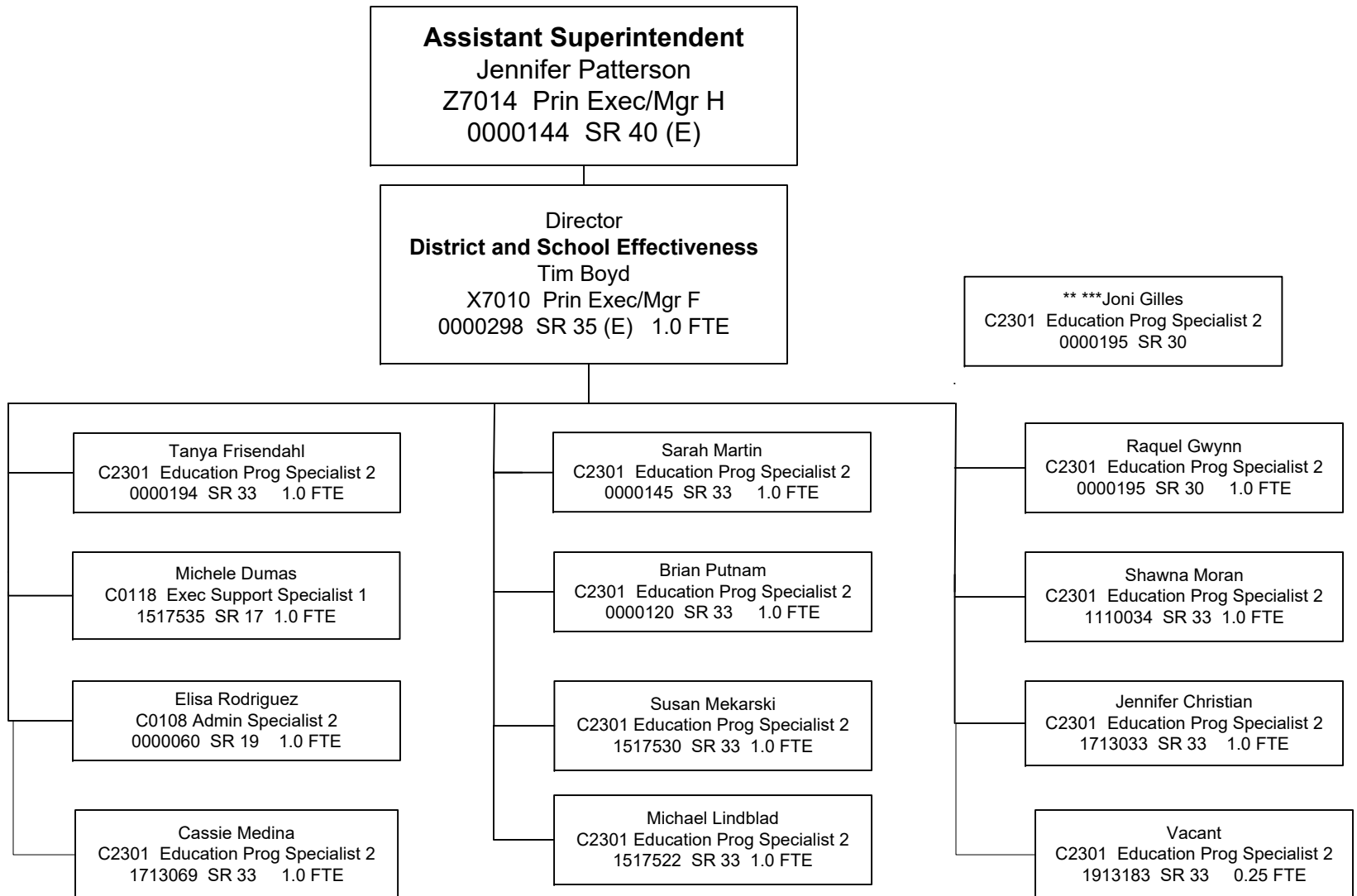


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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment

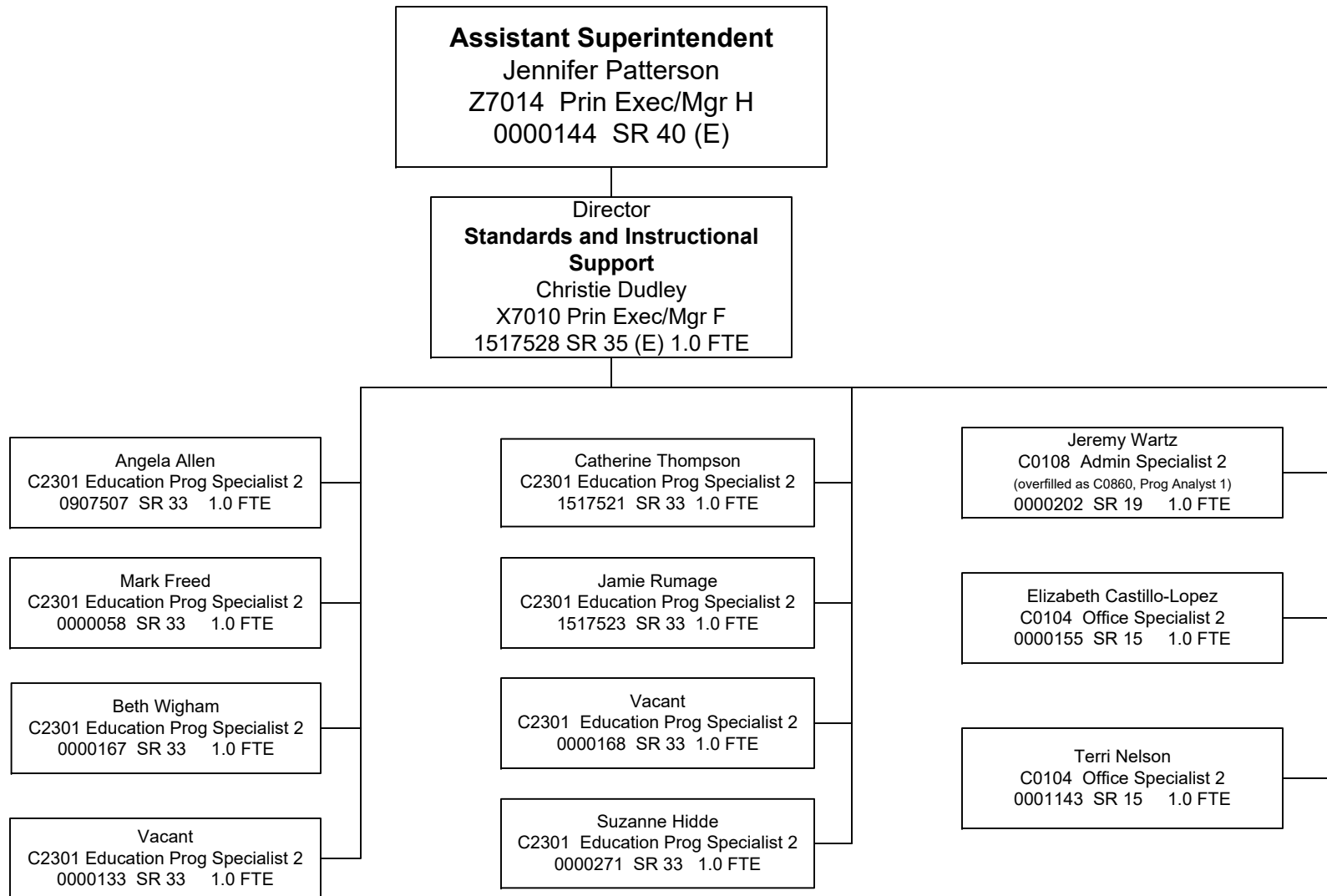
District and School Effectiveness



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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment Standards and Instructional Support

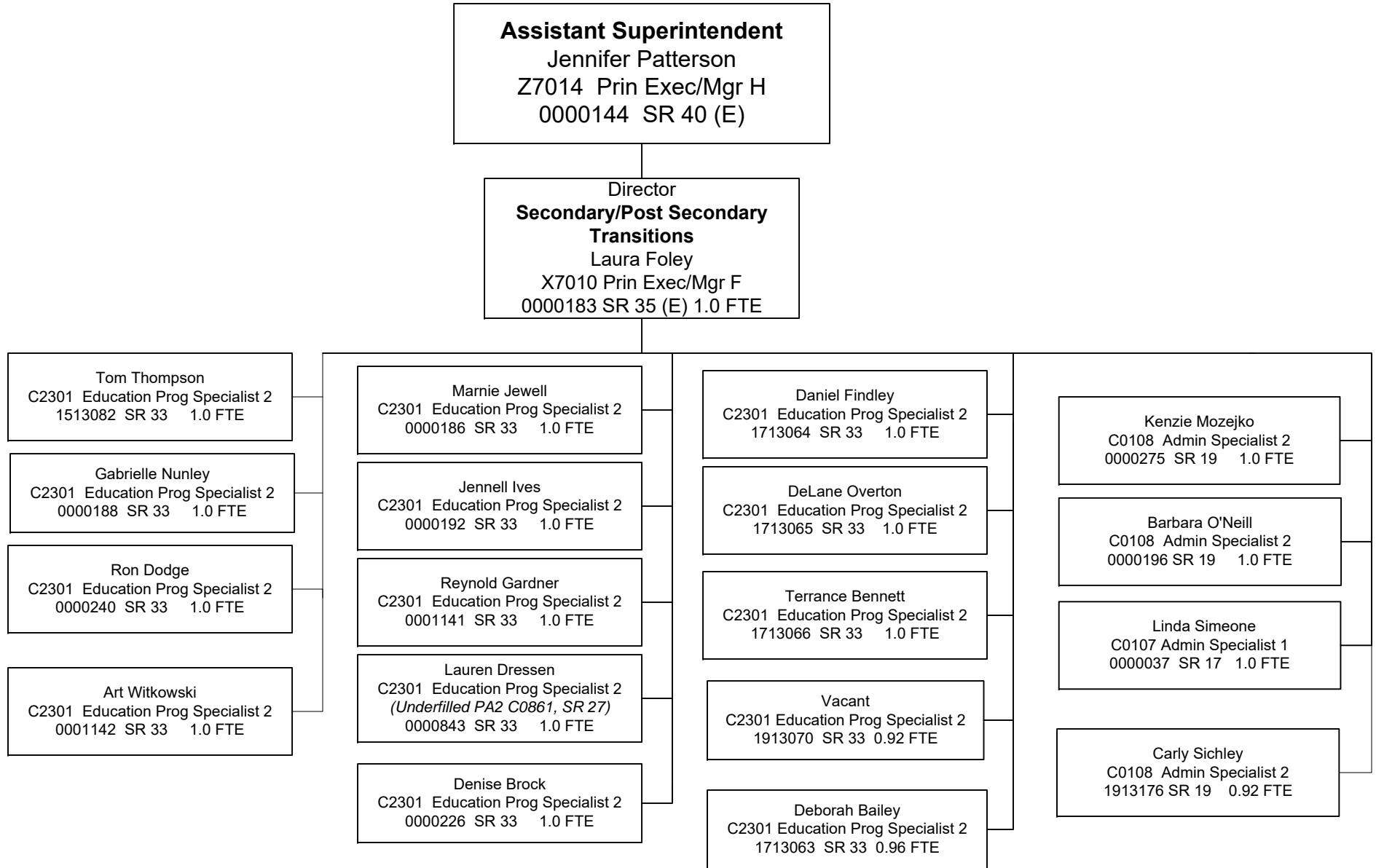


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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment

Secondary/Post Secondary Transitions

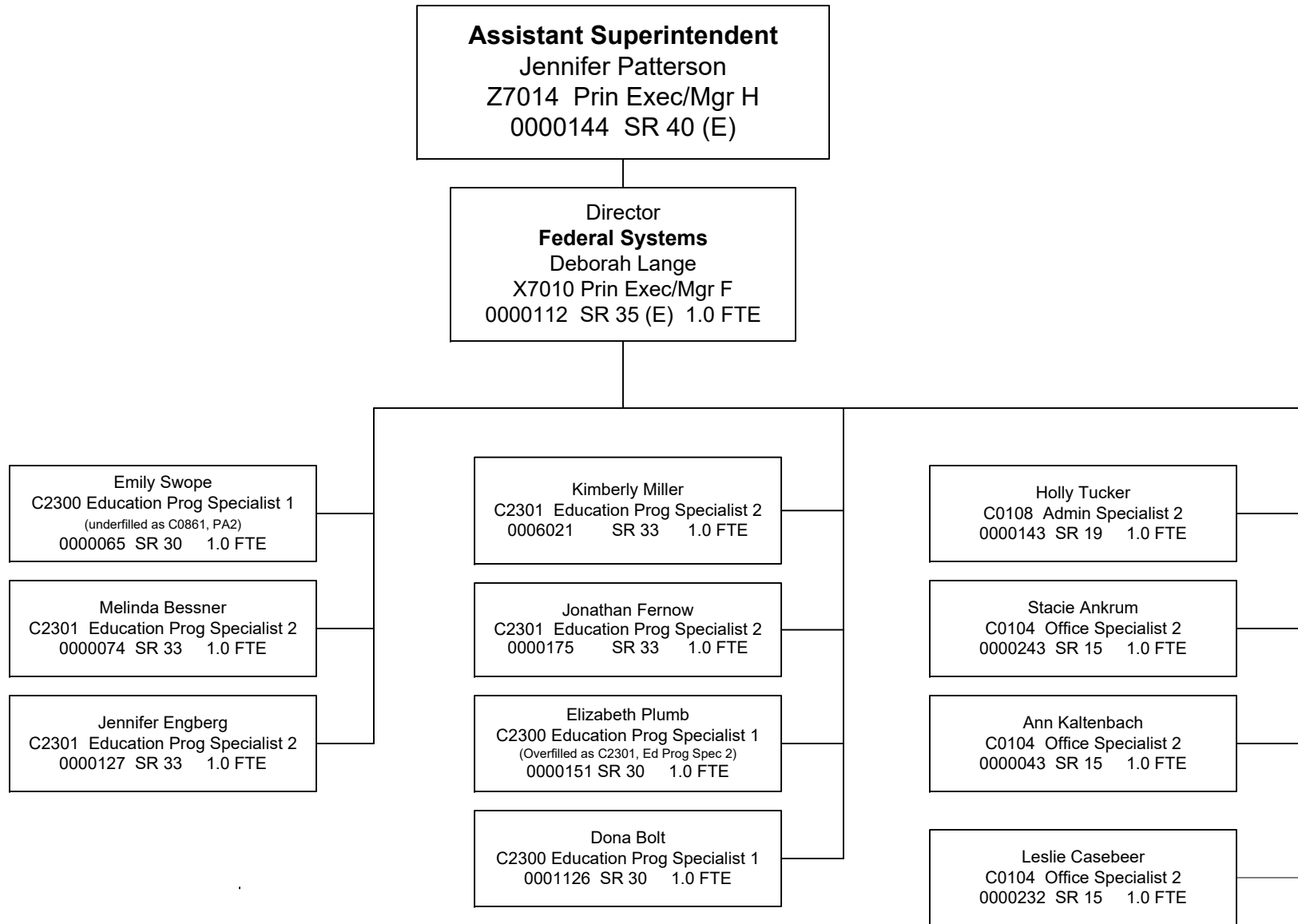


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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment

Federal Systems



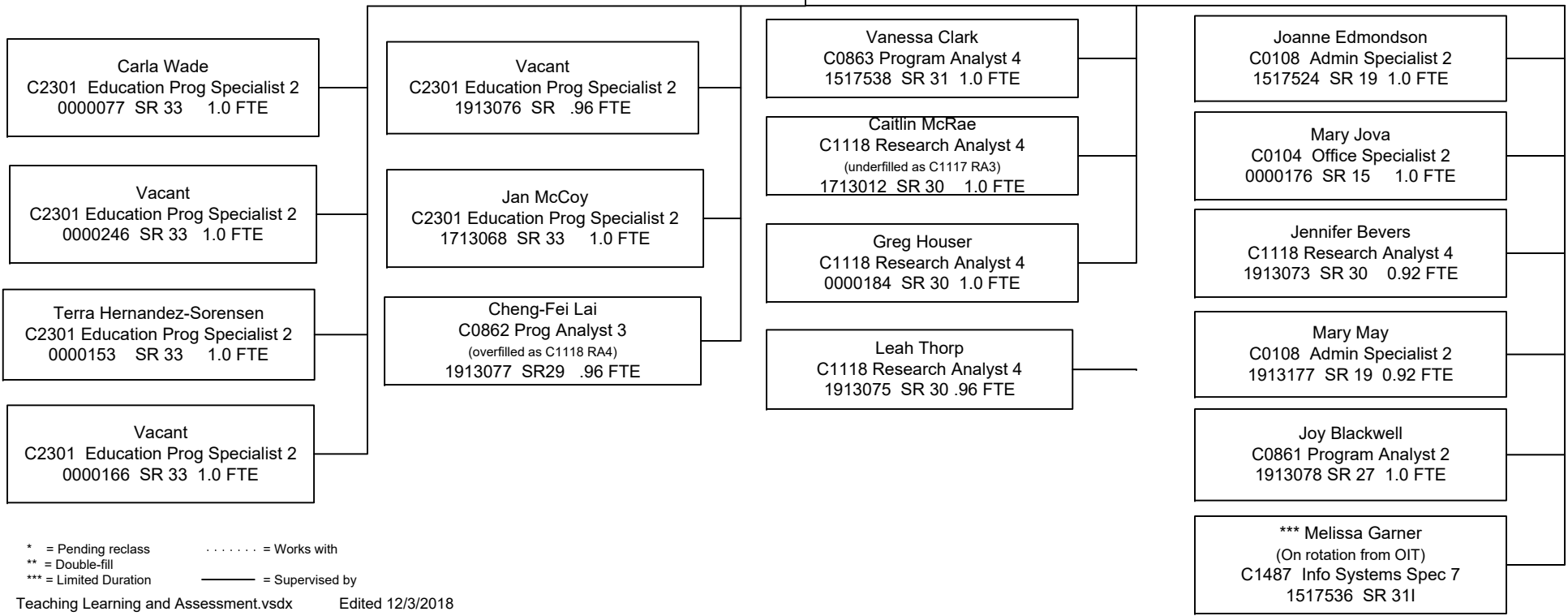
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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment Data, Operations, & Grant Management

Assistant Superintendent
Jennifer Patterson
Z7014 Prin Exec/Mgr H
0000144 SR 40 (E)

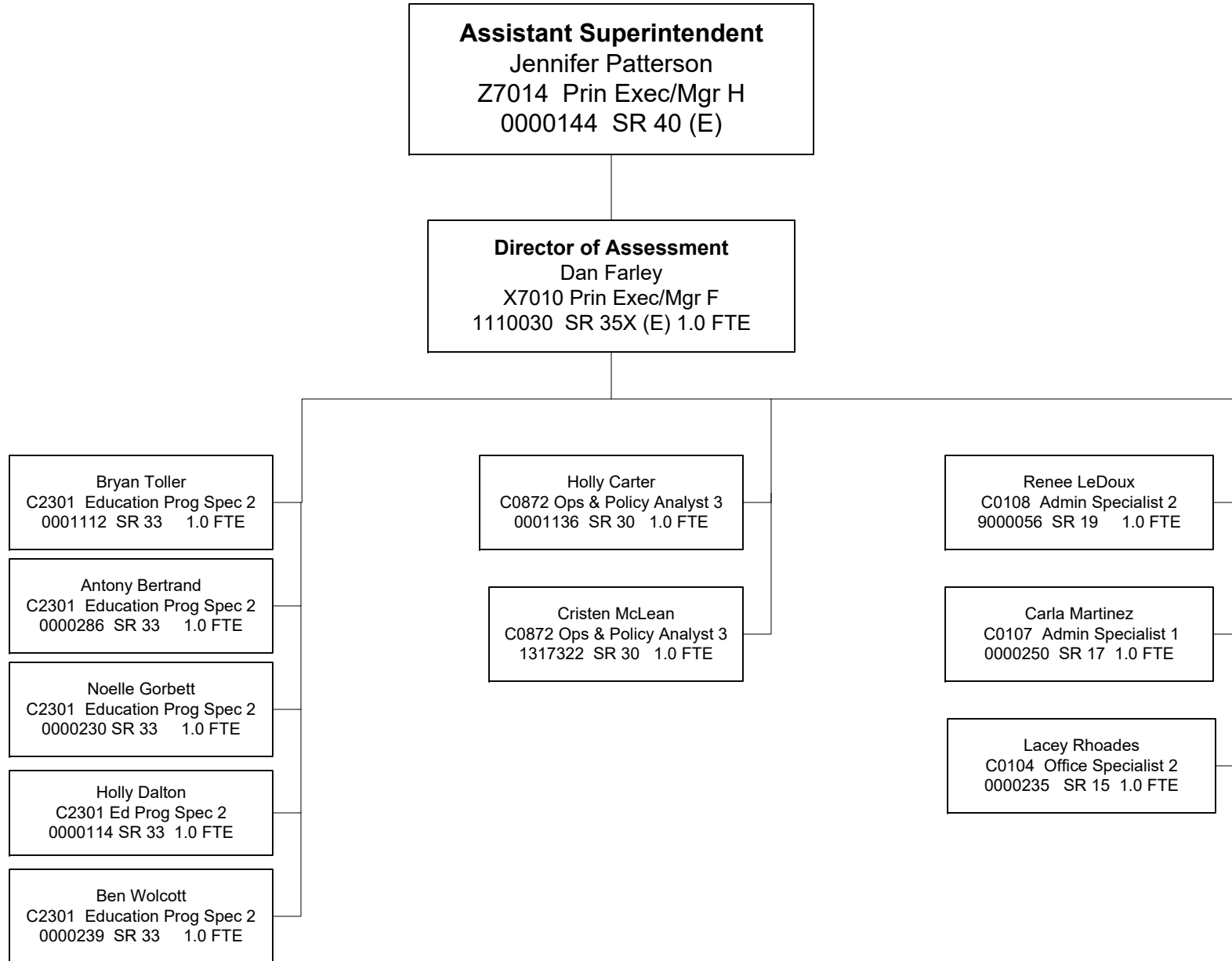
Director
Data, Operations & Grant Management
Vacant
X7010 Prin Exec/Mgr F
0000237 SR 35 (E) 1.0 FTE



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OREGON DEPARTMENT OF EDUCATION

Office of Teaching, Learning, and Assessment Assessment

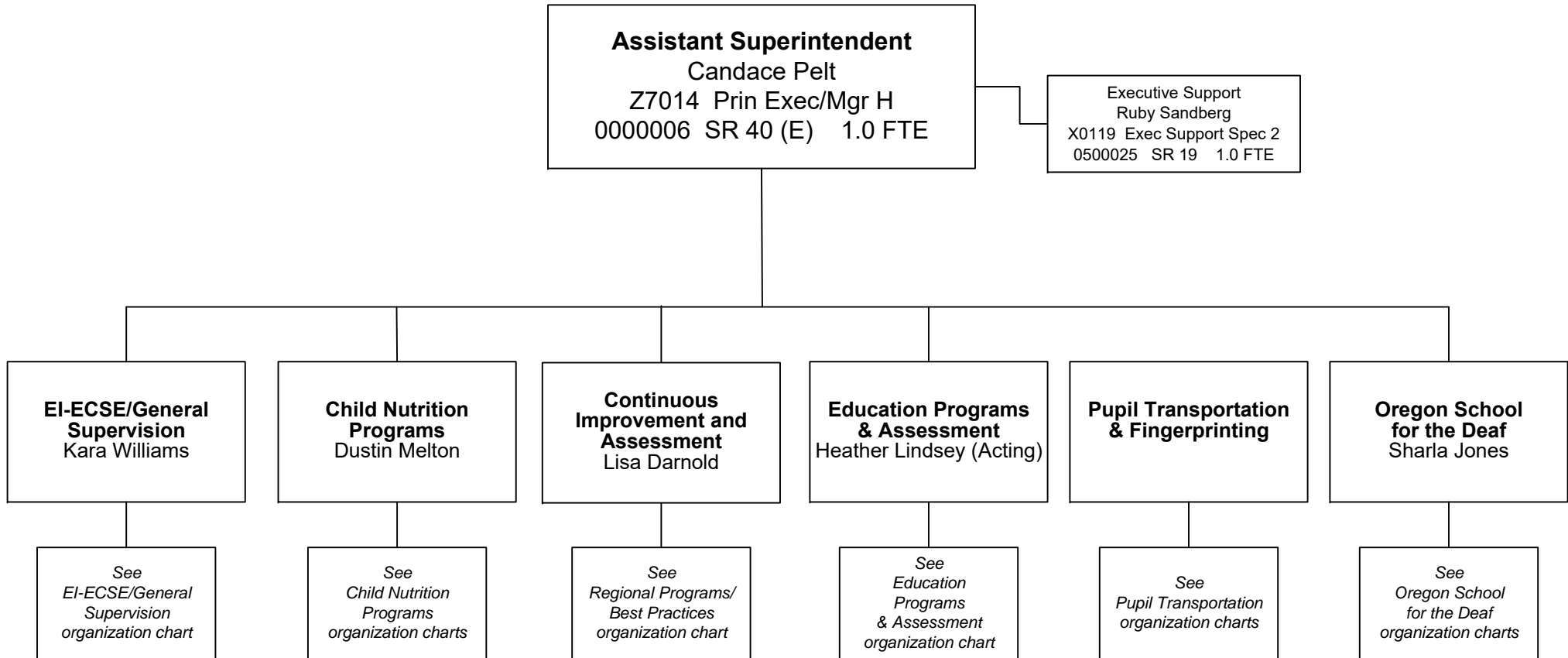


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OREGON DEPARTMENT OF EDUCATION

Office of Student Services

Overview



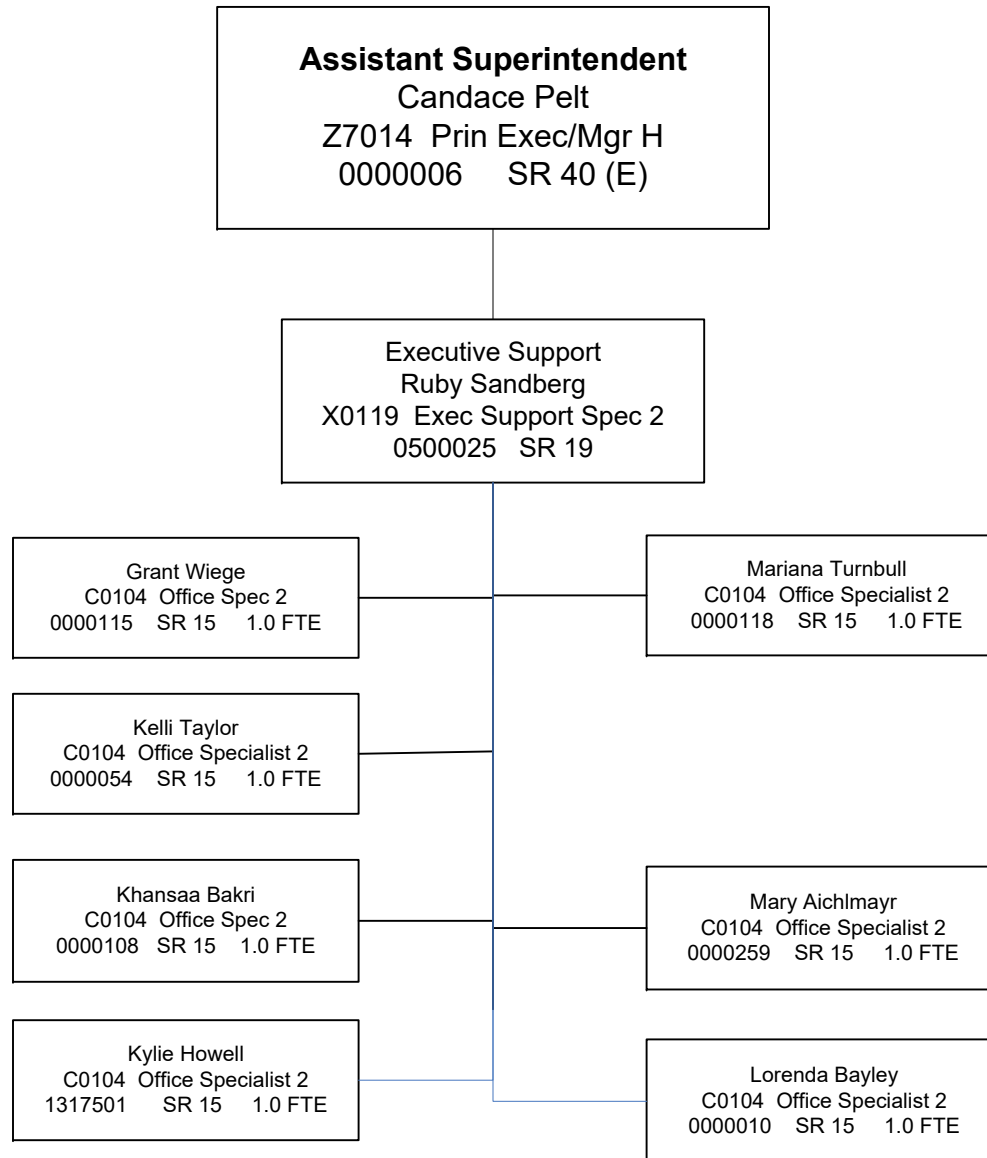
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OREGON DEPARTMENT OF EDUCATION

Office of Student Services

Support Staff



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OREGON DEPARTMENT OF EDUCATION
Office of Student Services
IDEA Compliance & District Resources

Student Services
Assistant Superintendent
 Candace Pelt
 Z7014 Prin Exec/Mgr H
 0000006 SR 40X

Assistant Superintendent
 Candace Pelt
 Z7014 Prin Exec/Mgr H
 0000006 SR 40 (E)

**PUPIL
 TRANSPORTATION**

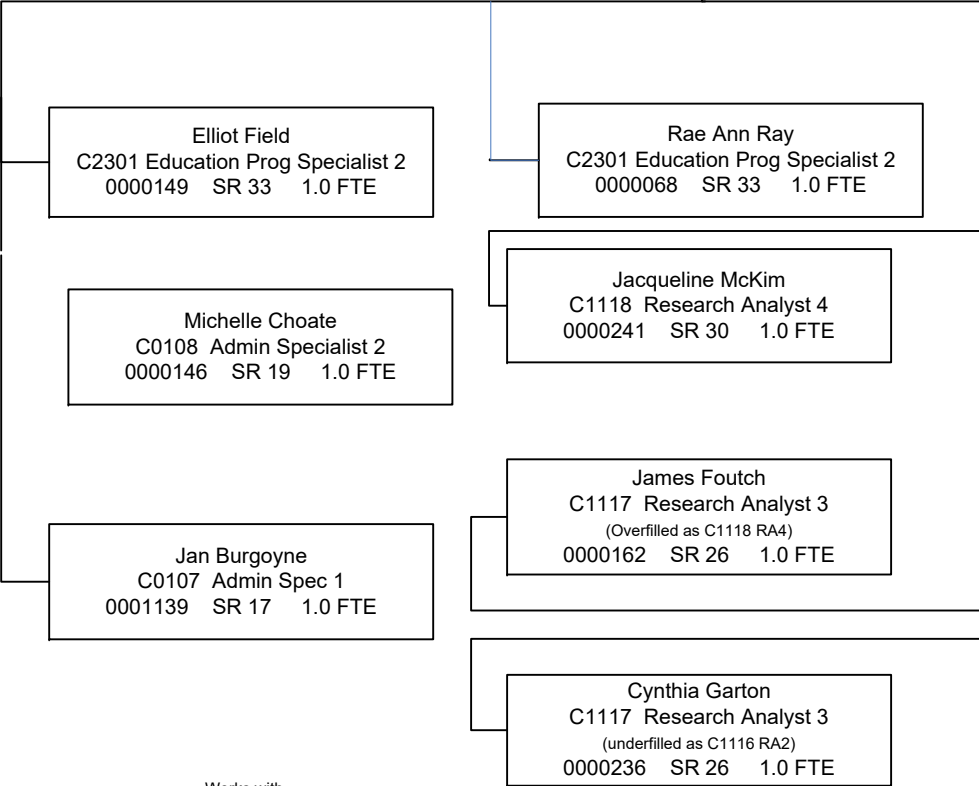
Brock Dittus
 C0862 Program Analyst 3
 (overfilled as C0872 OPA3)
 0000107 SR 27 1.0 FTE

Craig Pruitt
 C0862 Program Analyst 3
 0000172 SR 29 1.0 FTE

Scott Bohl
 C0860 Program Analyst 1
 1517457 SR 23 1.0 FTE

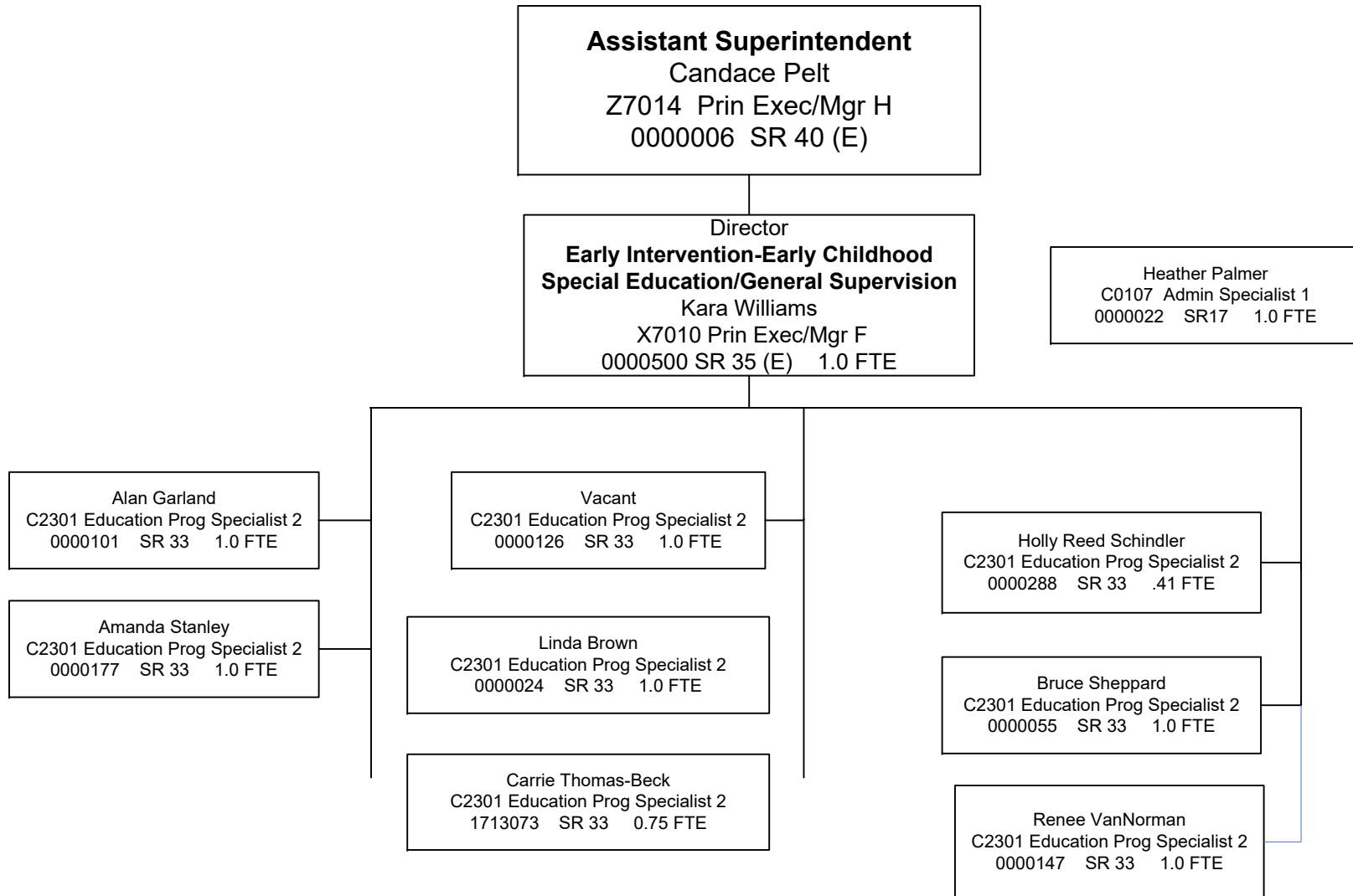
Shonna Bumgarner
 C0107 Admin Specialist 1
 0000169 SR 17 1.0 FTE

Flo Nguyen
 C0107 Admin Specialist 1
 0000885 SR 17 1.0 FTE



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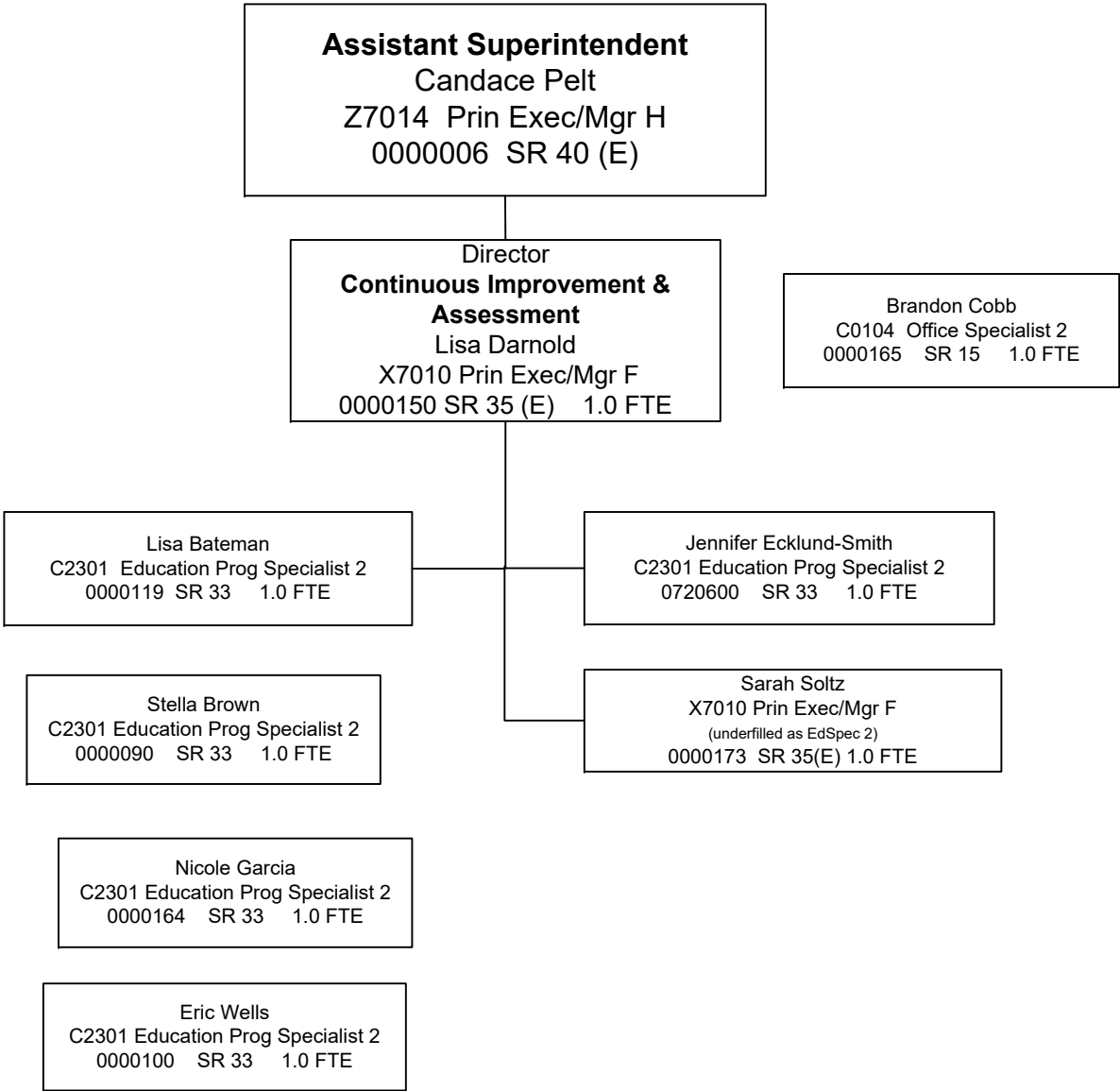
OREGON DEPARTMENT OF EDUCATION
Office of Student Services
Early Intervention-Early Childhood Special
Education/General Supervision



ECSE = Early Childhood Special Education

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OREGON DEPARTMENT OF EDUCATION
Office of Student Services
Regional Programs/Best Practices



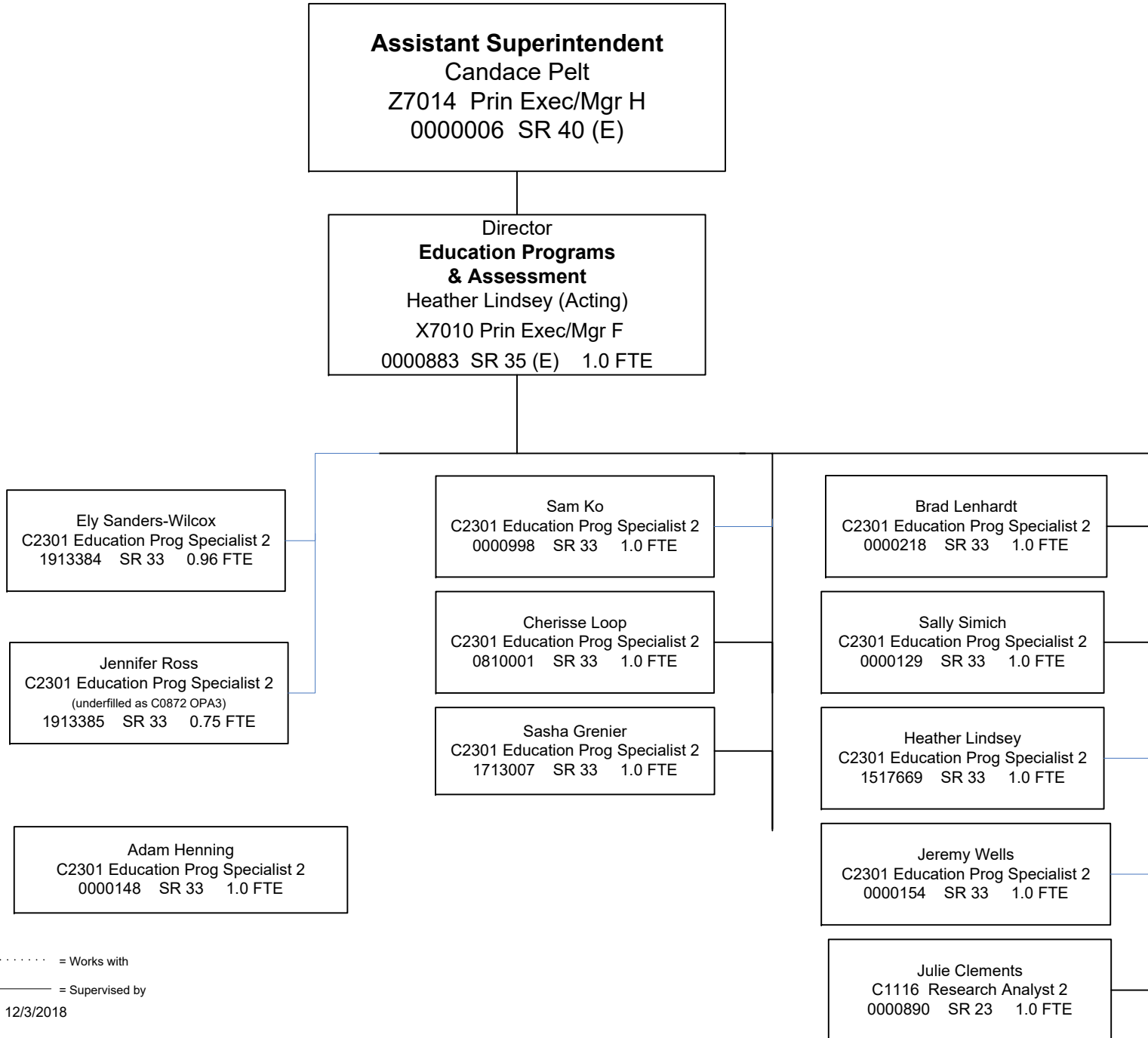
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Office of Student Services

Education Programs & Assessment



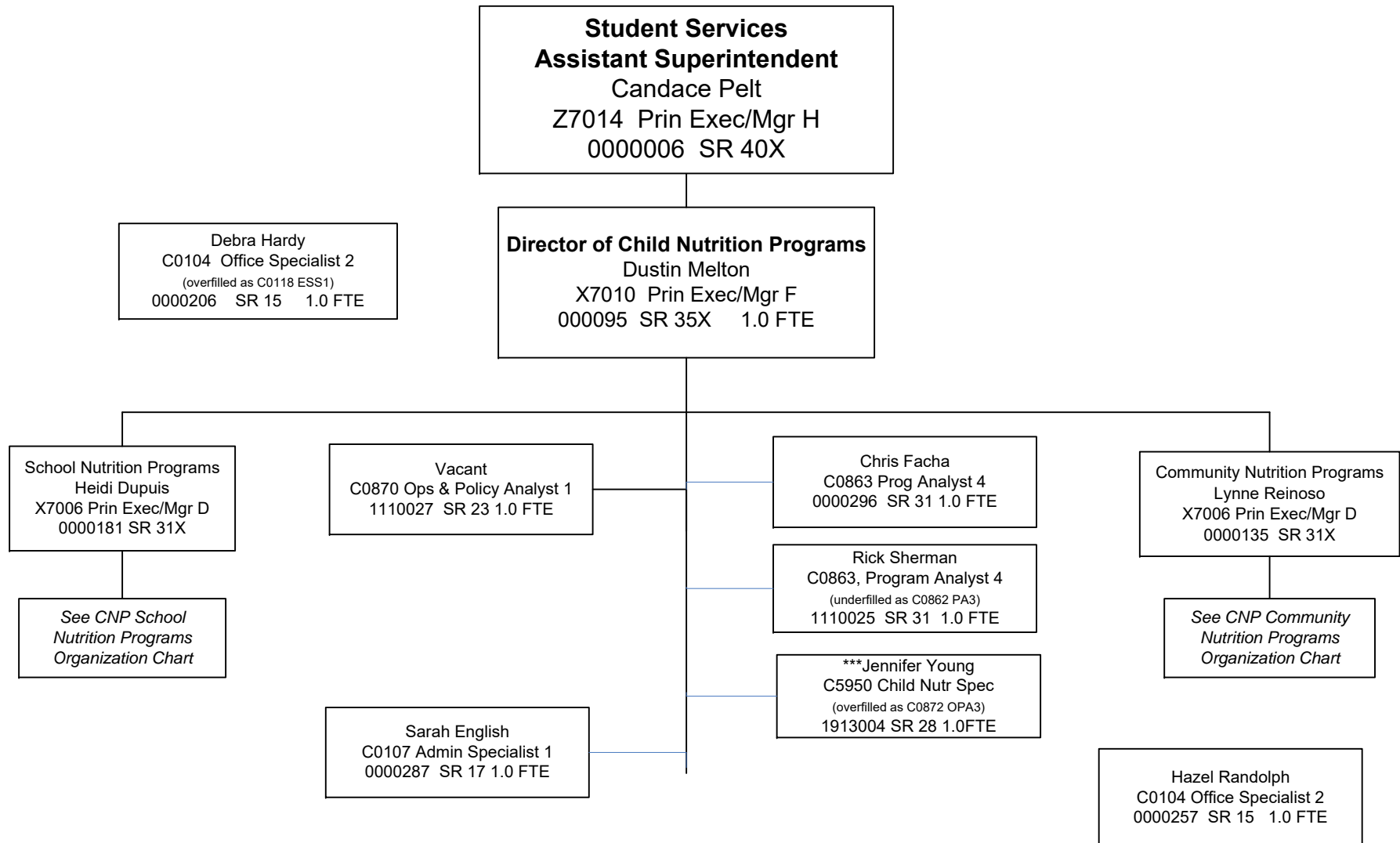
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OREGON DEPARTMENT OF EDUCATION

Office of Student Services

Child Nutrition Programs



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OREGON DEPARTMENT OF EDUCATION

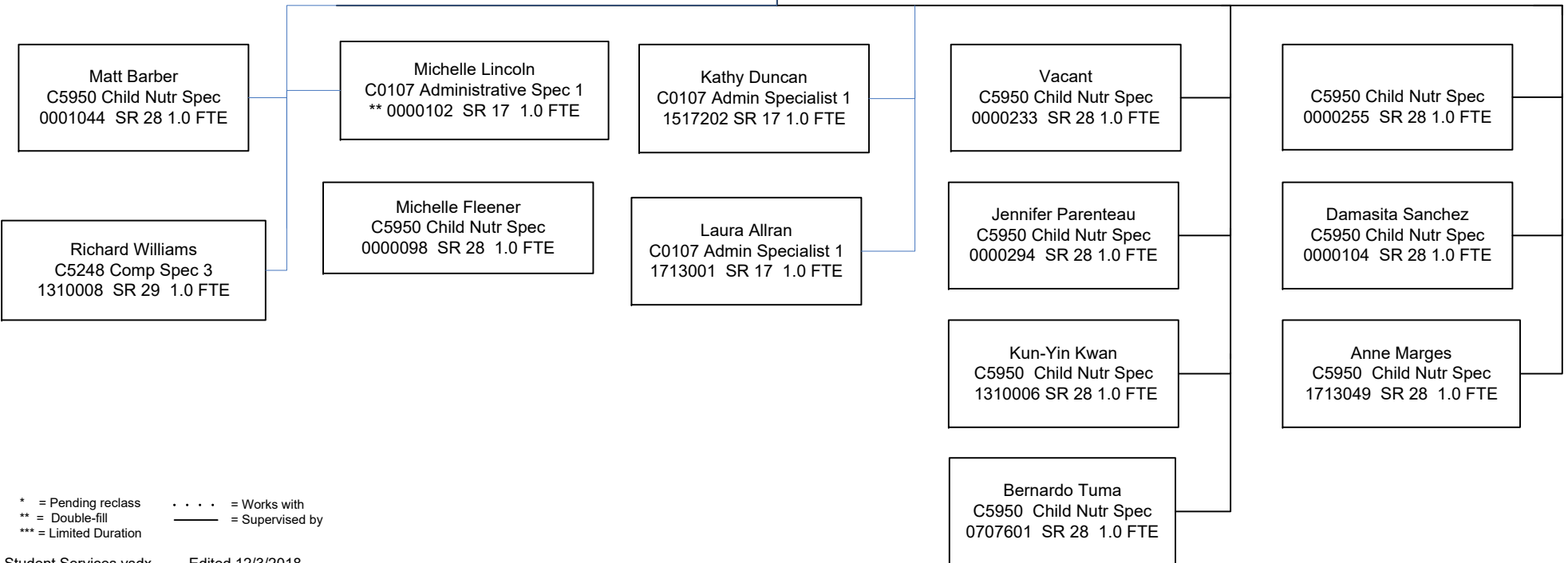
Office of Student Services

Child Nutrition Programs

Student Services
Assistant Superintendent
 Candace Pelt
 Z7014 Prin Exec/Mgr H
 0000006 SR 40X

Director of Child Nutrition Programs
 Dustin Melton
 X7010 Prin Exec/Mgr F
 000095 SR 35X

Program Manager
 School Nutrition Programs
 Heidi Dupuis
 X7006 Prin Exec/Mgr D
 0000181 SR 31X 1.0 FTE

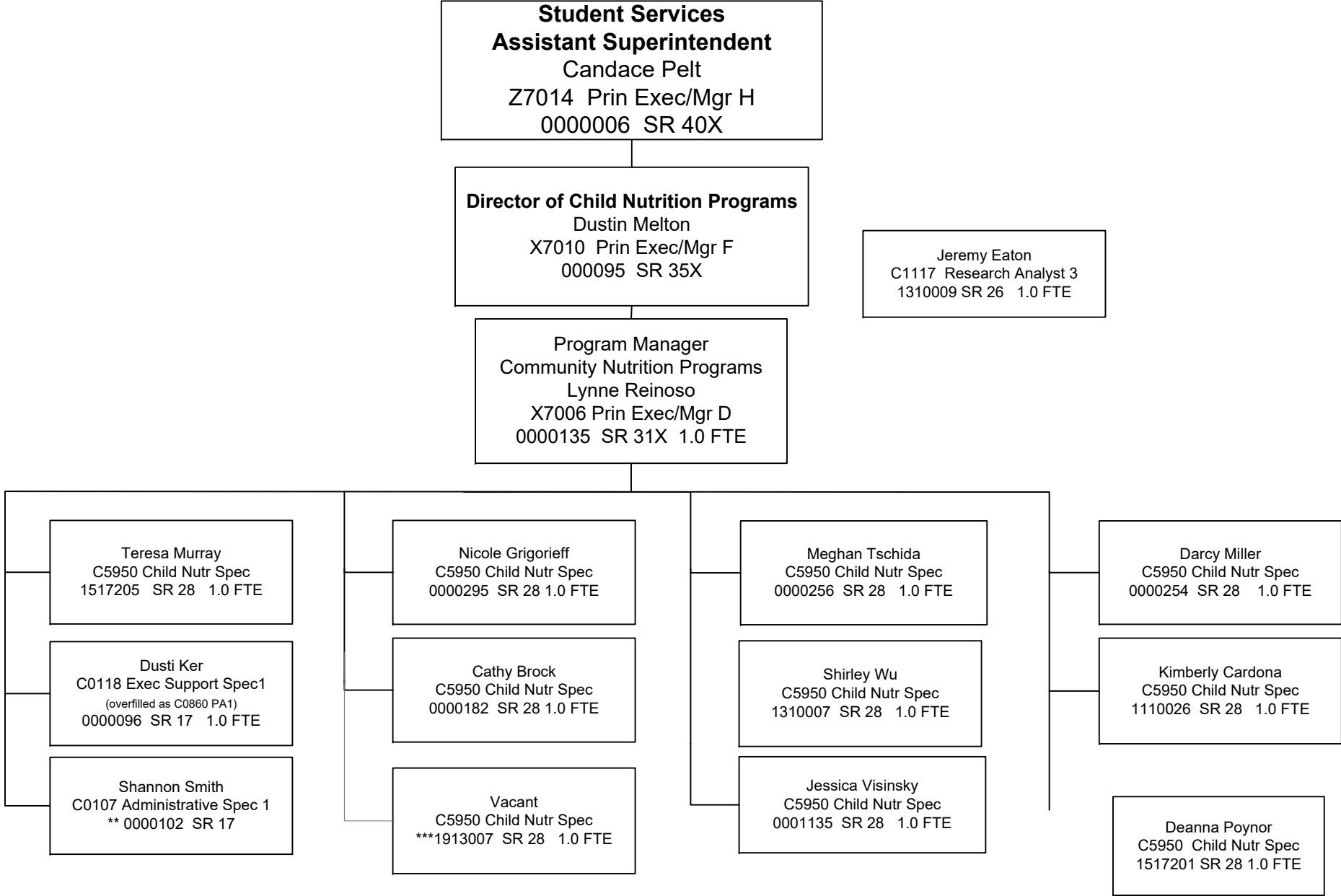


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OREGON DEPARTMENT OF EDUCATION

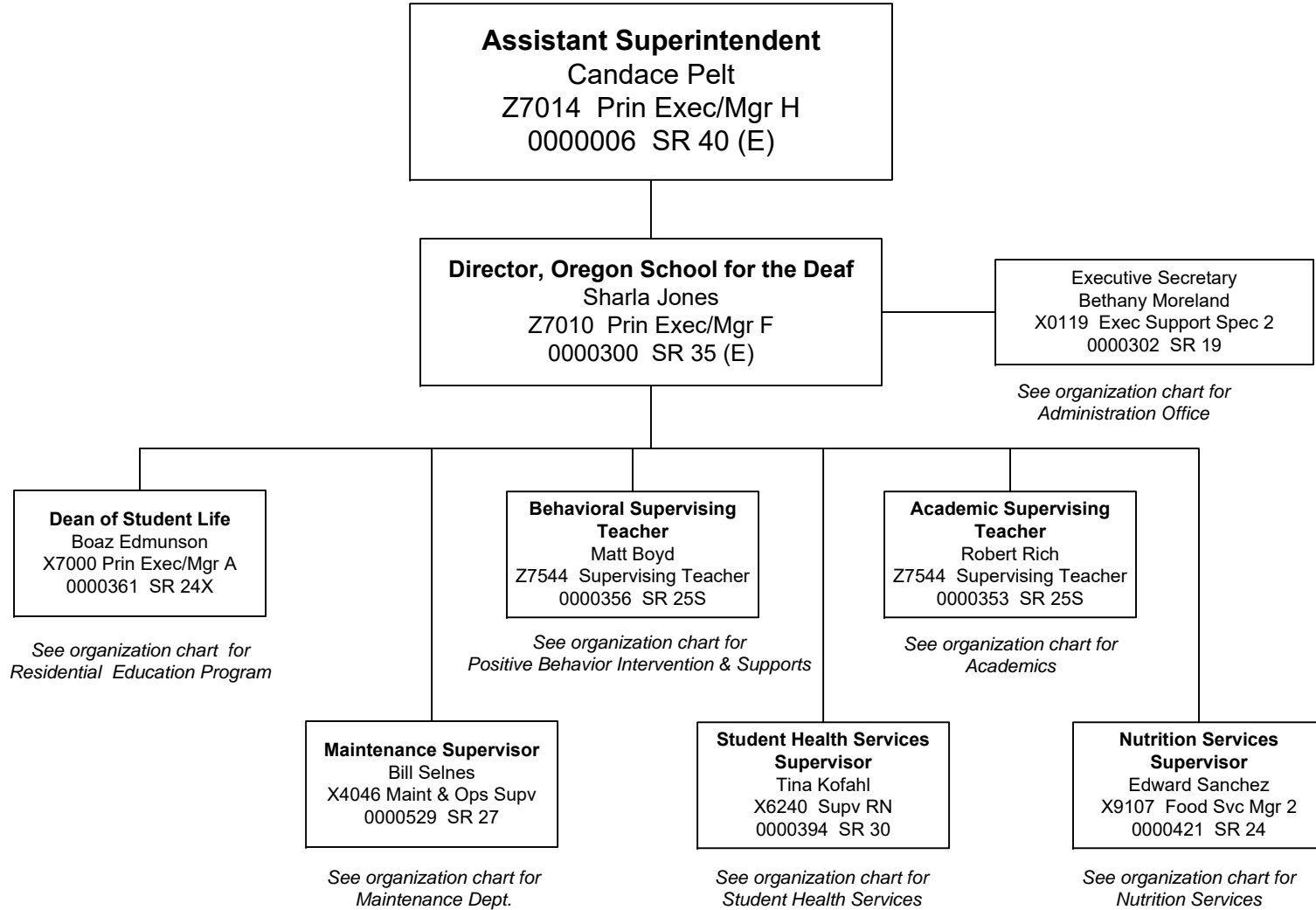
Office of Student Services

Child Nutrition Programs



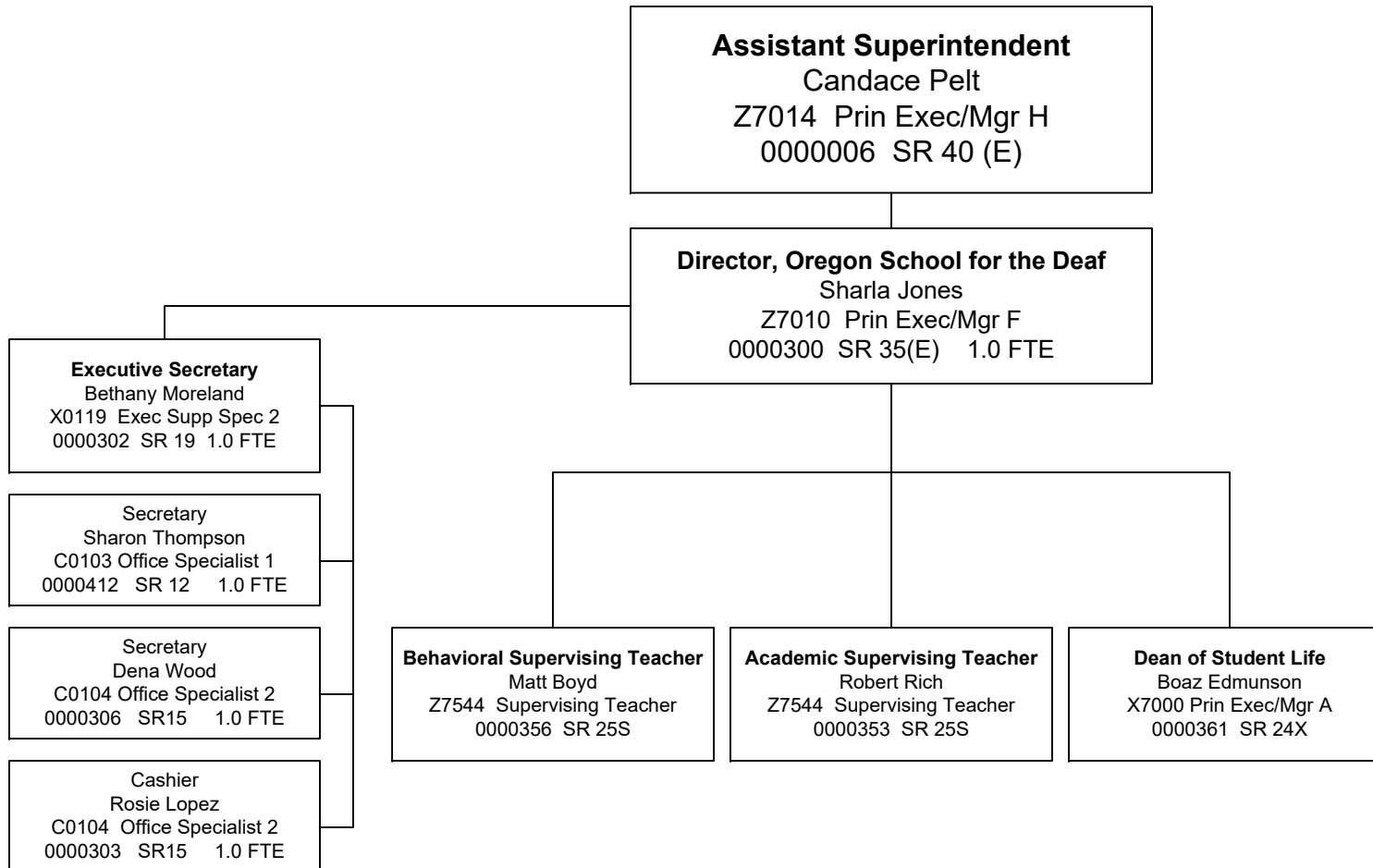
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Oregon Department of Education Office of Student Services Oregon School for the Deaf



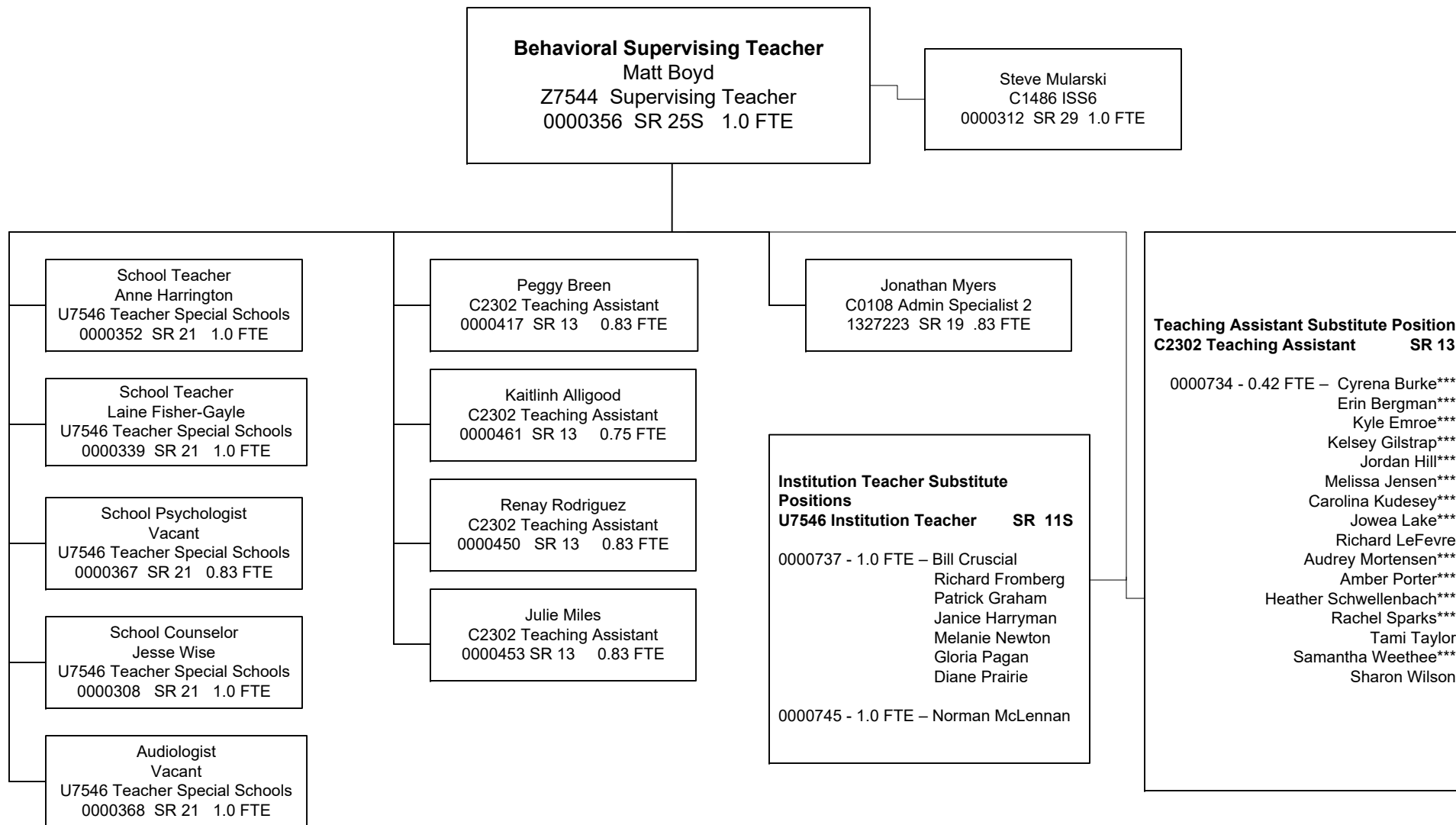
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Oregon Department of Education Oregon School for the Deaf Administration Office



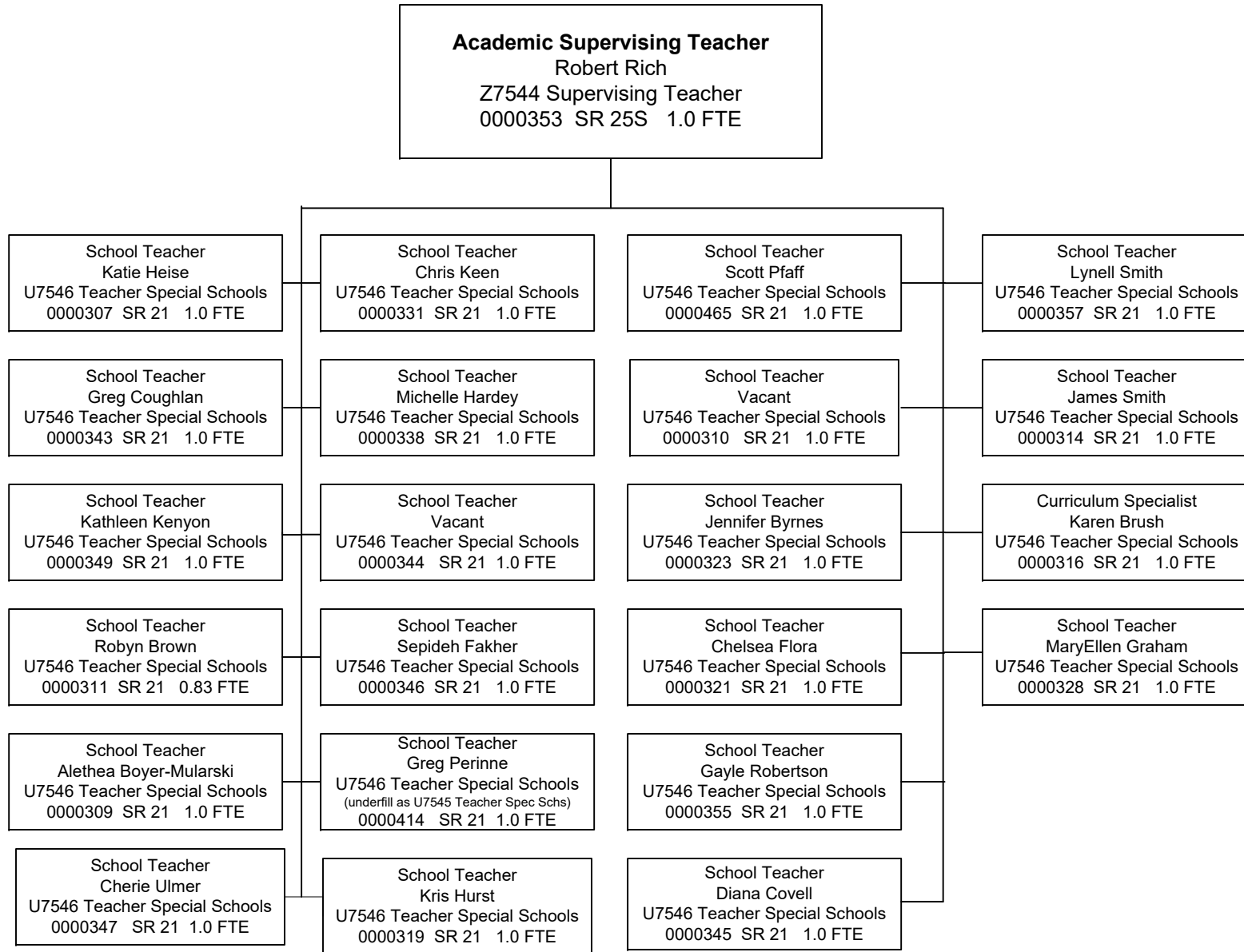
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Oregon Department of Education Oregon School for the Deaf Positive Behavior Intervention & Supports



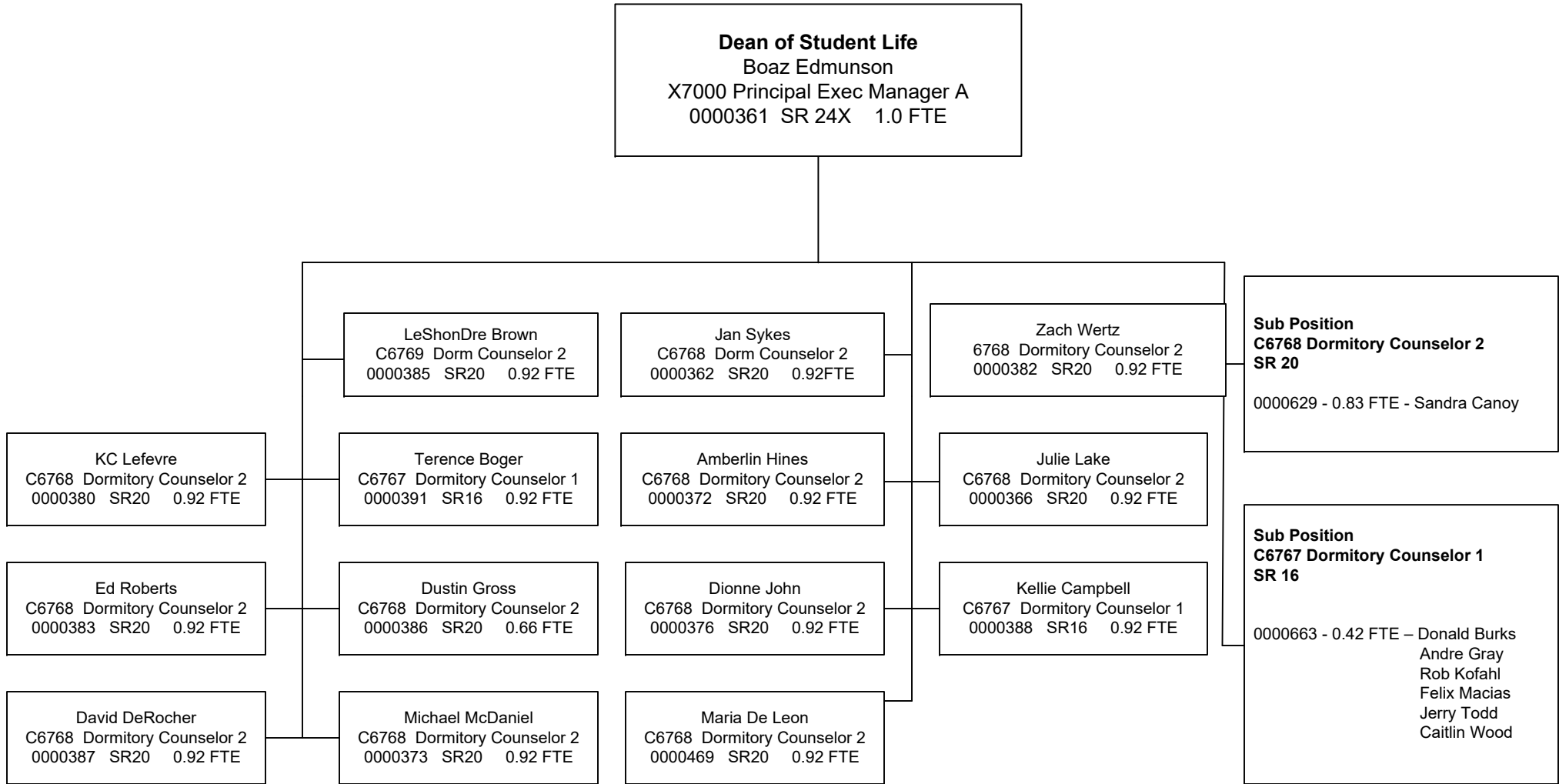
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Oregon Department of Education Oregon School for the Deaf Academics



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Oregon Department of Education Oregon School for the Deaf Residential Education Program



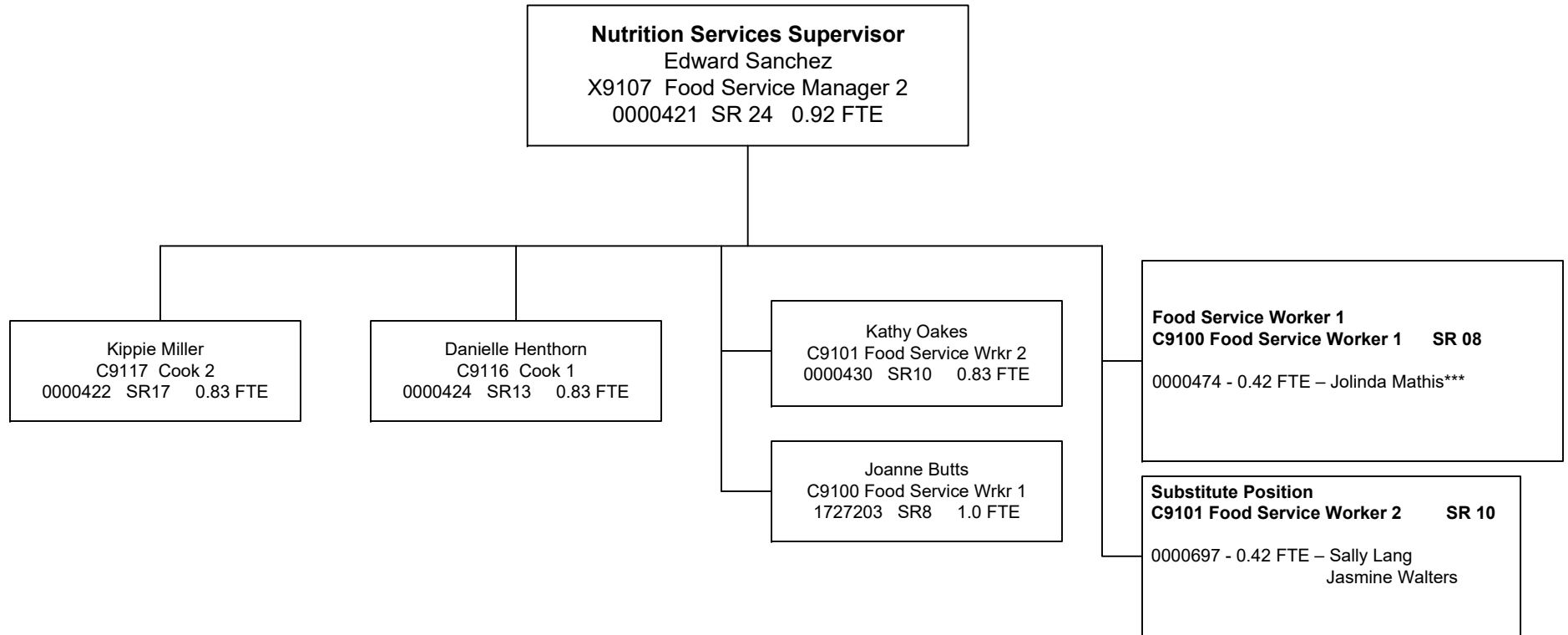
.92 = full-time equivalent Academic Year

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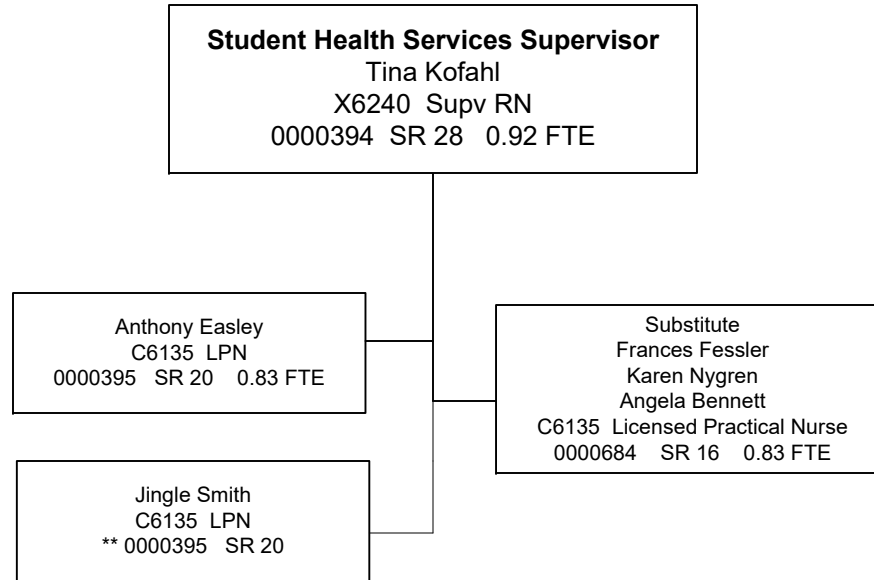
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Oregon Department of Education Oregon School for the Deaf Nutrition Services



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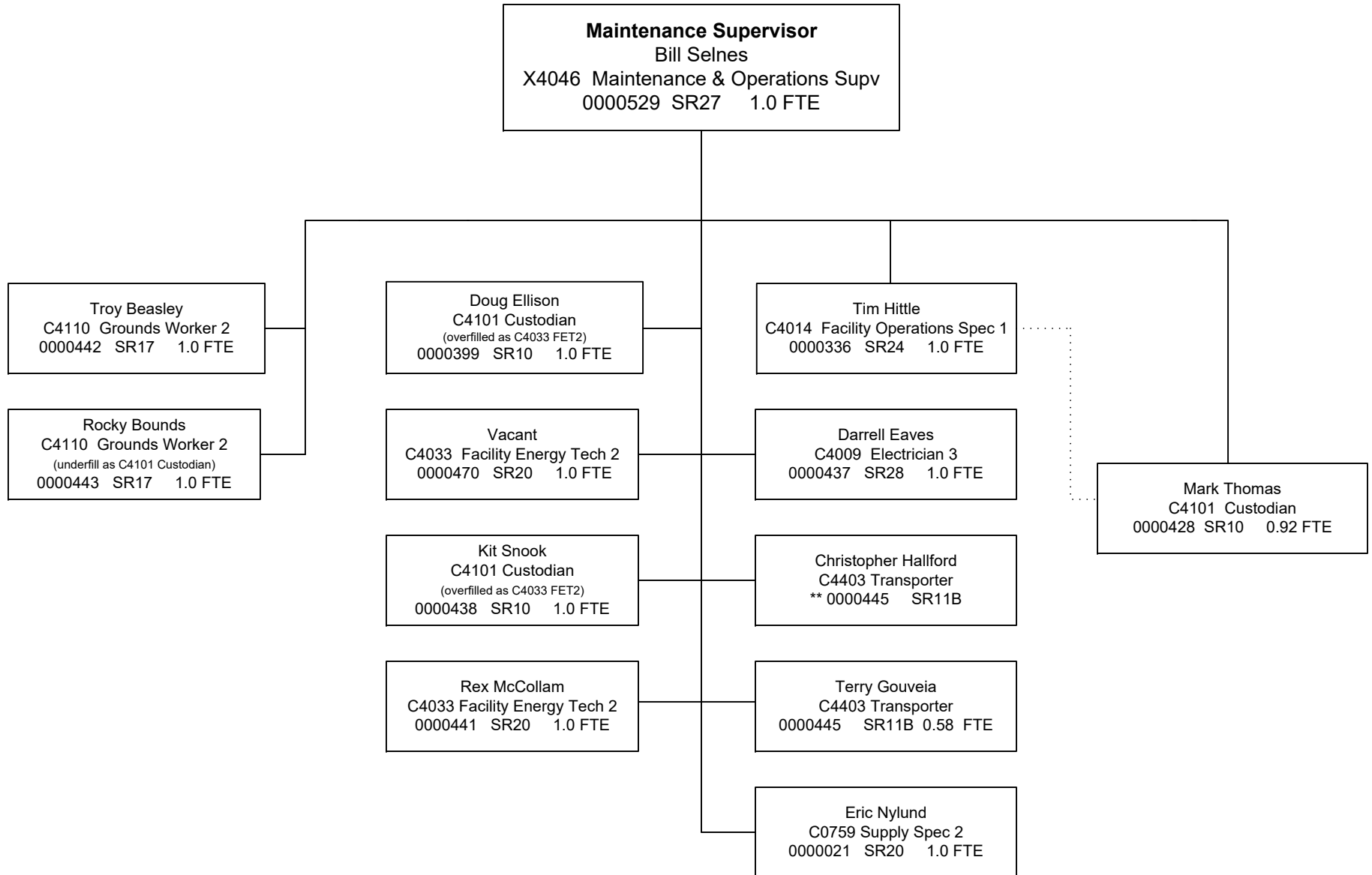
Oregon Department of Education Oregon School for the Deaf Student Health Services



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Oregon Department of Education Oregon School for the Deaf Maintenance Department

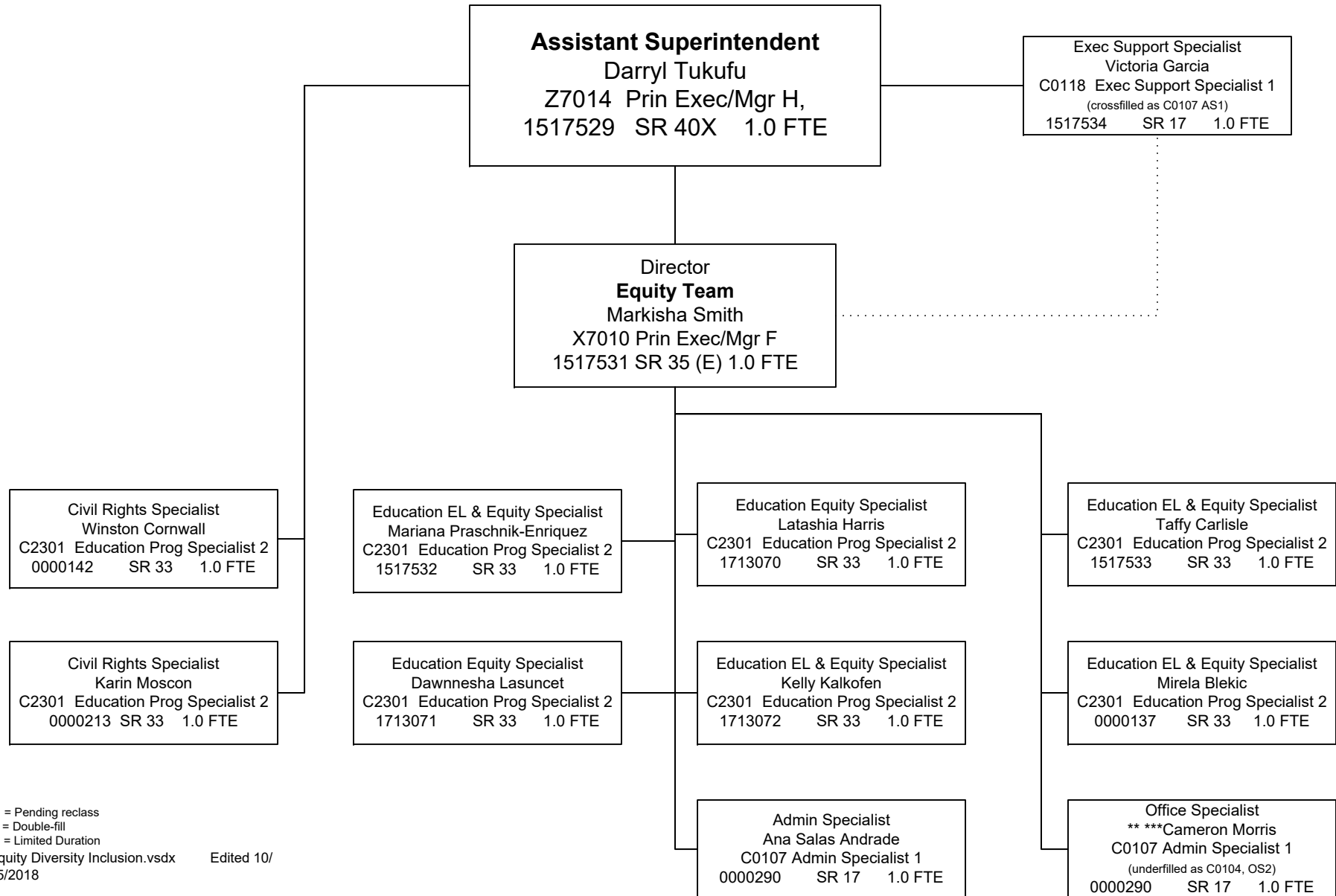


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OREGON DEPARTMENT OF EDUCATION

Office of Equity, Diversity and Inclusion



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OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

REVENUES

The Oregon Department of Education's (ODE) budget has multiple funding sources, including General Fund, Lottery Funds, Federal Funds Limited and Non-limited, and Other Funds Limited and Non-limited from a variety of sources.

General Fund

About 77 percent of the department's revenue comes from the state's General Fund. Most of this funding (84 percent) is for the State School Fund (SSF). This is the funding which goes to local school districts and education service districts to provide operating funding for the costs of educating Oregon's K-12 students.

In addition, about 8 percent of all General Fund resources support several state grant programs and investments within ODE's budget. A select few of these state investments include educator effectiveness efforts, CTE/STEM, Chronic Absenteeism, the High School Graduation and College and Career Readiness Act of 2016, and Early Intervention/Early Childhood Special Education. General Fund supports for grants-in-aid funding for K-12 programs totals \$796.9 million.

Lottery Funds

The department receives lottery funds to support the State School Fund and to pay the principal and interest on lottery-backed education bonds. The department also receives interest earnings from certain lottery accounts. These earnings pay bond principal and interest.

Marijuana Tax Funds

The department receives marijuana tax funds to support the State School Fund.

Other Funds

The department receives other funds through a variety of sources, including but not limited to fees from the following: textbook reviews; Law Enforcement Data Systems (LEDS) background searches; fingerprinting of certain education and Early Learning Division employees and child care providers; and athletic agent permits. The department also receives grants from non-federal sources, and indirect federal revenues to support agency operations that support the department as a whole (e.g., financial services, procurement and contracting, employee services, budgeting services, and IT support).

The Office of School Facilities receives funds from General Obligation Bonds that are provided as matching funds to school districts for facilities improvements and maintenance, such as remedial services for lead in water systems. These funds are expended as Other Funds.

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

The Oregon School for the Deaf receives funds from General Obligation Bonds that are provided to support deferred maintenance of OSD facilities. Approved projects will provide additional safety to students on campus as well as maintain the integrity of the buildings.

Non-Limited Other Funds

The department receives semi-annual distributions from the Oregon Department of State Lands' Common School Fund (CSF). The CSF revenues were adjusted to reflect the most current projections available from the Department of State Lands. A small portion of the non-limited Other Funds are for the Child Nutrition Program's USDA Commodities Food Distribution Program.

Federal Funds

The department receives federal funds from the U.S. Department of Education, the majority of which are through the Elementary and Secondary Education Act (ESEA) which will soon be the Every Student Succeeds Act (ESSA) and the Individuals with Disabilities Education Act (IDEA). The department receives funding from 19 separate federal grants, to provide educational services to Oregon's elementary and secondary students. Of the total funding received, ODE retains about 6.5 percent for its responsibilities to oversee and administer these grants. The department distributes 93 percent to K-12 districts and other local educational programs. The remaining 0.5 percent is expended for operational expenditures.

The Office of Child Care receives federal Child Care Development Fund (CCDF) revenues to pay for the licensing and monitoring of child care providers in the state through the federal Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS).

Non-Limited Federal Funds

The department also receives federal funds for the Child Nutrition Programs from the U.S. Department of Agriculture (USDA). The USDA provides this funding for nutritious and low-cost meals to children, functionally impaired adults, and seniors in educational or care settings. Because of the difficulty in projecting the expenditures and revenues for this program, the department receives non-limited expenditure authority for this program.

Maintenance of Effort (MOE)

Individuals with Disabilities Education Act (IDEA)

As the State Education Agency (SEA), the department must meet maintenance-of-effort (MOE) requirements for IDEA Part B and Part C. ODE meets MOE requirements through qualifying expenditures in several department programs. These include the Early Intervention/Early Childhood Special Education, regional education, youth corrections education, long-term care and treatment, and hospital programs; as well as the Oregon School for the Deaf, and funding for some department program staff.

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

The consequences to the state of not meeting MOE have a direct impact on the amount of federal funds available to the department, school districts, and educational programs in the following school year. Any shortfall in meeting MOE directly reduces the amount awarded to ODE the following year.

For local education agencies (LEAs) that do not meet MOE, the federal government requires the LEA to pay back the amount of the MOE shortfall or the amount of that year's gross award, whichever is less.

Federal Perkins Grant (Vocational Education)

The federal Perkins grant, used to fund the Vocational Education Program, requires matching funds for administrative costs. ODE meets the MOE requirement for Perkins, through a combination of the department's General Fund and General Fund received as Other Funds, through the Higher Education Coordinating Commission (HECC). The consequence of not meeting MOE is to lose all Perkins funding.

Perkins MOE is an issue only for the state. Local school districts do not have to meet MOE for the Perkins funds because the state has never set aside General Fund for Vocational Education.

USDA Food Nutrition Programs

The USDA Food Nutrition Programs, within ODE, have a match requirement of \$86,165 per year (\$172,330 per biennium). This is met through the payroll for the Director of the Child Nutrition Programs.

Child Care and Development Block Grant Funds (CCDBG)

To receive federal mandatory and matching CCDBG funding, the State of Oregon must meet a maintenance of effort as well as matching funds requirement based on the Department of Human Services (DHS) Federal Medicaid Assistance Plan (FMAP) rate. ODE, Early Learning Division meets these requirements through a combination of public funds (working family tax credit, dependent care tax credit, child care contribution tax credit, and state General Fund); private donated funds (donated to Portland State University for scholarships for childhood care and education workforce training and professional development); and state expenditures for Pre-Kindergarten (Pre-K) programs.

Basis for 2019-21 Estimates

The department's revenue estimates are based on the 2017-19 Legislatively Approved Budget and actual revenues to date. Each revenue line was, and will be, reviewed and analyzed for trends going into 2019-21. Updates over the next several months will be made as needed.

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	ESEA Title 1C Migrant Education	ESEA Title IIB Math & Science Partnerships	ESEA Title IIA Improving Teacher Quality Grants	ESEA Title IIIA English Language Acquisition	ESEA Title IA Grants to LEAs
Catalogue of Federal Domestic Assistance Number (CFDA#)	84.011	84.366B	84.367A	84.365A	84.010
Source	US Dept. of Education (USED)	USED	USED	USED	USED
Conditions:					
Maintenance of Effort	For LEAs	No	No	No	For LEAs
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	Local district migrant education programs	Reimbursement for Adv. Placement courses to low-income students	Teacher and Principal Quality Program	Local district LEP programs	Local disadvantaged youth programs
Ceiling on Administration	1 percent	5 percent	5 percent	5 percent	1 percent
Pass-through Allocation Method	Formula grants	Competitive grants	Formula grants	Formula/project grants	Formula grants
Basis for Estimates (including carryover)	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	Head Start Collaboration	ESEA Title VII McKinney-Vento Homeless Ed.	Individuals with Disabilities Act (IDEA) Part B	ESEA Title ID Neglected and Delinquent	ESEA School Improvement Grants
Catalogue of Federal Domestic Assistance Number (CFDA#)	93.600	84.196	84.027	84.013	84.377A
Source	US Dept. of Health & Human Services (DHHS)	USED	USED	USED	USED
Conditions:					
Maintenance of Effort	No	No	Yes	No	No
Match Required	Yes	No	No	No	No
Matching Rate	In-kind				
Limitations on Use	Head Start programs	Education for homeless children and youth	State and local special education programs	State-run institutions	Local school improvement strategies
Ceiling on Administration	No ceiling	25 percent	Specified portion	1 percent	5 percent
Pass-through Allocation Method	Project grants	Formula grants	Formula grants	Formula grants	Project grants
Basis for Estimates (including carryover)	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	NCES-NAEP Coordinator Contract	IDEA Grants for Infants and Families Part C	ESEA Title VIB Rural and Low Income Schools	IDEA Special Ed. Preschool Grants Section 619	21 st Century
Catalogue of Federal Domestic Assistance Number (CFDA#)	84.902	84.181	84.358B	84.173A	84.287C
Source	National Center for Education Statistics	USED	USED	USED	USED
Conditions:					
Maintenance of Effort	No	No	No	No	No
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	Reporting of state assessment data to USED	Early intervention special education programs	Support to rural and low-income schools	State and local special education programs	Community learning centers that provide academic enrichment during non-school hours
Ceiling on Administration	No ceiling	5 percent	5 percent	20 percent	5 percent
Pass-through Allocation Method	Not applicable	Formula grants	Formula grants	Formula grants	Project grants
Basis for Estimates (including carryover)	2017-19 grants and Assessment Unit estimate	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	Child Care Nutrition Programs (Non-limited)	Summer Food Programs (Non-limited)	Team Nutrition (Limited)	School Lunch Programs (Limited)	School Lunch Programs (Non-limited)
Catalogue of Federal Domestic Assistance Number (CFDA#)	10.558/565	10.559	10.574	10.560	10.553/555/556
Source	US Dept. of Agriculture (USDA)	USDA	USDA	USDA	USDA
Conditions:					
Maintenance of Effort	No	No	No	Yes	Yes
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	Local nutrition programs	Local summer nutrition programs	School lunch programs	State administration	Local district nutrition programs
Ceiling on Administration	No admin. provided	None-GIA Only	No ceiling	Set by grantor	GIA Only
Pass-through Allocation Method	Cost reimbursement	Cost reimbursement	Cost reimbursement	Cost reimbursement	Cost reimbursement
Basis for Estimates (including carryover)	2017-19 grants and federal budget projection	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	IDEA State Personnel Development (SPDG) Part D	ESEA Title III Career and Tech Ed. (Voc. Ed)	Title IV, Part A Student Support & Academic Enrichment SSAE Program	Day Care Subsidy Child Care Development	ESEA Charter Schools
Catalogue of Federal Domestic Assistance Number (CFDA#)	84.323A	84.048	84.424	93.596 93.575	84.282A
Source	USED	USED	USED	CMS	USED
Conditions:					
Maintenance of Effort	No	Yes	No	Yes	No
Match Required	No	Yes	No	Yes	No
Matching Rate		100 percent program admin.		FMAP	
Limitations on Use	Early intervention special education programs	Career and technical education (CTE) programs	Elementary / Secondary Education programs 1% for SEA 2% for LEAs	Federal guidelines	Charter schools
Ceiling on Administration	Not applicable	5 percent			
Pass-through Allocation Method	Project grants	Formula grants	Formula grants	Other	Discretionary
Basis for Estimates (including carryover)	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections		2017-19 grants and federal budget projections	2017-19 grants and federal budget projections

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Federal Fund Source Title:	Dept. of Justice JABG Funds	Dept. of Justice Formula Grant
Catalogue of Federal Domestic Assistance Number (CFDA#)	16.523	16.540
Source	Office of Justice programs	Office of Justice programs
Conditions:		
Maintenance of Effort	No	No
Match Required	Yes	No
Matching Rate	10 percent - sub-recipients cover	No
Limitations on Use	Federal guidelines	Federal guidelines
Ceiling on Administration	5 percent	N/A
Pass-through Allocation Method	Project grants	Project grants

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Basis for Estimates (including carryover)	2017-19 grants and federal budget projections	2017-19 grants and federal budget projections	Comm. Colleges & Workforce Development (General Fund)	Oregon Dept. of Revenue	Oregon Dept. of Transportation
Other Fund Source	Rental and other revenues	Local school districts	Comm. Colleges & Workforce Development (General Fund)	Oregon Dept. of Revenue	Oregon Dept. of Transportation
Conditions:					
Maintenance of Effort	No	No	No	No	No
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	Special schools misc. activities	Specified services to individual students	Post-secondary administration	State-specified programs	Special purpose programs
Ceiling on Administration	No ceiling	No ceiling	No ceiling	No ceiling	No ceiling
Pass-through Allocation Method	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Basis for Estimates (including carryover)	Funding history	Funding history	Funding availability and intergovernmental agreement	Funding history and DAS estimates	ODOT/OFA estimates

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Other Fund Source Title:	State School Fund Transfer to OSD	State School Fund Transfer to Special Ed.	Common School Fund	Misc. Receipts Department Operations	Commodity Dist. School Lunch Revolving (Non-limited)
Catalogue of Federal Domestic Assistance Number (CFDA#)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Source	State School Fund	State School Fund	Oregon Dept. of State Lands	Travel reimbursements and other revenues	Local school districts/CNP providers
Conditions:					
Maintenance of Effort	No	No	No	No	No
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	OSB and OSD programs	Special education programs	State specified programs	Misc. support service activities	Reimbursable revolving non-limited account
Ceiling on Administration	No ceiling	No ceiling	No ceiling	No ceiling	No ceiling
Pass-through Allocation Method	State statutory formula	State statutory formula	SSF equalization formula	Not applicable	Not applicable
Basis for Estimates (including carryover)	Funding history and OFA estimates	Funding history and OFA estimates	State Lands estimates	Funding history and OFA estimates	Funding history and OFA estimates

**OREGON DEPARTMENT OF EDUCATION
2017-19 LEGISLATIVELY ADOPTED BUDGET**

Other Fund Source Title:	Textbook Review Fees	Education Training Revolving	Fingerprint Search Fees	Indirect Cost Recovery	LEDS Search Fees
Catalogue of Federal Domestic Assistance Number (CFDA#)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Source	Textbook publishers	Workshop and conference fees	Local school districts	Federal and Other Funds funding	Local school districts
Conditions:					
Maintenance of Effort	No	No	No	No	No
Match Required	No	No	No	No	No
Matching Rate					
Limitations on Use	Costs related to textbook reviews	Event costs	Service costs	Support services costs	Service costs
Ceiling on Administration	No ceiling	No ceiling	No ceiling	No ceiling	No ceiling
Pass-through Allocation Method	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Basis for Estimates (including carryover)	Funding history and OFA estimates	Funding history and OFA estimates	Funding history and OFA estimates	Funding history and OFA estimates	Funding history and OFA estimates

OREGON DEPARTMENT OF EDUCATION 2017-19 LEGISLATIVELY ADOPTED BUDGET

Other Fund Source Title:	State School Fund Transfer to YCEP/JDEP	Blind & Visually Impaired Student Fund (BVISF)	Child Care Bus Licenses & Fees ELD	Transfer from Dept. of Human Services ELD/YDD
Catalogue of Federal Domestic Assistance Number (CFDA#)	Not applicable	Not applicable	Not applicable	93.667
Source	State School Fund	General Fund transfer	Child Care Licensure Fees	Medicaid Title XIX & Title IV-B2 Family Preservation
Conditions:				
Maintenance of Effort	No	No	No	No
Match Required	No	No	No	Yes
Matching Rate				FMAP
Limitations on Use	Youth Corrections Education Program	For children moved from OSB to local schools/districts	Child Care	Federal guidelines
Ceiling on Administration	No ceiling	N/A		N/A
Pass-through Allocation Method	State statutory formula	Other	Not Applicable	Other
Basis for Estimates (including carryover)	Funding history and OFA estimates	Cash Balances available and GF Transfer	Transfer from Employment	Transfer from Dept. of Human Services

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-000-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Lottery Funds						
Interest Income	4,669	-	-	-	-	-
Transfer In - Intrafund	4,076	-	-	-	-	-
Tsfr From Administrative Svcs	449,101,742	465,405,585	536,366,898	536,412,774	-	-
Transfer Out - Intrafund	(4,076)	-	-	-	-	-
Total Lottery Funds	\$449,106,411	\$465,405,585	\$536,366,898	\$536,412,774	-	-
Other Funds						
Business Lic and Fees	16,600	3,377,291	3,377,291	6,052,765	-	-
Federal Revenues	142,880	-	-	-	-	-
Charges for Services	4,584,120	1,252,959	1,252,959	647,476	-	-
Admin and Service Charges	-	55,915	55,915	-	-	-
Fines and Forfeitures	511,465	-	-	-	-	-
Rents and Royalties	330,592	310,846	310,846	310,846	-	-
General Fund Obligation Bonds	61,616,077	44,742,315	44,742,315	160,000,000	-	-
Dedicated Fund Oblig Bonds	-	-	-	5,000,656	-	-
Interest Income	1,106,922	-	-	-	-	-
Sales Income	519,117	32,868	32,868	472,868	-	-
Donations	1,376,475	17,500	17,500	1,217,500	-	-
Grants (Non-Fed)	749,613	-	-	2,911,651	-	-
Other Revenues	15,993,706	135,259,152	135,259,152	26,893,855	-	-
Transfer In - Intrafund	56,168,147	5,985,615	5,985,615	1,526,431	-	-
Transfer In - Indirect Cost	7,476,800	8,522,864	8,522,864	11,655,522	-	-
Transfer In Other	-	3,254,222	3,278,524	1,015,550	-	-
Transfer from General Fund	78,190,835	273,367,764	273,367,764	414,704,201	-	-
Tsfr From Human Svcs, Dept of	12,972,889	12,650,199	12,650,199	12,650,199	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-000-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Tsfr From Administrative Svcs	4,120,000	3,564,100	3,564,100	3,116,100	-	-
Tsfr From Revenue, Dept of	1,361,911	81,463,940	81,463,940	81,298,740	-	-
Tsfr From Oregon Health Authority	2,227,788	2,742,534	2,742,534	2,846,750	-	-
Tsfr From HECC	775,000	721,000	721,000	721,000	-	-
Tsfr From Education, Dept of	86,971	-	-	-	-	-
Tsfr From Transportation, Dept	76,160	138,854	138,854	144,130	-	-
Transfer Out - Intrafund	(56,168,147)	(5,985,615)	(5,985,615)	(1,526,431)	-	-
Transfer Out - Indirect Cost	(95,264)	-	-	-	-	-
Total Other Funds	\$194,140,657	\$571,474,323	\$571,498,625	\$731,659,809	-	-
Federal Funds						
Federal Funds	832,326,864	1,062,292,812	1,063,413,210	1,118,932,889	-	-
Transfer In - Intrafund	5,593,474	-	-	-	-	-
Transfer Out - Intrafund	(5,593,474)	-	-	-	-	-
Transfer Out - Indirect Cost	(7,381,536)	(8,522,864)	(8,522,864)	(11,655,522)	-	-
Total Federal Funds	\$824,945,328	\$1,053,769,948	\$1,054,890,346	\$1,107,277,367	-	-
Nonlimited Other Funds						
Charges for Services	2,708,562	-	-	40,000	-	-
Interest Income	15,524	1,000	1,000	-	-	-
Sales Income	1,050	-	-	-	-	-
Other Revenues	-	2,704,452	2,704,452	4,075,000	-	-
Transfer In - Intrafund	56,575	-	-	-	-	-
Tsfr From Lands, Dept of State	136,579,249	116,260,269	116,260,269	116,260,269	-	-
Transfer Out - Intrafund	(56,575)	-	-	-	-	-
Total Nonlimited Other Funds	\$139,304,385	\$118,965,721	\$118,965,721	\$120,375,269	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100

Cross Reference Number: 58100-000-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Nonlimited Federal Funds						
Federal Funds	400,865,836	388,007,727	388,007,727	407,115,946	-	-
Total Nonlimited Federal Funds	\$400,865,836	\$388,007,727	\$388,007,727	\$407,115,946	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100

Cross Reference Number: 58100-089-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
General Fund Obligation Bonds	-	4,297,558	4,297,558	160,000,000	-	-
Dedicated Fund Oblig Bonds	-	-	-	5,000,656	-	-
Other Revenues	-	100,000,000	100,000,000	-	-	-
Total Other Funds	-	\$104,297,558	\$104,297,558	\$165,000,656	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-100-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Business Lic and Fees	16,600	3,377,291	3,377,291	6,052,765	-	-
Federal Revenues	8,588	-	-	-	-	-
Charges for Services	3,829,368	703,307	703,307	183,300	-	-
Admin and Service Charges	-	55,915	55,915	-	-	-
Fines and Forfeitures	19,000	-	-	-	-	-
General Fund Obligation Bonds	61,616,077	40,444,757	40,444,757	-	-	-
Interest Income	1,106,922	-	-	-	-	-
Sales Income	6,433	-	-	-	-	-
Donations	1,367,951	17,500	17,500	1,217,500	-	-
Grants (Non-Fed)	466,853	-	-	2,515,651	-	-
Other Revenues	3,993,422	15,282,378	15,282,378	7,026,048	-	-
Transfer In - Intrafund	37,490,058	5,985,615	5,985,615	1,526,431	-	-
Transfer In - Indirect Cost	7,476,800	8,522,864	8,522,864	11,655,522	-	-
Transfer In Other	-	1,413,171	1,413,171	175,000	-	-
Transfer from General Fund	11,294,972	14,239,154	14,239,154	15,803,324	-	-
Tsfr From Human Svcs, Dept of	1,827,662	-	-	-	-	-
Tsfr From Administrative Svcs	-	159,770	159,770	-	-	-
Tsfr From Oregon Health Authority	278,965	-	-	-	-	-
Tsfr From HECC	775,000	721,000	721,000	721,000	-	-
Tsfr From Transportation, Dept	76,160	138,854	138,854	144,130	-	-
Transfer Out - Intrafund	(47,275,526)	(5,985,615)	(5,985,615)	(1,526,431)	-	-
Transfer Out - Indirect Cost	(95,264)	-	-	-	-	-
Total Other Funds	\$84,280,041	\$85,075,961	\$85,075,961	\$45,494,240	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-100-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Federal Funds						
Federal Funds	51,274,567	88,159,715	89,280,113	104,135,618	-	-
Transfer In - Intrafund	5,593,474	-	-	-	-	-
Transfer Out - Intrafund	(5,593,474)	-	-	-	-	-
Transfer Out - Indirect Cost	(7,381,536)	(8,522,864)	(8,522,864)	(11,655,522)	-	-
Total Federal Funds	\$43,893,031	\$79,636,851	\$80,757,249	\$92,480,096	-	-
Nonlimited Other Funds						
Charges for Services	2,708,562	-	-	40,000	-	-
Interest Income	15,524	1,000	1,000	-	-	-
Sales Income	1,050	-	-	-	-	-
Other Revenues	-	2,704,452	2,704,452	4,075,000	-	-
Transfer In - Intrafund	56,575	-	-	-	-	-
Transfer Out - Intrafund	(56,575)	-	-	-	-	-
Total Nonlimited Other Funds	\$2,725,136	\$2,705,452	\$2,705,452	\$4,115,000	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-200-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Charges for Services	712,044	464,176	464,176	464,176	-	-
Rents and Royalties	330,592	310,846	310,846	310,846	-	-
Sales Income	512,684	32,868	32,868	472,868	-	-
Donations	7,337	-	-	-	-	-
Grants (Non-Fed)	11,065	-	-	-	-	-
Other Revenues	3,691,890	4,042,765	4,042,765	4,606,923	-	-
Transfer In - Intrafund	30,626	-	-	-	-	-
Transfer from General Fund	2,061,565	2,349,808	2,349,808	2,349,808	-	-
Tsfr From Education, Dept of	86,971	-	-	-	-	-
Transfer Out - Intrafund	(56,242)	-	-	-	-	-
Total Other Funds	\$7,388,532	\$7,200,463	\$7,200,463	\$8,204,621	-	-
Federal Funds						
Federal Funds	-	389,469	389,469	249,984	-	-
Total Federal Funds	-	\$389,469	\$389,469	\$249,984	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-250-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Transfer In - Intrafund	16,155,784	-	-	-	-	-
Total Other Funds	\$16,155,784	-	-	-	-	-
Federal Funds						
Federal Funds	1,835,941	-	-	-	-	-
Total Federal Funds	\$1,835,941	-	-	-	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-300-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Federal Revenues	134,292	-	-	-	-	-
Charges for Services	42,708	85,476	85,476	-	-	-
Grants (Non-Fed)	211,695	-	-	396,000	-	-
Other Revenues	7,135,921	8,584,364	8,584,364	6,511,923	-	-
Transfer In - Intrafund	2,491,679	-	-	-	-	-
Transfer In Other	-	840,550	840,550	840,550	-	-
Transfer from General Fund	64,834,298	256,778,802	256,778,802	396,551,069	-	-
Tsfr From Human Svcs, Dept of	-	500,000	500,000	500,000	-	-
Tsfr From Administrative Svcs	4,120,000	3,404,330	3,404,330	3,116,100	-	-
Transfer Out - Intrafund	(8,836,379)	-	-	-	-	-
Total Other Funds	\$70,134,214	\$270,193,522	\$270,193,522	\$407,915,642	-	-
Federal Funds						
Federal Funds	666,660,136	851,958,120	851,958,120	869,883,384	-	-
Total Federal Funds	\$666,660,136	\$851,958,120	\$851,958,120	\$869,883,384	-	-
Nonlimited Federal Funds						
Federal Funds	400,865,836	388,007,727	388,007,727	407,115,946	-	-
Total Nonlimited Federal Funds	\$400,865,836	\$388,007,727	\$388,007,727	\$407,115,946	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-400-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Lottery Funds						
Tsfr From Administrative Svcs	447,703,907	464,758,594	535,719,907	535,719,907	-	-
Total Lottery Funds	\$447,703,907	\$464,758,594	\$535,719,907	\$535,719,907	-	-
Other Funds						
Donations	1,187	-	-	-	-	-
Other Revenues	-	2,399,285	2,399,285	3,784,453	-	-
Transfer In Other	-	1,000,501	1,000,501	-	-	-
Tsfr From Revenue, Dept of	1,361,911	81,463,940	81,463,940	81,298,740	-	-
Total Other Funds	\$1,363,098	\$84,863,726	\$84,863,726	\$85,083,193	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100

Cross Reference Number: 58100-450-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Nonlimited Other Funds						
Tsfr From Lands, Dept of State	136,579,249	116,260,269	116,260,269	116,260,269	-	-
Total Nonlimited Other Funds	\$136,579,249	\$116,260,269	\$116,260,269	\$116,260,269	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100

Cross Reference Number: 58100-500-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Fines and Forfeitures	492,465	-	-	-	-	-
Grants (Non-Fed)	60,000	-	-	-	-	-
Other Revenues	1,172,473	4,889,508	4,889,508	4,889,508	-	-
Tsfr From Human Svcs, Dept of	5,025,122	5,340,721	5,340,721	5,340,721	-	-
Tsfr From Oregon Health Authority	1,948,823	2,742,534	2,742,534	2,846,750	-	-
Total Other Funds	\$8,698,883	\$12,972,763	\$12,972,763	\$13,076,979	-	-
Federal Funds						
Federal Funds	112,556,220	121,035,508	121,035,508	143,885,403	-	-
Total Federal Funds	\$112,556,220	\$121,035,508	\$121,035,508	\$143,885,403	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-550-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Other Revenues	-	60,852	60,852	75,000	-	-
Tsfr From Human Svcs, Dept of	6,120,105	6,809,478	6,809,478	6,809,478	-	-
Total Other Funds	\$6,120,105	\$6,870,330	\$6,870,330	\$6,884,478	-	-
Federal Funds						
Federal Funds	-	750,000	750,000	778,500	-	-
Total Federal Funds	-	\$750,000	\$750,000	\$778,500	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

Agency Number: 58100
Cross Reference Number: 58100-850-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Lottery Funds						
Interest Income	4,669	-	-	-	-	-
Transfer In - Intrafund	4,076	-	-	-	-	-
Tsfr From Administrative Svcs	1,397,835	646,991	646,991	692,867	-	-
Transfer Out - Intrafund	(4,076)	-	-	-	-	-
Total Lottery Funds	\$1,402,504	\$646,991	\$646,991	\$692,867	-	-
Other Funds						
Transfer In Other	-	-	24,302	-	-	-
Total Other Funds	-	-	\$24,302	-	-	-

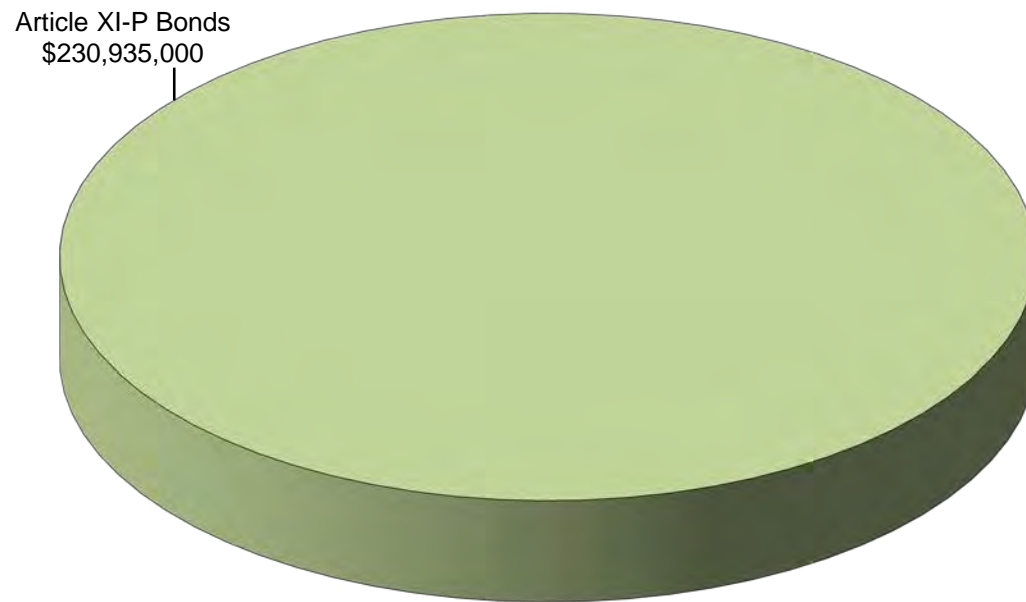
DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

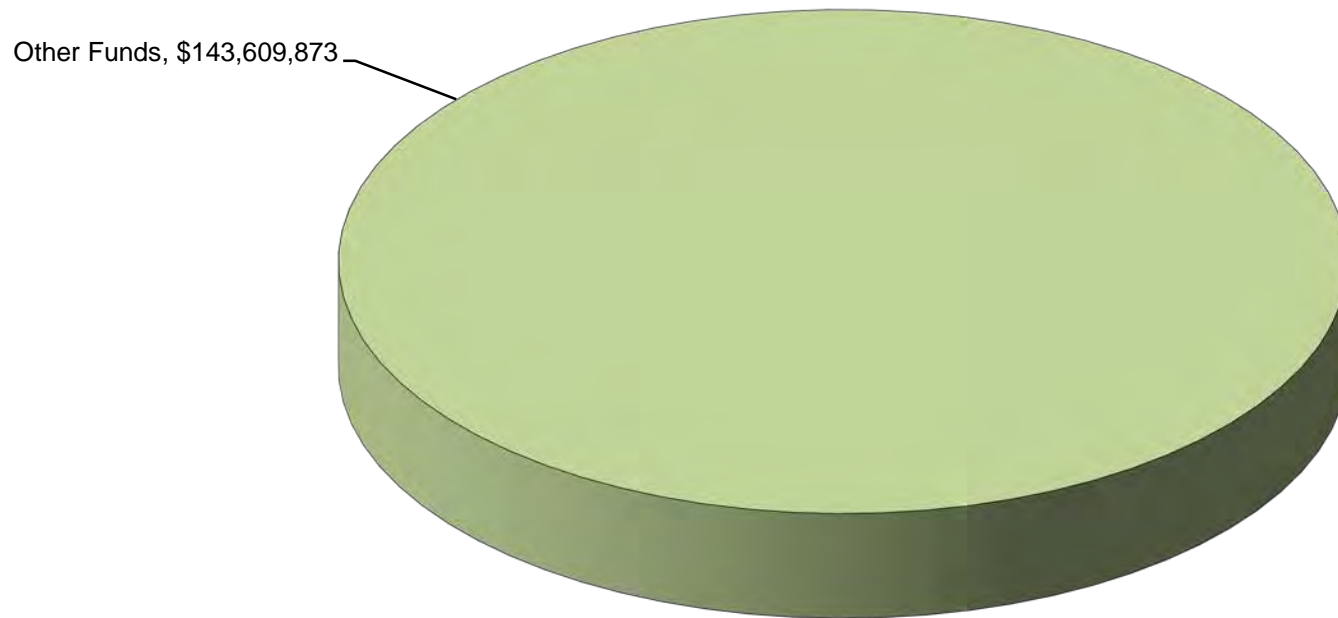
Agency Number: 58100
Cross Reference Number: 58100-850-71-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Lottery Funds						
Interest Income	4,669	-	-	-	-	-
Transfer In - Intrafund	4,076	-	-	-	-	-
Tsfr From Administrative Svcs	1,397,835	646,991	646,991	692,867	-	-
Transfer Out - Intrafund	(4,076)	-	-	-	-	-
Total Lottery Funds	\$1,402,504	\$646,991	\$646,991	\$692,867	-	-
Other Funds						
Transfer In Other	-	-	24,302	-	-	-
Total Other Funds	-	-	\$24,302	-	-	-

**2019-21 Governor's Balanced Budget
\$230.9 Million All Funds
(by fund source)**

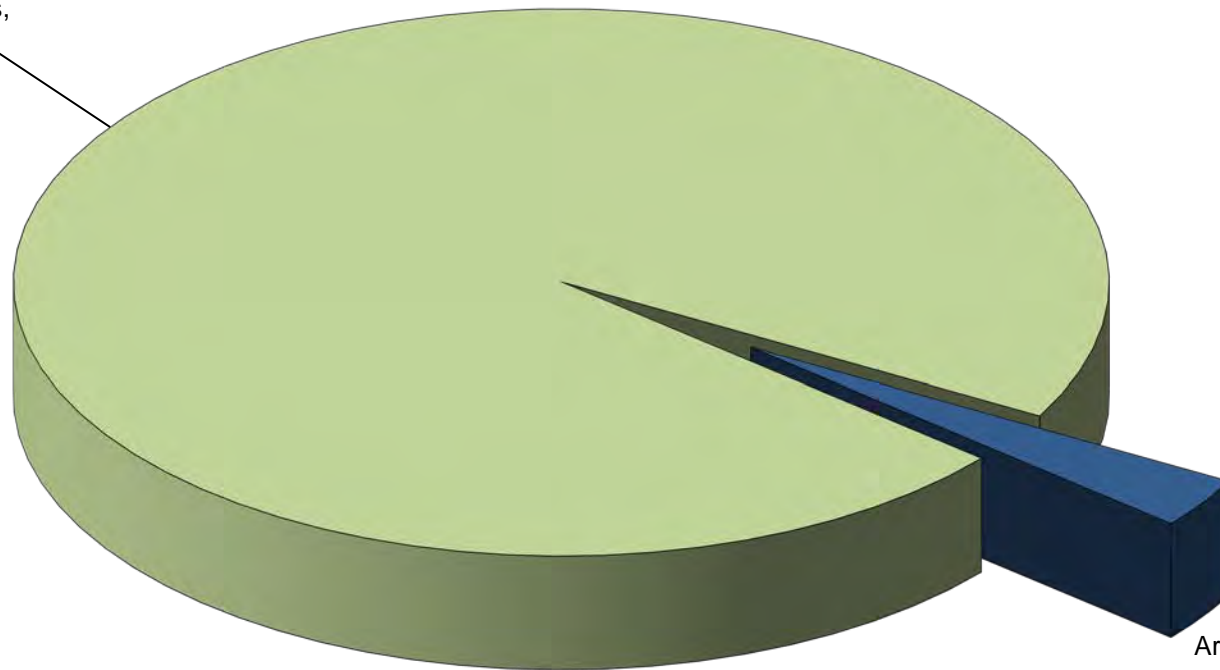


**2017-19 Legislatively Approved Budget
\$143.6 million All Funds
(by fund source)**



2017-19 LEGISLATIVELY APPROVED BUDGET
\$143.6 Million All Funds
(by program area)

Article XI-P Bonds,
OSCIM Program
\$139,312,315



Article XI-Q Bonds, OSD
\$4,297,558

OREGON DEPARTMENT OF EDUCATION 2019-21 AGENCY REQUEST BUDGET

CAPITAL BOND FINANCING

The 2015 Legislature approved Senate Bill 447 which directed ODE to establish an Office of School Facilities. The Office of School Facilities (OSF) distributes grant funds, provides technical assistance to support local capital improvement efforts, and collects statewide data on school facilities conditions. Through the OSF, ODE is working in partnership with school districts to reverse the long-term pattern of underinvestment and disinvestment in Oregon's education infrastructure.

One of the key grant programs administered by the OSF is the Oregon School Capital Improvement Matching (OSCIM) program. The OSCIM program is funded with the proceeds from Article XI-P general obligation bonds authorized in the biennial bond bill. These funds are used to provide matching grants to school districts that are successful in passing a local school bond for capital costs, including construction, improvement, remodeling, equipment purchase, and repair of a school district building. For 2015-17, ODE was allocated \$126.2 million in XI-P bonding authority to provide up to \$125.0 million in matching grants. For the 2017-19 biennium, ODE was allocated \$101 million in XI-P bonding authority to provide up to \$100 million in matching grants.

Over the last two biennia, ODE has received a total of \$227 million in XI-P bonding authority to provide up to \$225,985,000 in state matching grants through the OSCIM program. Since May 2016, the program has completed five funding cycles in connection with each local election. The results have been outstanding: since the inception of OSCIM, there have been 47 school districts that have sought approval from voters for local bond financing using the incentive of an actual state match commitment. Of these 47 school districts, 27 passed their local bonds, representing a success rate of slightly over 57 percent. For the last three funding cycles, the success rate has risen to 75 percent. The average success rate prior to OSCIM was slightly above 50 percent.

In total, districts have been awarded \$172.2 million in state matching grants since May 2016. Combine this with the \$4.11 billion of local approved funds creates \$4.28 billion of statewide funding targeted to capital improvement for Oregon's schools. When considering the average economic multiplier effect for these types of projects of 1.45, the total statewide economic activity is estimated at \$6.2 billion which translates to \$36 of economic activity for every \$1 of state investment.

In order to continue making progress in addressing the ongoing facility needs in Oregon's K-12 schools, ongoing state investment is needed. In just a very short time, the OSCIM program has demonstrated the ability to incentivize voters to invest in the capital needs of their schools. In addition, the return of local investment for the OSCIM program is nearly 24 times the amount of state contribution. Continuous investment in the OSCIM program will gradually increase the safety, efficiency, and effectiveness of Oregon's schools.

OREGON DEPARTMENT OF EDUCATION 2019-21 AGENCY REQUEST BUDGET

Capital Bond Financing:

The Oregon School Capital Improvement Matching (OSCIM) program is funded through the sale of XI-P General Obligation bonds for distributing grants to school districts.

The condition of Oregon's K-12 schools reflects a national pattern of long-term under-investment: crumbling buildings, obsolete systems, deteriorating site conditions, and potentially unhealthy and unsafe schools. The primary sources of funding in addressing these issues are local school bonds. However, even for those districts able to pass a bond, the amounts have not been enough to keep up with the demands placed on an aging infrastructure. A further exacerbation of the problem is illustrated by the fact that more than one-third of the capital dollars requested by school districts have been rejected in recent years. More than half the funds rejected have never been brought back before voters in subsequent elections.

Prior to 2015, the estimated amount of deferred maintenance in Oregon's K-12 schools totaled at least \$7.6 billion. In the ten years up to 2015, local voters had rejected \$2.2 billion in school facility bond request. From 1997 to 2005, only 43 percent of Oregon's school districts have tried and failed, or not tried at all, to pass capital bonds. For those districts that have attempted to pass local bonds, it has often taken three or more attempts to win voter approval.

Through the investment of state matching grants funded by proceeds from Article XI-P general obligation bonds, the Oregon Department of Education (ODE) is assisting school districts and local communities through:

- Providing incentives for voters to approve local school bonds;
- Committing resources for specific capital needs and deferred maintenance issues; and
- Leveraging local economies through increased construction and facility maintenance jobs.

The Oregon School for the Deaf capital improvements are funded through the sale of XI-Q General Obligation bonds for distributing.

CAPITAL BONDING

Essential Package 021

021 Phase Ins

2019-21 Fiscal Impact

Purpose:

In general, the purpose of package 021 is to reflect budget adjustments to programs expected to phase-in fully during the next biennium. Typically, phased-in programs are funded fewer than 24 months in one biennium and need to be funded for a full 24 months in the next biennium.

How Achieved:

This package phases in the following items to the 2019-21 base budget:

- \$30 million Other Funds limitation related to the estimated balance of 2015-17 bond sales not drawn in 2017-19; and,
- \$100 million Other Funds limitation for expenditures related to bond sales from 2017-19 and 2019-21 that are expected to be expended in the 2019-21 biennium.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies				
Capital Outlay				
Special Payments		\$130,000,000		\$130,000,000
Total Request		\$130,000,000		\$130,000,000

***This package is included in the Governor's Balanced Budget.**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 021 - Phase - In

Cross Reference Name: Capital Bonding - School Facilities
Cross Reference Number: 58100-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Special Payments							
Dist to Local School Districts	-	-	130,000,000	-	-	-	130,000,000
Total Special Payments	-	-	\$130,000,000	-	-	-	\$130,000,000
Total Expenditures							
Total Expenditures	-	-	130,000,000	-	-	-	130,000,000
Total Expenditures	-	-	\$130,000,000	-	-	-	\$130,000,000
Ending Balance							
Ending Balance	-	-	(130,000,000)	-	-	-	(130,000,000)
Total Ending Balance	-	-	(\$130,000,000)	-	-	-	(\$130,000,000)

CAPITAL BONDING

Essential Package 022

022 Phase Outs

2019-21 Fiscal Impact

Purpose:

In general, the purpose of package 022 is to reflect budget adjustments for programs expected to phase-out in the next biennium (e.g., eliminated programs, pilot programs, and other one-time costs).

How Achieved:

This package removes one-time expenditures from the 2019-21 base budget as follows:

- \$139,312,315 Other Funds in Special Payments from HB 5005 (2015), which gave one time funding for net proceeds in Article XI-P General Obligation Bonds for school facilities.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies				
Capital Outlay				
Special Payments		(\$139,312,315)		(\$139,312,315)
Total Request		(\$139,312,315)		(\$139,312,315)

***This package is included in the Governor's Balanced Budget.**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Capital Bonding - School Facilities
Cross Reference Number: 58100-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Obligation Bonds	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Special Payments							
Dist to Local School Districts	-	-	(139,312,315)	-	-	-	(139,312,315)
Total Special Payments	-	-	(\$139,312,315)	-	-	-	(\$139,312,315)
Total Expenditures							
Total Expenditures	-	-	(139,312,315)	-	-	-	(139,312,315)
Total Expenditures	-	-	(\$139,312,315)	-	-	-	(\$139,312,315)
Ending Balance							
Ending Balance	-	-	139,312,315	-	-	-	139,312,315
Total Ending Balance	-	-	\$139,312,315	-	-	-	\$139,312,315

GRANT-IN-AID

Package 108 – High Quality and Safe School Facilities

Purpose:

The condition of Oregon's K-12 schools reflects a national pattern of long-term under-investment: crumbling buildings, obsolete systems, deteriorating site conditions, and potentially unhealthy and unsafe schools. This is a familiar pattern experienced by the Oregon School for the Deaf (OSD), which is owned and operated by the Oregon Department of Education (ODE).

In order to effectively maintain and/or replace aging infrastructure, it requires continued investment that ensures deferred maintenance issues are addressed timely, and capital improvements or modernization projects are put in place to replace infrastructure that has outlived its useful life and is far more costly to maintain.

As with aging facilities, the infrastructure needed for reliable and effective internet connectivity has also begun to outlive its useful life in many school and districts across the state. The internet has become a powerful tool in bringing information and resources to both students and educators that provide for a more effective learning environment. In many areas of the state, particularly in the rural areas, educators are unable to provide resources via internet due to slow connectivity speeds or connections that are unable to access the information needed.

In order to address these issues, ODE is proposing a strategic investment to ensure students are able to learn in safe, accessible, and quality school facilities that optimize their opportunities for success. To accomplish this goal, the department is recommending \$165 million of new capital bond authority and \$16.2 million of General Fund. During the 2019-21 biennium, ODE would expend \$81.2 million of these funds to accomplish the following strategic objectives:

- Strategy 1 – Oregon School Capital Improvement Matching Program: \$60.0 million in Other Funds (Capital Financing).
- Strategy 2 – Oregon School for the Deaf Capital Improvements: \$5.0 million in Other Funds (Capital Financing).
- Strategy 3 – E-rate State Matching Program to leverage increased funds for internet connectivity - \$1.2 million in General Fund.
- Strategy 4 – Funding to complete statewide facility assessment for all Oregon schools - \$15.0 million in General Fund.

<p>TOTAL POLICY OPTION REQUEST - \$81.2 MILLION</p>
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<p><i>DEPARTMENT OPERATIONS: \$0.2M</i></p>

<p><i>GRANT-IN-AID: \$16.0M</i></p>

<p><i>CAPITAL FINANCING: \$65.0M</i></p>
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How Achieved:

Strategy 1 – Oregon School Capital Improvement Matching Program

The primary sources of funding in addressing deferred maintenance and capital improvement for school facilities is local school bonds. However, even for those districts that have been able to pass a bond, the amounts have not been enough to keep up with the demands placed on an aging infrastructure. A further exacerbation of the problem is illustrated by the fact that prior to 2015, more than one-third of the capital dollars requested by school districts had been rejected. More than half the rejected funding requests have never been brought back before voters in subsequent elections.

Prior to 2015, the estimated amount of deferred maintenance in Oregon's K-12 schools totaled at least \$7.6 billion. In the ten years up to 2015, local voters had rejected \$2.2 billion in school facility bond requests. From 1997 to 2005, 43 percent of Oregon's school districts have tried and failed, or not tried at all, to pass capital bonds. For those districts that have attempted to pass local bonds, it has often taken three or more attempts to win voter approval.

The 2015 Legislature worked to address this issue with the passage of SB 447 and the approval of state matching grant funds. These funds were approved through the issuance of Article XI-P general obligation bonds. With this funding, the Oregon Department of Education (ODE) allocated this funding through the Oregon School Capital Improvement Matching (OSCIM) program, which assists school districts and local communities through:

- Providing incentives for voters to approve local school bonds;
- Committing resources (grant) for specific capital needs and deferred maintenance issues; and
- Leveraging local economies through increased construction and facility maintenance jobs.

Over the last two biennia, ODE has received a total of \$227 million in XI-P bonding authority to provide up to \$225,985,000 in state matching grants through the OSCIM program. Since May 2016, the program has completed five funding cycles in connection with each local election. The results have been outstanding: since the inception of OSCIM, there have been 47 school districts that have sought approval from voters for local bond financing using the incentive of an actual state match commitment. Of these 47 school districts, 27 passed their local bonds, representing a success rate of slightly over 57 percent. For the last three funding cycles, the success rate has risen to 75 percent. The average success rate prior to OSCIM was slightly above 50 percent.

In total, districts have been awarded \$172.2 million in state matching grants since May 2016. Combine this with the \$4.11 billion of local approved funds creates \$4.28 billion of statewide funding targeted to capital improvement for Oregon's schools. When considering the average economic multiplier effect for these types of projects of 1.45, the total statewide economic activity is estimated at \$6.2 billion which translates to \$36 of economic activity for every \$1 of state investment.

In order to continue making progress in addressing the ongoing facility needs in Oregon's K-12 schools, ongoing state investment is needed. In just a very short time, the OSCIM program has demonstrated the ability to incentivize voters to invest in the capital needs of their schools. In addition, the return of local investment for the OSCIM program is nearly 24 times the amount of state contribution. Continuous investment in the OSCIM program will gradually increase the safety, efficiency, and effectiveness of Oregon's schools.

ODE requests a 2019-21 investment of \$161,310,000 of XI-P bonding authority, which would provide \$160,000,000 in state matching grants. The remaining \$1,310,000 would provide funding for the cost of issuing general obligation bonds. Based on the current project cash flows within the OSCIM program, the issuance of the XI-P bonds would not need to occur until the spring of 2021, which would eliminate the need for General Fund debt service during the 2019-21 biennium.

TOTAL POLICY OPTION REQUEST - \$60.0 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.0M

CAPITAL FINANCING: \$60.0M

Strategy 2 – Oregon School for the Deaf Capital Improvements

The Oregon School for the Deaf (OSD) has been located on its present campus in northeast Salem for over 100 years. The school is the center of deaf education and culture in Oregon. Programs offered on the campus include accredited instruction in elementary, middle and high school, and post-secondary (adult transition). The school also provides residential (dormitory) housing for students.

The 40-acre campus is nestled amongst residential neighborhoods and commercial development. The school's 18 buildings, arranged in a campus style, have a total floor area of 270,000 square feet housing a variety of educational, recreational, cultural and residential facilities. The campus is organized to shelter the core of the campus where most of the students may enjoy the community atmosphere.

In 2011, a facility assessment was performed on OSD to identify the capital improvement needs for all 18 buildings. The assessment identified a comprehensive list of 348 potential projects/tasks at an estimated \$22.0 million. The Department identified \$4.9 million of these projects as high priority and critical in nature. This included two roof replacements, an elevator replacement, refinished gymnasium floor, a campus HVAC system replacement, and other smaller maintenance and repair projects. Through a combination of sale proceeds from OSD surplus property and lease and rent revenues, the Department will have effectively completed all of these projects by end of the 2017-19 biennium.

While this has been a significant investment, there still remains \$17 million of projects identified in the original assessment that must be addressed to maintain the integrity, safety, and effectiveness of the OSD facilities and campus. Since five years have now passed since the assessment, many of these projects have risen in priority and need to be addressed immediately. In 2017, ODE proposed \$9.3 million to address the highest priority areas from this list. The Legislature approved \$4.3 million in funding for 2017-19 to be

generated from the issuance of XI-Q general obligation bonds issued by the Department of Administrative Services. These funds were targeted specifically for roof replacement and ADA improvements in restrooms.

The Department has been successfully administering the projects outlined by the Legislature and anticipates having all project funds committed by the end of 2017-19. ODE is now requesting the balance of the \$9.3 million in high priority needs identified in 2017. For 2019-21, ODE is proposing \$5.1 million from the issuance of XI-Q general obligation bonds, which will generate \$5,000,656 of project funding for OSD and an additional \$99,344 for the cost of issuing the bond. The proceeds will be used to target energy efficiency measures that focus on window replacement, insulation improvements, and lighting upgrades. The proposal for this investment was reviewed by the Capital Projects Advisory Board on August 10, 2018.

TOTAL POLICY OPTION REQUEST - \$5.1 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.0M

CAPITAL FINANCING: \$5.1M

Strategy 3 – E-rate State Matching Grant Program

In late 2014, the FCC adopted an E-rate Modernization Order (FCC 14-189) which included a provision for USAC, administrator of the E-rate Program, to provide up to an additional 10 percent in funding (discounts) for special construction projects with state contributions. This additional discount is added to the standard USAC discount that ranges from 20 to 90 percent per project. The rates are based on the overall poverty rate of the beneficiaries of the project, as well as the geographical location of the project.

Oregon schools are eligible to apply to the E-rate Program to obtain affordable telecommunication and Internet access. In many rural communities, high-speed internet is not available, which limits the ability to expand student learning through access to more advanced tools and resources. Through the USAC program, school districts may apply for discounts for special construction projects that construct fiber connections for high speed Internet connections.

While USAC provides up to 90 percent discounts for project costs, many school districts are still unable to finance the funding gap. Even a 10 to 40 percent funding gap can be relatively significant due to the overall large cost for these projects. In many cases, filling this financial gap would be a significant burden to already limited school budgets.

To begin addressing this issue, the May 2016 Emergency Board approved funding for an ODE pilot program to provide state matching funds to school districts that applied for special construction project funding. The funding was limited to school districts approved for USAC discounts in the 2016 funding cycle with a standard discount of 70 percent or higher. The pilot program expended \$199,571 in state matching grants for five school districts that leveraged an equal amount of USAC funding that reduced

or eliminated the funding gap for \$2,295,707 in projects. Each of these projects resulted in schools achieving internet connectivity speeds that provide tools and resources that further student learning.

In an effort to further the success of the pilot program, the 2018 Legislature took an additional step by creating the Connecting Oregon School Fund for ODE to provide state matching funds for federal moneys received by school districts to provide broadband access to eligible schools in Oregon. With the establishment of this fund and dedicated resources, ODE has the opportunity to be more proactive in providing opportunities for school districts in obtaining adequate internet connectivity.

To date, funding provided for E-rate matching grants have been allocated to ODE at the conclusion of the USAC funding cycle to determine the exact amount the state would fund. While this provides identification of school districts and the funding amounts needed, it limits many school districts that may have applied if there had been sufficient time to complete their applications.

To optimize the use and impact of the Connecting Oregon Schools Fund, ODE is requesting \$1.2 million General Fund to support capitalizing the fund and incentivize school districts to apply. Many school districts lack adequate internet connectivity, but traditionally do not apply for E-rate funds due to their inability to resolve the funding gaps that remain. In February 2018, ODE estimated there were 43 school districts and charter schools without access to high-speed internet, yet only 6 successfully applied for a fiber construction project that could help meet this need. With funding provided in advance, schools and districts will be able to address funding gaps for their projects and have incentive to apply for the federal funds that pay for the majority of the project cost.

ODE is proposing to use \$1.0 million in Grant-In-Aid to award state matching grants for E-rate projects, and an additional \$0.2 million in Operations for one position (0.92 FTE) to provide oversight and administration to the program, and work with school districts to conduct research and analysis in more effectively identifying and addressing the connectivity needs of the state. This investment will leverage an additional \$9.0 million in Local and Federal Funds for special construction projects targeted at creating or improving internet connectivity for Oregon schools.

TOTAL POLICY OPTION REQUEST - \$1.2 MILLION

DEPARTMENT OPERATIONS: \$0.2M

GRANT-IN-AID: \$1.0M

CAPITAL FINANCING: \$0.0M

Strategy 4 – Statewide Facility Assessment

In 2013, the Task Force on School Capital Improvement Planning estimated there was \$7.6 billion in deferred maintenance in school facilities across the state. This estimate was derived from data on 40 school districts and then scaling up for the state. While this estimate provides a good basis for policy and budget discussion, it does not provide the kind of data needed to become more strategic in making investments in school facilities across the state.

The challenge the state currently faces in collecting this data is that there is no mechanism to determine the actual and current conditions of school facilities. The Office of School Facilities Technical Assistance Program (TAP) provides grants for specific districts to conduct facility assessments for specific buildings in their district; however, not all buildings in districts may be assessed with the grant proceeds and not all districts receive these grants. Based on the last two rounds of the TAP, 32 districts received a grant for a facility condition assessment. These grants are designed to cover 3-4 buildings per grant. Assuming that only the main building in Oregon's 1,200 schools are assessed, it would take about 10 years to assess the state using the TAP funds only. That means that by the time the state's last building has been assessed, the first building assessments are 10 years old and the information is no longer valid. The current program funding is not adequate to provide the state with a comprehensive study of the districts' facilities.

In an effort to gain more up-to-date and accurate data on the state of school facilities throughout the state, ODE is proposing a one-time investment to conduct a statewide facility condition assessment. The results of this assessment would provide the state a baseline of information about school facilities and could further improve the targeting of state resources to address those facilities that have the most need. This assessment could also improve the statewide seismic information on school facilities.

Once the baseline information is established, ODE can use its annual data collection on facilities to get additional information that would enable the Department to update the assessment as necessary. ODE estimates a one-time investment of \$15.0 million into the Technical Assistance Program (Department Operations) to conduct a statewide facility assessment.

<p>TOTAL POLICY OPTION REQUEST - \$81.2 MILLION <i>DEPARTMENT OPERATIONS: \$0.2M</i> <i>GRANT-IN-AID: \$16.0M</i> <i>CAPITAL FINANCING: \$65.0M</i></p>

Staffing Impact:

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 3 – E-Rate Program Administration</i>						
2113308	Finance & Administration	OSF	OAS C0108 AP	Admin. Specialist 2	General Fund	0.92

Quantifying Results:

Strategy 1

Provide support to districts to help successfully pass 27 local districts bonds aimed at improving school facilities in Oregon.

Strategy 2

Provide support to the Oregon School for the Deaf to improve overall energy efficiency of the campus and reduce utility cost by 10 percent by the end of the 2021-23.

Strategy 3

Ensure at least 10 Oregon Schools improve internet connectivity to a level of speed that is adequate for online resources and learning.

Strategy 4

Smart Goal: Develop and implement a plan that ensure the state has current and up to date information on the facility assessment of all Oregon schools by the end of 2021-23.

Revenue Source:

Capital Improvement	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services				
Services and Supplies		\$ 5,000,656		\$ 5,000,656
Special Payments		60,000,000		60,000,000
Total Request		\$65,000,656		\$65,000,656

This package is included in the Governor’s Balanced Budget as modified.

Funding for strategy 1 is approved for \$100.1 million. All other strategies are denied.

Capital Improvement	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services				
Services and Supplies		\$ 935,000		\$ 935,000
Special Payments		100,000,000		100,000,000
Total Request		\$100,935,000		\$100,935,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 108 - High Quality and Safe School Facilities

Cross Reference Name: Capital Bonding - School Facilities
Cross Reference Number: 58100-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Obligation Bonds	-	-	100,935,000	-	-	-	100,935,000
Dedicated Fund Oblig Bonds	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	\$100,935,000	-	-	-	\$100,935,000
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Other COP Costs	-	-	935,000	-	-	-	935,000
Undistributed (S.S.)	-	-	-	-	-	-	-
Total Services & Supplies	-	-	\$935,000	-	-	-	\$935,000
Capital Outlay							
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Special Payments							
Dist to Local School Districts	-	-	100,000,000	-	-	-	100,000,000
Total Special Payments	-	-	\$100,000,000	-	-	-	\$100,000,000
Total Expenditures							
Total Expenditures	-	-	100,935,000	-	-	-	100,935,000
Total Expenditures	-	-	\$100,935,000	-	-	-	\$100,935,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 108 - High Quality and Safe School Facilities

Cross Reference Name: Capital Bonding - School Facilities
Cross Reference Number: 58100-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

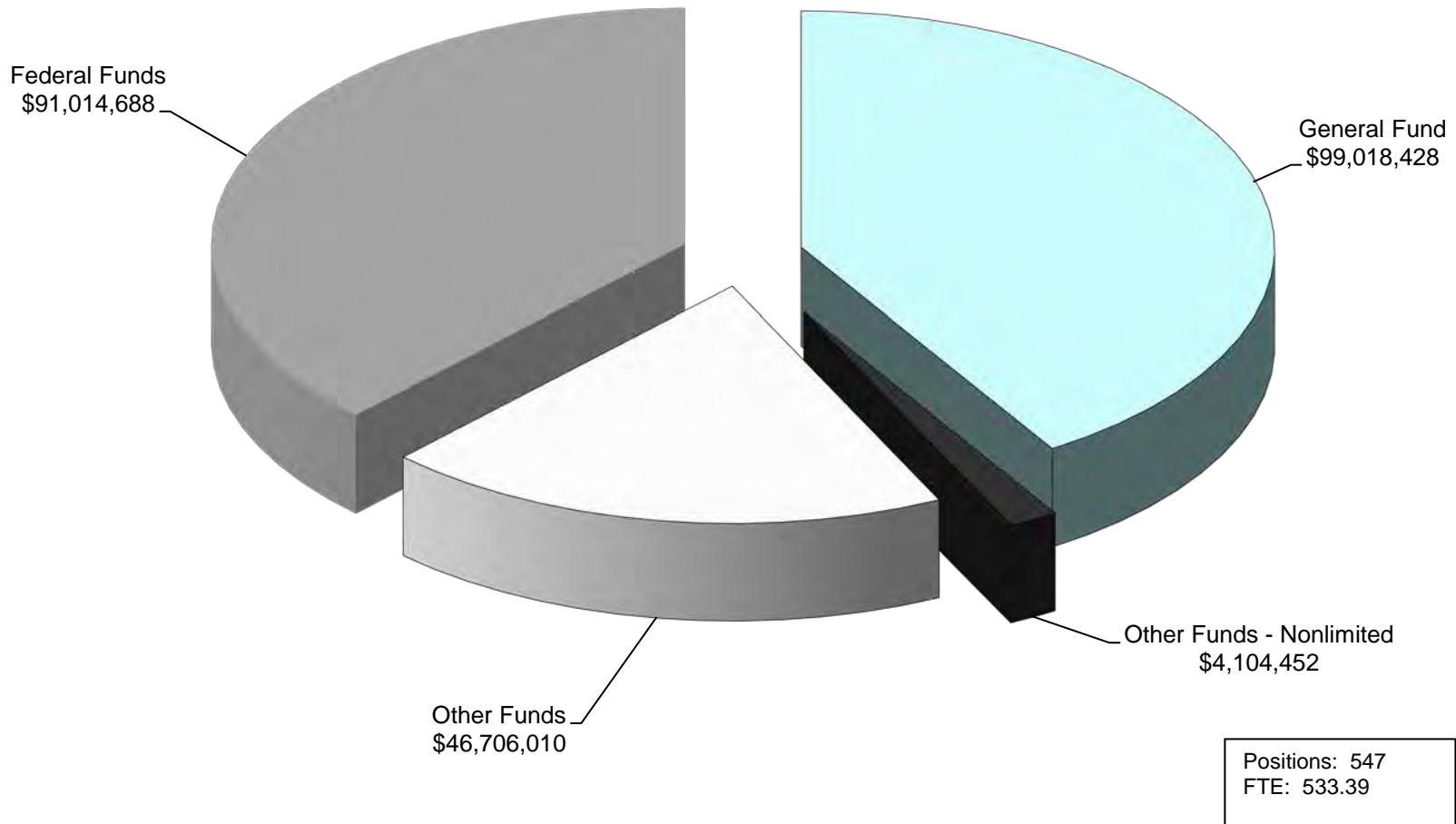
DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Education, Dept of
2019-21 Biennium

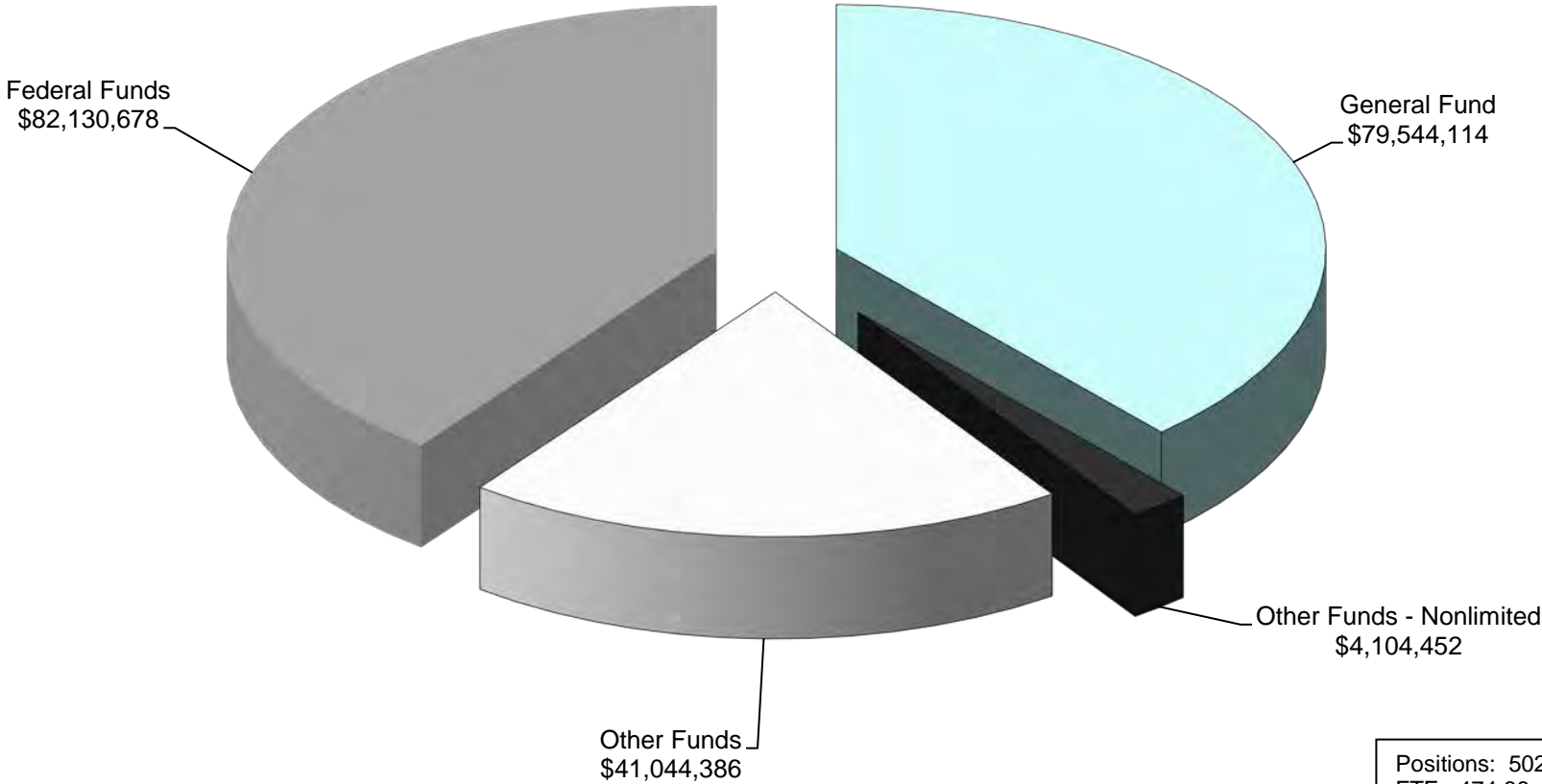
Agency Number: 58100
Cross Reference Number: 58100-089-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
General Fund Obligation Bonds	-	4,297,558	4,297,558	160,000,000	100,935,000	-
Dedicated Fund Oblig Bonds	-	-	-	5,000,656	-	-
Other Revenues	-	100,000,000	100,000,000	-	-	-
Total Other Funds	-	\$104,297,558	\$104,297,558	\$165,000,656	\$100,935,000	-

DEPARTMENT OPERATIONS
2019-21 Governor's Balanced Budget
\$240.8 Million All Funds
(by fund source)



DEPARTMENT OPERATIONS
2017-19 Legislatively Approved Budget*
\$206.8 Million All Funds
(by fund source)



*Through December 2018 Emergency Board

Positions: 502
FTE: 474.66

DEPARTMENT OPERATIONS

The Oregon Department of Education's (ODE) Department Operations encompasses the overall leadership responsibilities and activities of the State Board of Education, as well as the Office of the Deputy Superintendent of Public Instruction. Other offices include the Office of Teaching, Learning and Assessment, the Office of Finance and Administration, the Office of Information Technology, the Office of Accountability, Research and Data Analysis, the Office of Student Services, the Early Learning Division, and the Youth Development Division. These offices are responsible for administration of early childhood and special education programs, the Network of Quality Teaching and Learning (NQTL) initiatives, and all other strategic initiatives. Other programs administered are the state's student assessment system, distribution of the State School Fund to all school districts, and numerous programs under federal education acts, such as the Individuals with Disabilities Education Act (IDEA), and the Every Student Succeeds Act (ESSA).

The activities of the offices support the Department's mission to "foster equity and excellence for every learner through collaborations with educators, partners, and communities." The activities also support the agency's goals described below.

ODE Strategic Plan Goals:

Start Strong – Every student enters school ready to learn.

Transition Successfully – Every Student is supported and on track to meet expected grade-level outcomes through a well-rounded education.

Graduate College and Career Ready – Every student graduates from high school ready for college, career, and civic life.

Experience Outstanding Customer Service – Every Student, every district, and ODE employee is supported through high-functioning business operations.

Key Performance Measurements

The Department has several key performance measures (KPMs) that are tracked to gauge the success of various programs in the department. The 2017-19 KPMs and their targets can be found in the Special Reports section of the document.

Other Metrics:

- Internal management and accountability reports
- Audit and review findings: internal, state, and federal
- Feedback from partners and stakeholders
- Key performance measures approved by the Legislature

In 2011, Oregon's Legislature affirmed a clear and ambitious goal for the state known as the "40-40-20" goal, which states that by 2025, all adult Oregonians will hold a high school diploma or equivalent, 40% of them will have an associate's degree or a meaningful postsecondary certificate, and 40% will hold a Bachelor's degree or advanced degree. Passage of the goal into law, through Oregon Senate Bill 253 has prompted a new drive for action and change. The Oregon Legislature has recently taken the

critical steps necessary to begin building back a stronger system of education and support for our students ranging from early childhood through postsecondary. However, there is still a noticeable gap in the level of funding required to support the programs necessary to meet the 40-40-20 goals.

ODE has a goal to provide support services and functions to local and regional school entities. We also have a goal of keeping our operational costs, in the distribution of state school funds, minimal. Overall, the Department's operational budgets to support new and existing divisions for ODE are currently at 1.8% of total operations.

The Department's primary customers are Oregon's 197 school districts, 19 education service districts (ESDs), and over 1,200 schools, as well as their students, teachers, administrators, and other staff.

ODE staff members regularly attend and contribute to meetings of the Confederation of School Administrators, the Oregon School Boards Association, and meet with representatives of the Oregon Education Association, Education Northwest, Communities of Color, Parent Teacher Association (PTA), Chalkboard, and Stand for Children. ODE has representation on the Early Learning Commission, and works in cohesion with the Office of the Chief Education Officer. Additionally, internal work groups with stakeholder representation have been created to implement legislation. These collaborative efforts have resulted in the ability to move forward jointly in developing a unified perspective, and to better provide support and guidance to schools and districts as they strive to improve student outcomes.

State Board of Education

In 1951, the Legislature established the State Board of Education, which is responsible for establishing state standards and adopting rules for the general governance of public kindergartens, public elementary, and secondary schools. The board consists of seven members appointed by the Governor for up to two consecutive four-year terms. The Governor selects a member from each of the five congressional districts, and two members from the state at large. Board members are unsalaried and cannot engage in teaching, school administration, or operation while they serve on the board.

The board sets policy through administrative rule; approves the budget of the Oregon Department of Education; and acts as an appeals board for charter schools and district boundary decisions.

The board's philosophy and goals can be found at: <http://www.ode.state.or.us/search/page/?id=181>.

The current State Board of Education members are Anthony Veliz, Chair (5th Congressional District); Kimberly Howard, Vice Chair (3rd Congressional District); Modesta Minthorn, Vice Chair (at large); Charles R. Martinez, Jr., (4th Congressional District); George Russell (at large); and Jerome Colonna (2nd Congressional District). The Board has two ex-officio members: Secretary of State Dennis Richardson, and State Treasurer Tobias Read.

For more information on members, go to <https://www.oregon.gov/ode/about-us/stateboard/Pages/State-Board-Members.aspx>.

Office of the Deputy Superintendent of Public Instruction

The Oregon Constitution - in Article VIII - established the office of the State Superintendent of Public Instruction. Prior to July 1, 2012, a separately elected Superintendent of Public Instruction, whose term was set to expire at the end of 2014, headed the agency. The elected superintendent vacated the office on June 30, 2012, thereby triggering the provisions of SB 552 (2011), which designates the Governor as superintendent once the elected position became vacant for any cause. SB 552 also charges the Governor with appointing a deputy superintendent who meets minimum qualifications as set forth in the bill. The Governor made this appointment, effective July 31, 2012. Colt Gill currently serves as the Deputy Superintendent of Public Instruction, and is the chief operating officer of the Department of Education. SB 552 allows the Governor to empower the deputy superintendent to perform any act or duty of the Office of the Superintendent, including those described in the following paragraph.

The superintendent acts as administrative officer of the State Board of Education, and executive head of the Oregon Department of Education. The position is responsible for providing statewide leadership for the benefit of the approximately 579,000 elementary and secondary students in Oregon's public school districts. The responsibility also extends to public preschool programs, the Oregon School for the Deaf, regional programs for children with disabilities, and education programs for adjudicated youth. Other responsibilities include the development and implementation of education policy, and oversight of appropriate implementation of legislative branch, executive branch, and federal government policies and procedures.

The deputy superintendent's office includes the communications unit, the Fair Dismissal Appeals Board (FDAB), internal auditing, the federal and state legislative liaison functions, Indian Education, charter schools and legal affairs coordination. For more detail on this office, visit: <https://www.oregon.gov/ode/about-us/Pages/Deputy-Superintendent-of-Public-Instruction.aspx>.

Indian Education Unit

Title VII dollars support the improved academic performance of the 11,900 American Indian and Alaska Native (AI/AN) students in Oregon, by providing strategies which directly address the culturally related and academic need of AI/AN students. Federal dollars go directly to local education agencies, or LEAs, which submit applications describing the intended use of the funds. In addition to Title VII, Oregon's State Board of Education has adopted the Oregon American Indian/Alaska Native Education State Plan. This plan highlights strategies for addressing the 11 goals which encompass staff development, curriculum, infusion, dropout prevention, culturally appropriate assessment, early childhood, and parental involvement.

Title VII programs are designed to address the unique education and culturally related academic needs of AI/AN students, so these students can achieve the same state performance standards expected of all students.

Office of Accountability, Research and Data Analysis

This office provides research, analysis, and reports to other Department offices to support implementation of the Department's Strategic Plan. In addition, the Office of Research and Data Analysis provides analysis, in cooperation with the Office of the Chief Education Officer for the Governor's Office and the Legislature, on a wide range of education issues. It also staffs the Quality Education Commission and various task forces.

The office also manages the National Assessment of Educational Progress (NAEP) reporting, often referred to as "the Nation's Report Card," which measures student achievement and reports change in performance over time. NAEP is the largest nationally representative report, and continuing assessment of what America's students know and can do in various subject areas. Assessments are conducted periodically on representative sample student populations; in mathematics, reading, science, writing, the arts, civics, economics, geography, and U.S. history. Since NAEP assessments are administered uniformly using the same sets of test booklets across the nation, NAEP results serve as a common metric for all states and selected urban districts.

This office has been tasked with establishing and maintaining a public education facility information database, as well as information on any related auxiliary building and properties, to provide information on facilities serving preschool through grade 12.

The staff not only prepares research and analysis for external partners and topics, but also completes internal research such as "Understanding and identifying teacher shortage areas in Oregon, 2016" by Kelly Lovett, as well as "Graduation Issue Brief, 2016" by Chelsea Clinton.

Office of Finance and Administration

The Office of Finance and Administration (OFA) provides quality and timely financial and administrative services for the agency including agency-wide accounting services, budget services, human resource services, facilities management, information technology services and procurement of goods and services. This work is designed to ensure all agency services adhere to all applicable laws and regulations, while seeking solutions focused on the needs of Oregon's children. OFA contributes to an infrastructure that allows ODE staff to focus on the core mission of leadership, accountability, and most importantly the education of kids. Additionally, OFA is responsible for managing the State School Fund, which provides the main source of operating dollars to school districts and education service districts (ESDs).

OFA services extend to employees located in the Public Service Building, Veterans building (Early Learning Division staff), Oregon School for the Deaf, as well as several field offices throughout Oregon (Office of Child Care staff).

Employee Services Unit

Currently, the Employee Services Unit provides a wide range of traditional human resources support to the Department, including employee recruitment, reference and security checks (including fingerprinting), new staff orientation, maintenance of personnel files and records, payroll, and employee performance management. This unit also has oversight over internal facilities staff, including

ergonomic assessments and mailroom duties. The office strives to provide quality services and support in employment, training, employee relations, benefits, compensation, and safety beyond the expectations of all employees, enabling them to better serve our external customers.

The Department will continue to make progress in meeting the staffing ratios required in HB 2020 (2011) and HB 4131 (2012), in the coming year. All vacant supervisory positions will continue to be reviewed, prior to recruitment, for possible repurposing or abolishment, in our effort to increase the non-supervisory budgeted positions to supervisory budgeted positions ratio.

To meet the October 31, 2016 target of 10 to 1, various actions have been taken. These actions include a review of all management and executive service positions to ensure the supervisory status of each position was coded correctly, reclassifying a vacant management service supervisory position to utilize it as a classified SEIU- represented position, and abolishing a management service supervisory position.

Financial Services Unit

The Accounting Section is responsible for the accuracy and integrity of the Department's financial transactions. The mission of the section is "to effectively and efficiently manage all the functions of accounts payable, accounts receivable, cash receipts, general ledger accounting, cash management and financial reporting." The section is governed by numerous mandates such as the Oregon Accounting Manual, Generally Accepted Accounting Principles, the Governmental Accounting Standards Board, and federal regulations. Staff must have a thorough understanding of these requirements to accurately process financial transactions. The section's customers are both internal and external, including school districts, federal entities, state agencies, program staff, auditors, and other OFA units such as the Budget Services Unit and the Procurement Services Unit. This unit is the liaison for the annual financial audits conducted by the Secretary of State's Audits Division, and the liaison for the State of Oregon's Comprehensive Annual Financial Report (CAFR) compiled by the Department of Administrative Services.

The accounting structure of the ODE is complex and has multiple funding sources. The agency has over 80 federal grants. The unit processes roughly 30,000 payment transactions per biennium, including 11 monthly payments each year from the State School Fund to over 200 local education agencies; requests and draws about \$1.2 billion in revenue for reimbursement of federal expenditures, and processes over 8,000 transactions in other cash receipts. Additional functions include cash flow management, reconciliations, and year-end accruals and adjustments for the State of Oregon's CAFR and Schedule of Expenditures of Federal Awards (SEFA).

Budget Services Unit

This section oversees the development of, and produces all versions of, the agency's budget document (i.e., agency request, governor's recommended, and legislatively adopted/approved); coordinates and manages the preparation, execution, and oversight of the agency's legislatively approved budget; and compiles, analyzes, and reports financial data for external and internal customers. It is the agency's liaison with the Legislative Fiscal Office and the Department of Administrative Services' Chief Financial Office. It also produces and coordinates agency presentations to the Joint Committee on Ways and Means, as well as the Legislative Emergency

Board and Interim Joint Committee on Ways and Means.

The section makes thousands of required budget entries into the Statewide Financial Management Application (SFMA). The agency has over 1,000 current index number profiles (used to capture costs of individual activities) and 400 grant profiles (due to the multiple phases of the agency's grant) that require creation and maintenance in any given biennium. These numbers have been on the rise over the past several biennia.

Procurement Services Unit

ODE distributes a significant share of its state and federal funding to local education providers through contracts and other agreements. The Procurement Services Unit is the centralized function for obtaining goods and services through purchasing, contracting, and issuing of grants. The unit works with internal and external stakeholders, to contract for and purchase goods and services, in a manner that ensures transparency in the issuance of contracts/agreements and accountability in the use of public funds. The unit develops hundreds of contracts and agreements each year, and maintains almost 1,000 active contracts. In the 2017-19 biennium, the workload has been substantially increased due to the requirement to obtain legal sufficiency on all grant agreements. This was a gap in process that was identified and the office has made great strides in coming into compliance with the requirement for all grants to have agreements between parties that meet DOJ legal sufficiency standards.

A primary role for this unit is ensuring ODE's program needs are met while complying with Oregon procurement law, ensuring contracts protect the state, and offering fair treatment to the vendor community. This unit regularly interacts with the Department of Administrative Services State Procurement Office, the Oregon Department of Justice, and other procurement professionals at the state and national levels.

School Finance

The School Finance Unit oversees the distribution of the State School Fund - a major source of operating revenue for districts - to 197 school districts and 19 ESDs in Oregon. The unit is also responsible for the semi-annual distribution to districts of the Common School Fund moneys received from the Department of State Lands.

Additionally, the School Finance Unit has historically had the responsibility for payments to districts that are supplemental to the State School Fund: the School Improvement Fund, the School Day Restoration Fund, and the federal State Fiscal Stabilization Fund.

In addition to its own data collections, the unit uses data collections from across the agency to fulfill its responsibility for calculating and posting accurate and timely payments (estimates and actuals) for each district and ESD on the ODE website. The annual collections of financial data include budget documents and audits produced by the districts. Districts provide this information in both paper and electronic formats. The School Finance Unit reviews and validates the data, which are used in the agency's on-line Database Initiative (DBI) reports, the National Center for Education Statistics (NCES) reports, the Statewide Report Card, and Chalkboard's Open Books® Project. In addition, staff reviews school district audits for compliance with federal regulations.

Staff receives and responds to numerous district, stakeholder, and other requests for information, as well as corrections to, and clarification of, data used in the State School Fund formula. The unit's internal measures of performance include timely payments and accurate payments.

School Facilities

The 2015 Legislature approved Senate Bill 447, which directed ODE to establish an Office of School Facilities. The Office of School Facilities (OSF) distributes grant funds, provides technical assistance to support local capital improvement efforts, and collects statewide data on school facilities conditions. Through the OSF, ODE is working in partnership with school districts to reverse the long-term pattern of underinvestment within school infrastructure. The key grant program administered within OSF is the Oregon School Capital Improvement Matching (OSCIM) program. The OSCIM program is funded in 2017-19 with \$101.0 million in bond proceeds from Article XI-P general obligation bonds, authorized by SB 5505 (2017) - the bonding bill.

At the beginning of the first application cycle for the November 2016 election, ODE had received 29 school district applications, and estimated being able to provide 11 state matching grants totaling \$42.2 million. It is estimated this would help leverage an additional \$665.9 million of local funding to be used for capital improvements for schools.

ODE is requesting a 2019-21 investment of \$160,065,000 of XI-P bonding authority which would provide \$158,150,000 in state matching grants. The remaining \$1,915,000 would provide funding for the cost of issuing general obligation bonds.

Office of Information Technology

The Office of Information Technology (OIT) works within the Office of Finance & Administrations and supports a diverse set of customers geographically dispersed throughout the State of Oregon. ODE serves approximately 579,000 students, 27,000 teachers, 1,200 schools and 197 school districts, through a variety of applications and data collections. In addition to our external stakeholders, OIT also provides desktop and network support services to over 500 staff located at the Public Service and Veterans' buildings in Salem, as well as field offices around the state from Medford to Milton-Freewater. OIT's primary mission is to provide necessary technology solutions that enable customers to maintain a modern and efficient education system. This is accomplished through innovation, service and partnership in system development, maintaining a stable and secure infrastructure, internal and external customer support, and collaboration with our school districts and education service districts.

OIT Operations

The OIT operations Team consists of three distinct units responsible for enterprise systems management, network management, and information security.

Enterprise Systems Unit

The Enterprise Systems Unit is responsible for the design, implementation, population and availability of agency-wide enterprise databases, including data repositories containing student, school staff, and school facility data. This team establishes data and technology standards and best practices. It handles design, deployment, and promotion of data system changes. This unit works with regional partners and other state and federal agencies to develop the architecture and design systems transferring data into, and providing extracts from, ODE systems and repositories. The team maintains data repositories serving critical agency functions, such as the State School Fund (SSF), the Statewide Financial Management System (SFMS), the State Report Card, centralized Metadata, identification and definition of Institutions (schools, school districts, ESDs, etc.) shared by the agency and Operational Data stores tracking changes to collected data. The team is responsible for scheduling “batch” jobs to process collected data, and maintaining the performance, consistency, and security of database systems.

Network Team

The Network Team manages the server and network infrastructure. This team is responsible for maintaining the health and functionality of all ODE's networked systems, including network connectivity and access in all ODE offices around the state. This team handles all management of file servers, database servers, web servers, e-mail services, data backup and data storage. This team also works directly with the ODE development team to support applications and to ensure application designs are compatible with ODE's infrastructure.

Information Security Team

The Information Security Team is responsible for information security within the agency. This includes overseeing the security of data collected and housed at ODE, monitoring ODE's infrastructure for security incursions, and responding to security threats. This team manages ODE's information security infrastructure, including, but not limited to, firewalls, network monitoring and scanning systems, and web content filtering. This team is also responsible for providing agency wide information security training and consulting, and works with the Application Development Team in developing security models for ODE applications.

Application Development Team

The Application Development Team's consists of four units: Application and Web Development, Data Management, Business Analysis, and Project management.

Application and Web Development Unit

The primary purpose of the Application and Web Development Unit is to build and maintain ODE's web applications and internal business applications. This team ensures ODE's web applications are operating according to ODE standards and allowing ODE customers (internal and external), including school, district, and ESD partners, to do their work efficiently. This team ensures applications developed for internal customers (e.g., Electronic Grants Management System (EGMS), and Contract Management System) are addressing local, state, and federal regulations and reporting requirements. Most of these web applications, and many of these internal applications, interface with external agencies and affect the citizens of Oregon (e.g., teachers, students, and school bus drivers).

Data Management Team

The Data Management Team is responsible for database development and maintenance. They are the point of contact for the release of data by ODE departments. They also handle contract development and review prior to the creation of data files by ODE data owners or Data Management staff.

The team prepares data extracts based on reporting requirements and works with data owners in the agency to ensure the compiled data are accurate and complete.

Business Analyst Team

The Business Analyst Team is responsible for identifying and developing requirements for enhancements and maintenance, then guiding the application developers through the software development cycle from design to production. This team is also responsible for consulting with customers to identify options and alternatives to building custom applications, reviewing contract language, and assisting customers with navigating the application development process.

The Ed Facts Coordinator is a part of the Business Analyst team and is responsible for federal reporting. The primary vehicles for these data submissions are Ed Facts; and one of the primary outputs of these systems is the annual school and district Report Cards. The Ed Facts Coordinator prepares data extracts based on federal reporting requirements, and works with data owners in the agency to ensure the compiled data are accurate and complete. Timely submissions to federal partners are made only after a formal review process for approval to release data is complete.

Project Management Team

The Project Management Team is responsible for managing information technology projects and for supporting project management at ODE. This includes providing support and consultation to ODE's business offices working through the Department of Administrative Services Stage Gate process for large projects.

Support Services Team

The Support Services Team consists of the ODE Helpdesk team and IT purchasing support.

Helpdesk Team

The Helpdesk Team provides phone and e-mail support, including training, documentation, and systems troubleshooting, to Oregon's ESDs, school districts, and schools, for the ODE's web-based data collections/systems. These systems fulfill federal and state reporting requirements. The team also provides technology support for computer hardware/software, tablets, VOIP phones, printers, cell phones, and copiers (to name a few services) to ODE employees in the Public Service and Veterans buildings, and the Oregon School for the Deaf, as well as the statewide field offices around Oregon. This team purchases, delivers, installs, updates, and tracks hardware and software for the agency.

For more detail on OIT, visit: [Office of Information Technology - Oregon Department of Education](#).

Office of Teaching, Learning and Assessment

The Office of Teaching, Learning & Assessment ensures all components of Oregon's public and private educational enterprise (PK-20) are interconnected to provide appropriate and personalized instructions for each student. In pursuit of this, support is provided to Oregon's districts and schools through a variety of programs and functions in the areas, using various different tools. Within this office are these unit areas: Career and Technical Education; Standards & Instructional Support; District & School Effectiveness; Federal Programs; Data, Operations & Grant Management; and, Assessment.

Career and Technical Education Secondary Postsecondary Transitions Team-

Career and Technical Education (CTE):

Oregon schools and community colleges are required to report enrollment and performance data on students who complete courses in state-approved career and technical education (CTE) and in state-approved CTE programs. The data is received by state secondary or postsecondary data collection systems and is compiled, analyzed, and reported to the U.S. Department of Education to fulfill federal grant requirements (Perkins). The information is also used for program improvement, resource allocations, policy development, reports to the Oregon State Board of Education or to the legislature, and is used by state and college personnel for educational research.

Postsecondary Career and Technical Education (CTE) encompasses a broad range of technical and academic instruction at Oregon's community colleges that prepares students for the workplace, further education, training, and family and community roles. At this level, students may earn an Associate of Applied Science Degree and/or a Certificate of Completion. The Oregon Higher Education Coordinating Commission: Office of Community Colleges & Workforce Development provides leadership for community colleges.

Postsecondary CTE Resources include apprenticeships, Career Pathways, Civil Rights- CTE, Dual Credit, Expanded Options, Oregon Department of Community Colleges & Workforce Development (CCWD), Postsecondary and Secondary CTE Data Collection and Reporting, Private Career Schools, and Regional CTE Network.

CTE Programs of Study provide for alignment and articulation with high school instruction and integrate technical career skill proficiencies with academic content.

STEM Investments:

Oregon is engaging in a statewide networking model for promoting effective and coordinated changes in STEM education. The initial input for the Oregon STEM Education Initiative was provided by representatives from business and education, including

organizations that focus on STEM education both in and outside of the school day. The Oregon STEM Education Initiative will do the following:

- Define STEM education and goals related to preparation for college, careers, and citizenship.
- Identify critical components needed for improvement in STEM education.
- Describe a mechanism for linking educators and communities interested in improving STEM education.

Standards & Instructional Support

The Standards and Instructional Supports (SIS) Team focuses on creating an equitable education system to promote access and opportunities to high-quality instruction, rigorous academic content standards, vetted instructional materials and resources to shift classroom practices to a learner-centered system that meets the goal of a well-rounded education for every student.

A well-rounded education provides students the knowledge and skills to live, learn, work, create, and contribute to their communities and ensures that every student is known, heard, and supported. These learning environments foster the necessary conditions for student-centered learning, the acquisition of essential knowledge and skills, and the cultivation of positive attitudes and beliefs related to academic performance. Well-rounded education includes Personalized Learning Requirements for the Oregon Diploma, creating customized learning paths, designing individual student Educational Plans and Profiles (EPPs), supporting Career-Related Learning Experiences (CRLEs), pursuing STEM education, and ensuring proficiency-based assessment and progress. Additional responsibilities that strengthen well-rounded education include College and Career Readiness, Graduation Improvement, Comprehensive School Counseling Programs, expanding Physical Education, Alternative Education, and Talented and Gifted programs.

The SIS Team needs to provide additional educational supports to attain well-rounded education through promoting effective instructional practices that increase the frequency and depth of meaningful and purposeful interactions that result in achieving intended learning goals. Examples of such work include practices that stretch students' interests, connect learning to their aspirations, engage in challenging interdisciplinary learning tasks, and build a shared understanding of quality. Effective instructional practices include culturally responsive instruction, trauma informed practices, social-emotional learning, applied learning experiences, formative assessment practices, facilitating productive student discourse, and setting clear learning targets. To provide equitable access to these multifaceted learning opportunities, the SIS Team would like to expand online professional learning courses to reach every district throughout Oregon.

In conjunction with local and national stakeholder groups and public input, the SIS Team identifies academic content standards that set rigorous expectations for all students. These standards are reviewed and revised on a seven-year cycle. In addition, the team coordinates the evaluation of instructional materials and provides assistance to Oregon schools to ensure there is access to high quality resources. Most recently, in 2015-2017, this included updating standards and instructional materials in school counseling, health, physical education, and social sciences. In the 2019-2021 biennium, the standards revision and instructional materials evaluation schedule will include world languages, English language arts (ELA), and mathematics.

District & School Effectiveness

The authorization of ESSA requires states to identify Title and non-title schools for Comprehensive and Targeted supports. Oregon's preliminary accountability model suggests over 180 schools be identified for supports (up from about 90 under the previous iteration of federal law). Significantly, more schools and districts are in need of support, but fall out of the threshold for federal identification and constitute many of the schools mentioned in the recent Secretary of State Audits.

Given changes to Oregon's accountability model, many schools identified under federal requirements have also been identified for supports under state initiatives including Chronic Absenteeism and supports under the EL Strategic Plan (HB 3499). This requires a concerted effort to align systems and processes to ensure Oregon is equitably identifying and effectively supporting those school districts and schools most in need. Oregon's Continuous Improvement Planning requirements present the opportunity to streamline and coordinate these types of equitable supports and are another body of work falling under the DSE team.

Requirements under SB 290 pertaining to educator evaluations and systems for professional development are also under the purview of the DSE team, including oversight for Title IIA and implementing programs under the Network for Quality Teaching and Learning (now the Educator Advancement Council).

Federal Programs

Migrant Education

The general purpose of the Migrant Education Program (MEP) is to ensure that migrant children fully benefit from the same free public education provided to other children. To achieve this purpose, the MEP helps State Educational Agencies (SEA) and local operating agencies address the unique educational needs of migrant children, to better enable these children to succeed academically.

Elementary and Secondary Education Act (ESEA) Federal Monitoring

Monitoring occurs when ODE staff conduct systematic review of program materials submitted by districts and provide a report on that review. Resources used for the review include the Title Program Monitoring Tool, the notebook dividers, and staff interviews in the case of onsite visits. Documents are submitted for a desk monitoring prior to any onsite visits. From the 20 districts selected for fall and spring desk monitoring, 5 to 7 are selected for onsite monitoring where teams will focus questions on areas of concern, or those areas that require more documentation.

Those selected for an onsite monitoring visit from the desk monitoring in the fall, will be visited the following spring. Similarly, those selected for an onsite visit from the desk monitoring in the spring, will be visited the following fall.

Federal funds have guidelines and requirements that must be followed to ensure fiscal accountability and program compliance.

ESEA Flexibility Waiver - History and Purpose

In 2001, the United States Congress passed the No Child Left Behind Act (NCLB). The NCLB issued across the board requirements that states had to follow in order to receive federal funding. The US Department of Education (USED) presented an option to states to apply for "flexibility" from some specific requirements of No Child Left Behind, in the Elementary and Secondary Education Act (ESEA). This flexibility was granted in exchange for rigorous and comprehensive state-developed plans, designed to improve education outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction.

In 2012, Oregon applied for and received USED approval of the ESEA Flexibility waiver, providing the opportunity to craft a state-specific plan for education. Under the leadership of the Governor and the Deputy Superintendent of Public Instruction, Oregon is implementing the plan and has revised portions of the waiver.

Oregon's current ESEA Flexibility waiver for No Child Left Behind expired at the end of the 2014-2015 school year. The Oregon Department of Education (ODE) submitted a request for a three-year renewal of Oregon's ESEA waiver on March 30, 2015.

With the waiver renewal, the USED continues to require states to demonstrate commitment to the same core principles of ESEA Flexibility, listed below, that have been the underpinning of waivers since their introduction in 2011:

1. Implementing college and career ready standards, and high-quality, aligned assessments for all students,
2. Implementing state-developed systems of differentiated recognition- accountability- and
3. Supporting effective instruction and leadership through educator evaluation and support systems.

The elements of the waiver, combined with Oregon's state-mandated priority initiatives, are moving Oregon educators toward a strong and effective college and career ready system, incorporating programs, resources, and assessments for students from pre-kindergarten through adulthood. The following are some of the major elements featured in the waiver: the Common Core State Standards, Smarter Balanced Assessment, an improved school accountability system, and a new framework for educator effectiveness and evaluation.

Data, Operations and Grants Management Digital Innovations

Technology can be a powerful tool for transforming learning, when educators are using digital tools effectively. Educators are using technology for instruction; reinventing approaches to learning, shrinking long-standing equity and accessibility gaps, and adapting learning experiences to meet the needs of all learners.

In December 2008, the State Board of Education adopted Educational Technology Standards aligned to the National Educational Technology Standards for Students (NETS*S). New Standards are under development.

- International Society for Technology in Education (ISTE) Standards – ISTE's Standards (formerly NETS) have served as a roadmap for improved teaching and learning by educators throughout the United States. The standards, used in every U.S.

state and many countries, are credited with significantly influencing expectations for students and creating a target of excellence relating to technology for students and teachers.

Oregon Educator Network is a dynamic tool for sharing and discovery of practices, resources, model programs, and professional development.

Oregon Virtual School District provides accesses to courses otherwise unattainable for students in small and rural districts

Chronic Absenteeism

Oregon students experience one of the highest chronic absenteeism rates in the country. During the 2015-2016 school year, as many as 1 in 5 students were chronically absent. Chronic absenteeism is a measure of student excused, unexcused and out-of-school disciplinary absences $\geq 10\%$ days in school calendar year. A growing body of evidence at both the federal and state level support a strong relationship between students who are chronically absent and poor academic outcomes that include failure to read at third grade, an increased probability of dropping out and not graduating from high school. The Oregon State Legislature, in HB4002, directed the development of the Statewide Chronic Absenteeism Plan that was funded a year later by the State Legislature in 2017.

The Statewide Chronic Absenteeism plan directs the Oregon Department of Education to do the following:

- Part A: A Process for Publicly Disclosing Annual Information on Chronic Absenteeism Rates for Each School
- Part B: Guidance and Best Practices for all Schools and School Districts to use to Track, Monitor, and Address Chronic Absences and Improve Attendance
- Part C: A Process for Identifying Schools in Need of Support to Reduce Chronic Absenteeism and Improve Attendance
- Part D: A description of technical assistance available to schools identified as needing support, including technical assistance that will be provided by the department or the office
- Part E: The Estimated Costs Associated with Implementing the Plan

ODE reviewed data and determined three degrees of chronic absenteeism. Tier III – 30% or more chronically absent; Tier II 20-20.9% chronically absent; Tier I 19.9% and below chronically absent. ODE targeted assistance to the Tier III school districts (26 participants).

High School Success (M98)

High School Success is a fund initiated by ballot Measure 98 passed by voters in November 2016. The measure allowed the Oregon Department of Education to provide \$170 million dollars per biennium to any district, charter school, YCEP or JDEP institution that serves students in grade 9 through grade 12. ODE will evaluate the success of the program to improve student progress toward graduation beginning with grade 9, increase the graduate rates of high schools, and improve high school graduates' readiness for college and career. Recipients are required to meet high expectations. In order to do so, certain eligibility requirements were

established to ensure schools engage in best practices that research indicates will impact student success: Teacher Collaboration Time around Data, Practices to Reduce Chronic Absenteeism, Equitable Assignment to Advanced Courses, Systems Ensuring On-Time Graduation, and Partnerships. Additionally, recipients are to provide funding to establish or expand programs in three specific areas: Dropout Prevention, Career & Technical Education, and College Level Education Opportunities. Each recipient will have an individualized plan with specific activities and budget, which is approved by program staff.

Assessment Team

Assessment Team staff are responsible for the development, administration, scoring, and ongoing improvement of the statewide assessment system that measures student performance against State Board of Education adopted academic content standards. Among other things, staff oversee the development of assessments meeting federal guidelines, implement systems ensuring administration of assessments in a valid and reliable manner, provide guidance and training to educators on a variety of assessment-related issues, and communicate important assessment information to educators, parents, and community members.

Assessment Team staff:

- Administer online assessments aligned to State Board of Education adopted academic content standards;
- Establish processes and procedures for test security;
- Provide technical support and training for delivery of state assessments;
- Coordinate with consortium partners on the development and administration of large-scale summative assessments, as well as the development and implementation of assessment policies designed to ensure appropriate consistency across states;
- Work with stakeholders and partners to implement a balanced assessment system, including formative assessment practices, interim/benchmark assessments, and summative assessments.
- Manage printing and distribution of test materials (Kindergarten Assessment only);
- Develop, deliver, and maintain technical documentation for the statewide assessment systems, including the Test Administration Manual and User Guide;
- Coordinate with local, regional, and national education partners to inform them of assessment policy development and implementation;
- Implement strategic communication(s) plans to inform Oregon citizens about state assessment efforts statewide.

Purpose of Assessments in Oregon

The purpose of Oregon's summative statewide assessment system is to provide policy makers and stakeholders with information about student mastery of the knowledge and skills described in Oregon's academic content standards. ODE is implementing a balanced approach to assessment which promises to deliver assessment results that help guide instructional improvement at the classroom, school, district, and state levels, and helps ensure that educators are effectively implementing state academic content standards in their classrooms.

To improve student achievement in Oregon, and better prepare students for life after high school, the State Board of Education adopted the new Common Core State Standards in 2010 and the Smarter Balanced assessment system in English language arts and mathematics in 2013. The Common Core State Standards is a set of high-quality academic standards in mathematics and English language arts/literacy (ELA). The standards were created to ensure all students graduate from high school with the skills and knowledge necessary to succeed in college, career, and civic life, and have been adopted by 43 states. Smarter Balanced assessments are aligned to the Common Core State Standards and are designed to measure how students are progressing toward college and career readiness, relative to the expectations defined by the standards.

Over the past three years, stakeholders have expressed a desire to implement a balanced approach to assessment in Oregon, one that includes formative assessment practices, interim/benchmark assessments, and summative assessments. These perceptions are comprehensively summarized in the 2015 Oregon's New Path for Oregon: Assessment Empowering Meaningful Student Learning document, a joint effort between OEIB, OEA, and ODE. The Assessment Team is committed to the work of supporting districts in implementing assessment practices and systems that support instruction and drive increases in student achievement. Our budget request supports this effort, requesting funding needed to build and implement the systems required.

Current state assessments are delivered to all students in public and charter schools. Implementation varies by grade and content area.

Office of Equity, Diversity & Inclusion

This unit was created in recognition of the dramatic increase in racial and cultural diversity in Oregon over the past 10 years. The mission of the ODE Equity Unit is to support educational institutions and educational leaders to be reflective and self-critical about implementing culturally responsive education and practices. We support outcomes that value academic excellence for all students while maintaining high expectations, creating space to reach and every student to thrive. The unit provides focus on closing achievement and opportunity gaps for students of color and English Language Learners, while providing specific support to Oregon school districts and ESD's, community-based organizations, and post-secondary institutions.

The academic achievement gap describes the gap in educational achievement often existing between low-income or minority students and their peers. Oregon's African American, Hispanic, and Native American students have higher dropout rates and lower graduation rates than their White or Asian peers. In addition to the academic achievement gap, there is also the opportunity gap which is the lack of opportunity many social groups face in the common quest for educational attainment. It speaks directly to the issue of access for underserved populations across the state. We need to stay focused on our goal of preparing all students for high school, college, and a career.

Programs in this unit supporting the office's focus include Indian Education, Limited English and Immigrant Education (Title III), and Migrant Education. This unit also includes ODE's civil rights function. The civil rights function offers training, technical assistance, and

alternate dispute resolution opportunities for students, schools, districts, parents, and interested parties regarding civil rights and equal opportunity.

Civil Rights Unit

It is a policy of the State Board of Education and a priority of the Oregon Department of Education that there will be no discrimination or harassment on the grounds of race, color, sex, marital status, religion, national origin, age, sexual orientation, or disability in any educational programs, activities, or employment. ODE works closely with the regional U.S. Department of Education Office for Civil Rights, the U.S. Department of Agriculture Office of Civil Rights, and other organizations committed to equal opportunity, nondiscrimination, and respectful environments.

Every student and participant in Oregon's K-12 public schools is served by the Education Equity Unit's Civil Rights team (CR), by virtue of his/her membership in one of nine federal and/or state protected classes. The CR assures equal educational and employment opportunity in every program, benefit, or activity which receives federal or state financial funding. The CR accomplishes this goal by providing training, technical assistance, and alternative dispute resolution to students, school districts, community organizations, parents, and interested parties.

The CR participates in program audits initiated through federal or state regulations where concerns have potential to result in adverse impact for protected class populations. The CR also has responsibility to address appeals and hearings regarding complaints of discrimination in Oregon school districts. Persons having questions about equal opportunity, and nondiscrimination should contact the Deputy Superintendent of Public Instruction at the Oregon Department of Education, 255 Capitol Street NE, Salem, Oregon 97310; phone 503-947-5740; or fax 503- 378-4772.

English Language Learners (ELL)

House Bill 3499 directs the Oregon Department of Education (ODE) to develop and implement a statewide education plan for English Language Learners who are in our K-12 education system. The plan will address the disparities experienced by English Language Learners, in every indicator of academic success, from the historical practices leading to disproportionate outcomes for the students, to the educational needs of the students from K-12 education, by examining and applying culturally appropriate best practices. HB 3499 creates the Statewide English Language Learner (ELL) Program Account for statewide activities related to English Language Learner programs. Funds account for an outgoing \$12.5 million "carve out" from the State School Fund each biennium, funded originally by HB 5017 (2015).

ODE is to convene an advisory group and adopt rules related to developing uniform budget coding requirements and uniform reporting requirements, to provide budget transparency for the spending of moneys received by school districts as provided by the poverty weight in the State School Fund. The State Board of Education is directed to adopt coding administrative rules no later than January 1, 2016.

ODE is also to convene a work group related to the English Language Learner program policy. The work group must consist of educators, parents, community stakeholders, experts on English Language Learning policy, and experts in collecting and analyzing data. The work group shall identify the following: criteria for determining if a school district is not meeting the needs of students and needs targeted assistance; how school districts shall expend the funds received; and identify culturally appropriate best practices.

ODE will adopt rules regarding school interventions no later than January 1, 2016 and on long term best practices no later than January 1, 2017.

Office of Student Services

Student Services supports and monitors programs that provide direct services to diverse learners, and assists in the development of strategies to address unique learning differences. Units in this office manage programs including special education, accountability and program compliance, capacity building, and partnerships with community stakeholders. This work is designed to ensure all students with disabilities are provided an education that meets their needs. The focus allows learners to demonstrate their skills and to benefit from participation in meaningful venues, as they prepare to become contributing members of the adult community. Programs within Student Services include: Early Intervention/Early Childhood Special Education (EI/ECSE); Child Nutrition Programs (CNP); Hospital Education, Regional Education Programs, Special Education, Pupil Transportation and Fingerprinting, Oregon School for the Deaf and school safety programs.

Early Childhood Special Education

Student Services is responsible to administer the Early Intervention/Early Childhood Special Education (EI/ECSE) program, described in detail in the “Grant-in-Aid” section of this document. Early Intervention (EI) is a state-mandated special education program for infants and toddlers (birth to age three) with disabilities, developmental delays, or conditions likely to result in a disability or developmental delay. Early Childhood Special Education (ECSE) is a state-mandated special education program for preschool-aged children (ages three to five) with developmental delays and/or other disabilities. Oregon’s EI/ECSE program is a seamless system and all infants, toddlers, and preschoolers who qualify receive services.

Child Nutrition

The nutrition programs are a collection of federally funded programs. These programs provide nutritious and low-cost meals to children, as well as adults with disabilities and seniors, in educational or care settings. The overall purpose of Child Nutrition Programs is to improve the nutritional status for these populations so they can achieve their potential growth, development and learning, to become healthy and productive adults. Staff in this unit provide technical assistance to, and monitoring of, the programs that are described in more detail in the “Grant-in-Aid” section of this document.

Reimbursement and/or donated food assistance is granted under agreement with the USDA to public and private schools, residential child care institutions, child and adult day care programs, and private non-profit organizations providing nutritious and low-cost meals.

Regional Programs/Best Practices

This unit has oversight of regional programs, which provide services statewide to children with low incidence disabilities. These programs also serve infants and preschoolers, as well as school-aged students through partnerships with regional Education Service Districts and one school district across the state. This program is funded within the Grant-in-aid portion of the budget.

Education Programs, Secondary Transition and Assessment

This Student Services component oversees interagency educational services, including programs serving children and youth who require unique and individualized special education and regular education programs. The staff works collaboratively with several external partners to ensure the programs provide the appropriate and necessary educational services. Programs include Youth Corrections Education, Juvenile Detention Education, Long-term Care and Treatment Education, and Hospital Education. Other sections of this budget document describe these programs in more detail (see the “Youth Corrections Education Program” and “Grant-in-Aid” sections of this document). In keeping with student performance expectations, this unit is also responsible for ensuring the appropriate statewide assessment for students with disabilities.

Special Education General Supervision

The General Supervision section manages general supervision statewide of the Individuals with Disabilities Education Act of 2004 (IDEA 2004). Federal mandates include provision of a free and appropriate public education (FAPE) in the least restrictive environment (LRE), appropriate evaluation, Individualized Education Program (IEP) accountability, and parent and student participation in decision-making, procedural safeguards, monitoring, and technical assistance.

IDEA Compliance and District Resources

The IDEA Compliance and District Resources section oversees all Special Education data collections as well as the dispute resolution options for families. Other functions of this section include state administration, technical assistance, leadership services, and IDEA grant management.

Pupil Transportation & Fingerprinting Unit

Student Services also manages the Pupil Transportation Program (PTP). The mission of the PTP is to have qualified drivers transporting students in safe, well-maintained vehicles. To that end, the PTP is responsible for certifying all school bus drivers, and ensuring local systems comply with safety and vehicle standards. This also includes activity drivers and vehicles.

PTP employees regularly visit school districts to evaluate pupil transportation systems, including an inspection of bus fleets to ensure they meet Oregon minimum construction standards and to identify any safety defects. Buses identified as unsafe are removed from service until the needed repairs occur.

As school bus drivers receive training, their local districts send the attendance roster to ODE, where employees enter the information

for each driver into a database. Twice a year, districts receive reports listing each of their assigned drivers and the drivers' training, to help districts ensure they meet training requirements. The PTP trains and certifies all of the trainers school districts use locally. It also conducts safety trainings for young children, teaching them how to ride on the bus safely, and how to walk to school safely.

The PTP receives many phone calls from parents, transportation officials, bus drivers and superintendents, who often have concerns, need information, or require help regarding the administrative rules and perceived violations.

Finally, this unit is responsible for conducting criminal background checks for all school district volunteers, and for pre-employment screening through the Law Enforcement Data System (LEDS); for processing and overseeing the fingerprinting of classified school staff in the state; and for administering the athletic agent program, which requires any athlete agent, who wants to solicit students in Oregon, to obtain a permit from the ODE.

Oregon School for the Deaf

Student Services supports the Oregon School for the Deaf (OSD). OSD is a residential program for students from ages 5-21 who are deaf or hard of hearing. OSD offers a full range of curriculum and provides individually designed instruction for students leading to a variety of post-high school options, including college, competitive employment, and supported work. OSD is discussed in more detail in the "Special Schools" section of this document.

For more detail on Student Services, visit: <https://www.oregon.gov/ode/about-us/Pages/Office-of-Student-Services.aspx>

DEPARTMENT OPERATIONS

Essential Package 010

010 Non-PICS Personal Services / Vacancy Factor

2019-21 Fiscal Impact

Purpose:

The purpose of this package is to project budget savings reasonably expected from staff turnover during the 2019-21 biennium, and to adjust certain personal services costs not generated by the Position Information Control System (PICS) for inflation. Non-PICS personal services items include mass transit taxes, unemployment assessments, overtime, temporary appointments, and shift differentials.

How Achieved:

The package makes adjustments in the agency's vacancy savings using historical data, and increases non-PICS generated accounts in the base budget using a 3.8% inflation factor per the 2019-21 budget instructions.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$1,385,670	\$481,404	\$810,768	\$2,677,842
Total Request	\$1,385,670	\$481,404	\$810,768	\$2,677,842

This package is included in the Governor's Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance	-	-	-	-	-	-	-
Beginning Balance Adjustment	-	-	-	-	-	-	-
Total Beginning Balance	-	-	-	-	-	-	-
Revenues							
General Fund Appropriation	1,385,670	-	-	-	-	-	1,385,670
Donations	-	-	-	-	-	-	-
Other Revenues	-	-	114,464	-	-	-	114,464
Federal Funds	-	-	-	810,768	-	-	810,768
Transfer In - Indirect Cost	-	-	-	-	-	-	-
Total Revenues	\$1,385,670	-	\$114,464	\$810,768	-	-	\$2,310,902
Transfers Out							
Tsfr To Criminal Justice Comm	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-
Personal Services							
Temporary Appointments	46,607	-	18,927	1,839	-	-	67,373
Overtime Payments	3,268	-	-	1,330	-	-	4,598
Shift Differential	2,113	-	-	-	-	-	2,113
All Other Differential	89	-	-	-	-	-	89
Public Employees' Retire Cont	928	-	-	226	-	-	1,154
Pension Obligation Bond	143,228	-	96,493	(33,522)	-	-	206,199
Social Security Taxes	3,984	-	1,448	242	-	-	5,674

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Unemployment Assessments	10,616	-	1,654	1,221	-	-	13,491
Mass Transit Tax	35,399	-	17,062	-	-	-	52,461
Other OPE	13,860	-	-	-	-	-	13,860
Vacancy Savings	1,125,578	-	345,820	839,432	-	-	2,310,830
Total Personal Services	\$1,385,670	-	\$481,404	\$810,768	-	-	\$2,677,842
Services & Supplies							
Agency Program Related S and S	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	1,385,670	-	481,404	810,768	-	-	2,677,842
Total Expenditures	\$1,385,670	-	\$481,404	\$810,768	-	-	\$2,677,842
Ending Balance							
Ending Balance	-	-	(366,940)	-	-	-	(366,940)
Total Ending Balance	-	-	(\$366,940)	-	-	-	(\$366,940)

DEPARTMENT OPERATIONS

Essential Package 021

021 Phase Ins

2019-21 Fiscal Impact

Purpose:

In general, the purpose of package 021 is to reflect budget adjustments to programs expected to phase-in fully during the next biennium. Typically, phased-in programs are funded fewer than 24 months in one biennium and need to be funded for a full 24 months in the next biennium.

How Achieved:

This package phases in the following items to the 2019-21 base budget:

- \$114,094 for Services & Supplies related to phase-in of Measure 98 positions;
- \$20,571 for Services & Supplies related to phase-in of SB 1062 position; and,
- \$104,415 for Services & Supplies related to phase-in of Child Care positions approved in February 2018 session.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies	\$124,986	\$57,047		\$182,033
Capital Outlay				\$57,047
Special Payments	57,047			
Total Request	\$182,033	\$57,047		\$239,080

This package is included in the Governor's Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 021 - Phase - In

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance	-	-	-	-	-	-	-
Total Beginning Balance	-	-	-	-	-	-	-
Revenues							
General Fund Appropriation	182,033	-	-	-	-	-	182,033
Transfer from General Fund	-	-	57,047	-	-	-	57,047
Total Revenues	\$182,033	-	\$57,047	-	-	-	\$239,080
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Agency Program Related S and S	124,986	-	57,047	-	-	-	182,033
Total Services & Supplies	\$124,986	-	\$57,047	-	-	-	\$182,033
Special Payments							
Intra-Agency Gen Fund Transfer	57,047	-	-	-	-	-	57,047
Total Special Payments	\$57,047	-	-	-	-	-	\$57,047
Total Expenditures							
Total Expenditures	182,033	-	57,047	-	-	-	239,080
Total Expenditures	\$182,033	-	\$57,047	-	-	-	\$239,080

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 021 - Phase - In

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Essential Package 022

022 Phase Outs

2019-21 Fiscal Impact

Purpose:

In general, the purpose of package 022 is to reflect budget adjustments for programs expected to phase-out in the next biennium (e.g., eliminated programs, pilot programs, and other one-time costs).

How Achieved:

This package removes one-time expenditures from the 2019-21 base budget as follows:

- \$200,000 from Services & Supplies for Native American Curriculum;
- \$200,000 from Services & Supplies for the Early Indicator & Intervention System;
- \$800,000 from Services & Supplies for one-time development costs of Science Standards;
- \$104,515 from Services & Supplies for costs associated with limited-duration positions; and,
- \$243,896 from Services & supplies for costs related to Ounce of Prevention grant.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies	(\$1,304,515)	(\$243,896)		(\$1,548,411)
Capital Outlay				
Special Payments				
Total Request	(\$1,304,515)	(\$243,896)		(\$1,548,411)

This package is included in the Governor's Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(1,304,515)	-	-	-	-	-	(1,304,515)
Total Revenues	(\$1,304,515)	-	-	-	-	-	(\$1,304,515)
Services & Supplies							
Professional Services	(1,185,000)	-	-	-	-	-	(1,185,000)
Agency Program Related S and S	(119,515)	-	(243,896)	-	-	-	(363,411)
Total Services & Supplies	(\$1,304,515)	-	(\$243,896)	-	-	-	(\$1,548,411)
Total Expenditures							
Total Expenditures	(1,304,515)	-	(243,896)	-	-	-	(1,548,411)
Total Expenditures	(\$1,304,515)	-	(\$243,896)	-	-	-	(\$1,548,411)
Ending Balance							
Ending Balance	-	-	243,896	-	-	-	243,896
Total Ending Balance	-	-	\$243,896	-	-	-	\$243,896

DEPARTMENT OPERATIONS

Essential Package 031

031 Standard Inflation & Price List Adjustments

2019-21 Fiscal Impact

Purpose:

The purpose of this package is to fund expenditure increases due to inflation. The approved biennial inflation factor for 2019-21 is 3.8% for all programs except Attorney General fees, Professional Services, and State Government Service Charges. The inflationary factor for Attorney General fees is 20.1%. The inflationary factor for Professional Services and IT Professional Services is 4.2%.

How Achieved:

The package funds estimated cost increases due to inflation.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies	\$7,130,990	\$1,002,788	\$1,534,837	\$9,668,615
Capital Outlay	4,125	156	188	4,469
Special Payments		97,299	7,084	104,383
Total Request	<u>\$7,135,115</u>	<u>\$1,100,243</u>	<u>\$1,542,109</u>	<u>\$9,777,467</u>

This package is included in the Governor's Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance Adjustment	-	-	-	-	-	-	-
Total Beginning Balance	-	-	-	-	-	-	-
Revenues							
General Fund Appropriation	7,135,115	-	-	-	-	-	7,135,115
Other Revenues	-	-	225,711	-	-	-	225,711
Federal Funds	-	-	-	1,548,795	-	-	1,548,795
Total Revenues	\$7,135,115	-	\$225,711	\$1,548,795	-	-	\$8,909,621
Transfers Out							
Tsfr To OEIB	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	19,402	-	6,238	41,521	-	-	67,161
Out of State Travel	9,055	-	3,809	15,414	-	-	28,278
Employee Training	7,981	-	2,242	8,217	-	-	18,440
Office Expenses	21,348	-	7,543	29,875	-	-	58,766
Telecommunications	7,647	-	3,560	14,255	-	-	25,462
State Gov. Service Charges	5,977,252	-	125,855	-	-	-	6,103,107
Data Processing	6,761	-	180	3,889	-	-	10,830
Publicity and Publications	3,874	-	1,658	5,695	-	-	11,227
Professional Services	606,607	-	399,519	879,123	-	-	1,885,249
IT Professional Services	13,494	-	6,958	22,094	-	-	42,546

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	158,193	-	54,274	19,921	-	-	232,388
Employee Recruitment and Develop	1,912	-	534	1,309	-	-	3,755
Dues and Subscriptions	15,838	-	606	19,923	-	-	36,367
Facilities Rental and Taxes	56,613	-	48,910	45,829	-	-	151,352
Fuels and Utilities	-	-	-	27	-	-	27
Facilities Maintenance	1,205	-	82	277	-	-	1,564
Agency Program Related S and S	93,365	-	281,640	325,562	-	-	700,567
Other Services and Supplies	111,373	-	44,612	84,716	-	-	240,701
Expendable Prop 250 - 5000	8,823	-	820	2,934	-	-	12,577
IT Expendable Property	10,247	-	13,748	14,256	-	-	38,251
Total Services & Supplies	\$7,130,990	-	\$1,002,788	\$1,534,837	-	-	\$9,668,615

Capital Outlay

Telecommunications Equipment	537	-	142	172	-	-	851
Data Processing Software	3,535	-	-	-	-	-	3,535
Data Processing Hardware	53	-	14	16	-	-	83
Total Capital Outlay	\$4,125	-	\$156	\$188	-	-	\$4,469

Special Payments

Dist to Other Gov Unit	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	-	4,432	-	-	4,432
Dist to Local School Districts	-	-	97,299	-	-	-	97,299
Dist to Comm College Districts	-	-	-	1,955	-	-	1,955

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Other Special Payments	-	-	-	697	-	-	697
Total Special Payments	-	-	\$97,299	\$7,084	-	-	\$104,383
Total Expenditures							
Total Expenditures	7,135,115	-	1,100,243	1,542,109	-	-	9,777,467
Total Expenditures	\$7,135,115	-	\$1,100,243	\$1,542,109	-	-	\$9,777,467
Ending Balance							
Ending Balance	-	-	(874,532)	6,686	-	-	(867,846)
Total Ending Balance	-	-	(\$874,532)	\$6,686	-	-	(\$867,846)

DEPARTMENT OPERATIONS

Essential Package 060

060 Technical Adjustments

2019-21 Fiscal Impact

Purpose:

This package shifts Professional Services, Professional Services IT and Attorney General costs from ELD Operations DCRs to new structure for ELD Operations. This package represents zero net impact.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Services & Supplies				
Capital Outlay				
Special Payments	\$0	\$0	\$0	\$0
Total Request	\$0	\$0	\$0	\$0

This package is included in the Governor's Balanced Budget as modified: adds \$1,056,502 to Other Funds.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 060 - Technical Adjustments

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Donations	-	-	1,200,000	-	-	-	1,200,000
Grants (Non-Fed)	-	-	540,651	-	-	-	540,651
Other Revenues	-	-	(684,149)	-	-	-	(684,149)
Federal Funds	-	-	-	-	-	-	-
Total Revenues	-	-	\$1,056,502	-	-	-	\$1,056,502
Personal Services							
Mass Transit Tax	-	-	-	-	-	-	-
Vacancy Savings	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Attorney General	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Special Payments							
Spc Pmt to Public Def Svcs Comm	-	-	-	-	-	-	-
Total Special Payments	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 060 - Technical Adjustments

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	1,056,502	-	-	-	1,056,502
Total Ending Balance	-	-	\$1,056,502	-	-	-	\$1,056,502

DEPARTMENT OPERATIONS

Essential Package 090

090 Analyst Adjustments

2019-21 Fiscal Impact

Purpose:

This package reflects adjustments made by the CFO Analyst to various programs to:

- Eliminate unprotected inflation on Services & Supplies from package 031; and,
- Increases General Fund vacancy factor to 5% of General Fund salaries.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	(\$129,745)			(\$129,745)
Services & Supplies	(924,524)			(924,524)
Special Payments	\$0	\$0	\$0	\$0
Total Request	(\$1,054,269)	\$0	\$0	(\$1,054,269)

This package was added in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(1,054,269)	-	-	-	-	-	(1,054,269)
Total Revenues	(\$1,054,269)	-	-	-	-	-	(\$1,054,269)
Personal Services							
Vacancy Savings	(129,745)	-	-	-	-	-	(129,745)
Total Personal Services	(\$129,745)	-	-	-	-	-	(\$129,745)
Services & Supplies							
Out of State Travel	(17,802)	-	-	-	-	-	(17,802)
Office Expenses	(39,364)	-	-	-	-	-	(39,364)
Attorney General	-	-	-	-	-	-	-
Dues and Subscriptions	(62,724)	-	-	-	-	-	(62,724)
Agency Program Related S and S	(272,226)	-	-	-	-	-	(272,226)
Other Services and Supplies	(526,837)	-	-	-	-	-	(526,837)
Expendable Prop 250 - 5000	(5,571)	-	-	-	-	-	(5,571)
Total Services & Supplies	(\$924,524)	-	-	-	-	-	(\$924,524)
Total Expenditures							
Total Expenditures	(1,054,269)	-	-	-	-	-	(1,054,269)
Total Expenditures	(\$1,054,269)	-	-	-	-	-	(\$1,054,269)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Essential Package 091

091 Statewide Adjustment DAS Charges

2019-21 Fiscal Impact

Purpose:

This package reflects adjustments made by the CFO Analyst to State Government Service Charges and DAS pricelist charges for services made in the Governor's Budget.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services				
Services & Supplies	(\$82,751)	(\$211,406)		(\$294,157)
Special Payments	\$0	\$0	\$0	\$0
Total Request	(\$82,751)	(\$211,406)		(\$294,157)

This package was added in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(82,751)	-	-	-	-	-	(82,751)
Total Revenues	(\$82,751)	-	-	-	-	-	(\$82,751)
Services & Supplies							
State Gov. Service Charges	170,187	-	3,583	-	-	-	173,770
Facilities Rental and Taxes	(222,993)	-	(192,651)	-	-	-	(415,644)
Agency Program Related S and S	(29,945)	-	(22,338)	-	-	-	(52,283)
Total Services & Supplies	(\$82,751)	-	(\$211,406)	-	-	-	(\$294,157)
Total Expenditures							
Total Expenditures	(82,751)	-	(211,406)	-	-	-	(294,157)
Total Expenditures	(\$82,751)	-	(\$211,406)	-	-	-	(\$294,157)
Ending Balance							
Ending Balance	-	-	211,406	-	-	-	211,406
Total Ending Balance	-	-	\$211,406	-	-	-	\$211,406

DEPARTMENT OPERATIONS

Essential Package 092

092 Statewide AG Charges

2019-21 Fiscal Impact

Purpose:

This package reflects statewide adjustments made by reducing Attorney General rates by 5.95 percent in the Governor's Budget.

Staffing Impact:

None.

Fund Source:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services				
Services & Supplies	(\$56,148)	(\$19,263)		(\$8,751)
Special Payments	\$0	\$0	\$0	\$0
Total Request	(\$56,148)	(\$19,263)		(\$8,751)

This package was added in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(56,148)	-	-	-	-	-	(56,148)
Federal Funds	-	-	-	-	-	-	-
Total Revenues	(\$56,148)	-	-	-	-	-	(\$56,148)
Services & Supplies							
Attorney General	(56,148)	-	(19,263)	(8,751)	-	-	(84,162)
Total Services & Supplies	(\$56,148)	-	(\$19,263)	(\$8,751)	-	-	(\$84,162)
Total Expenditures							
Total Expenditures	(56,148)	-	(19,263)	(8,751)	-	-	(84,162)
Total Expenditures	(\$56,148)	-	(\$19,263)	(\$8,751)	-	-	(\$84,162)
Ending Balance							
Ending Balance	-	-	19,263	8,751	-	-	28,014
Total Ending Balance	-	-	\$19,263	\$8,751	-	-	\$28,014

DEPARTMENT OPERATIONS

Package 101 – Ensure Students Graduate Future Ready

Purpose:

This package requests Strategic Investments of \$16.5 million and 9 Positions/8.40 FTE to support increasing graduation rates through the expansion of student access to career and technical education (CTE) and other hands-on learning experiences.

- **Strategy 1** - Investment of \$3.0 million and 3 Positions/2.76 FTE to support a collaborative regional network of mathematics teachers and leaders to develop instructional materials and new courses to meet the needs of diverse learners.
- **Strategy 2** - Investment of \$12.8 million for Grant In Aid and 3 Positions/2.88 FTE to support an increase in existing programs funded through the CTE Career Pathways Grant that are demonstrating successful student outcomes.
- **Strategy 3** - Investment of \$0.7 million for 3 Positions/2.76 FTE to provide increased support in analyzing, compiling, and reporting data from multiple data collections that enable informed decision making related to high school graduation rates.

Strategy 1 – Support a Collaborative Regional Network of Mathematics Teachers & Leaders (Mathways)

Department of Education (ODE) currently supports mathematics education by developing standards, developing assessments, and reviewing instructional materials. Instructional practices have not been systemically supported at the state level, which generally leaves instructional decisions to individual teachers and districts with minimal support or collaborative opportunities. The effectiveness of this isolated approach to supporting instruction can be seen in that only one-third of high school students are considered college and career ready in mathematics based on statewide assessment data. There is strong interest in our state to collaboratively develop resources and support instructional best practices in mathematics, which is a need this investment would address.

Strategy 2 – Support Increased CTE Career Pathways Grants

Secondary Career Pathways funding, initially funded in 2015 for \$8.75 million, has served as a catalyst to incentivize Career and Technical Education (CTE) Programs of Study (POS) that are showing measurable student outcomes in three specific areas: completing three credits in the same POS, ensuring supports for historically underserved students to complete the three credits, attaining an industry recognized credential. This package requests an increase in this investment strategy.

TOTAL POLICY OPTION REQUEST - \$16.5 MILLION

DEPARTMENT OPERATIONS: \$2.2M

GRANT-IN-AID: \$14.3M

How Achieved:

Strategy 1 – Support a Collaborative Regional Network of Mathematics Teachers & Leaders (Mathways)

Instructional support for high school math teachers at the local level varies significantly between districts and is influenced heavily by financial resources and geography. Math teachers in small rural districts do not have the same ongoing instructional supports and networks that are available in larger districts. This disparity results in pockets of innovation rather than a statewide vision for math education available to all teachers and students.

This investment would focus on expanding the Oregon Mathways Initiative. Mathways promotes multiple math pathways that provide high school students with a rigorous mathematics education aligned to their individual college and career goals. To accomplish this, ODE will expand instructional supports with a strong focus on rural districts. ODE will collaborate with districts, education service districts (ESDs) and other regional organizations to develop and disseminate effective and free resources for teachers that are consistent with a vision of multiple math pathways. ODE will also create and support a network of regional math leaders who work with high school teachers to implement practices consistent with the vision of the Oregon Mathways Initiative.

TOTAL POLICY OPTION REQUEST - \$2.9 MILLION

DEPARTMENT OPERATIONS: \$0.7M

GRANT-IN-AID: \$2.3M

Strategy 2 – Support Increased CTE Career Pathways Grants

National research shows that students completing three credits in a CTE Program of Study graduate at high rates. Research also shows that the three-credit threshold is a predictor of college enrollment and completion. ODE wants to ensure it is sufficiently investing in high quality programs that will maximize these outcomes.

The current investment is having a positive impact on student participation and industry credential attainment. More CTE Programs of Study provide three unduplicated courses for students that result in an industry credential leading to a high wage and high demand occupation.

The growth in POS student numbers and a decrease in total investment has diminished the amount of incentive funding earned by each school. The number of students taking three or more credits in a CTE POS nearly doubled in 2 years. Because the total funding is not based on enrollment, the increase in students results in reducing the investment per student by 50 percent. By increasing the total investment, the incentive will keep pace with growing demand and continue to support improved outcomes.

This request is for an increase in funding for the existing Career Pathways program. The bulk of the investment will support local programs using existing procedures. A portion of the investment will pay for increased staffing levels to ensure continued effective use of the investment and improvement in program quality.

TOTAL POLICY OPTION REQUEST - \$12.8 MILLION
DEPARTMENT OPERATIONS: \$0.8M
GRANT-IN-AID: \$12.0M

Strategy 3 – Increase Support for Data Analysis of Multiple Data Collections

The Department of Education is a data-informed organization that works to continually improve its ability to use quantitative and qualitative information to improve the department’s effectiveness. As ODE and other state agencies increase the quantity and quality of the data they collect, the need for better analysis, and the people who can perform it, has increased substantially. The State Longitudinal Data System (SLDS), in particular, is an opportunity to use data more effectively in guiding decisions within ODE, as well as in providing policy guidance to the Legislature and the Governor’s Office. In order to better utilize the data available to us, ODE needs additional staff who are analytical thinkers and are skilled in statistical analysis. For that reason, ODE is requesting three additional research analysts in the Office of Accountability, Research and Data Analysis.

TOTAL POLICY OPTION REQUEST - \$0.7 MILLION
DEPARTMENT OPERATIONS: \$0.7M
GRANT-IN-AID: \$0.0M

Staffing Impact: Nine positions (8.40 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
Strategy 1 - Mathways						
2113113	Teaching & Learning	CTE	OAS C1116 AP	Mathways Research Analyst	General Fund	0.92
2113114	Teaching & Learning	CTE	OAS C0107 AP	Mathways Support Staff	General Fund	0.92
2113115	Teaching & Learning	CTE	OAS C0107 AP	Mathways Support Staff	General Fund	0.92

Strategy 2 – Career Pathways Grants

2113101	Teaching & Learning	CTE	OAS C0871 AP	Career Pathways Policy Analyst	General Fund	0.92
2113102	Teaching & Learning	CTE	OAS C0104 AP	Career Pathways Office Support	General Fund	0.92
2112531	Finance & Administration	PROC	OAS C0437 AP	Procurement & Contracts Specialist	General Fund	0.92

Strategy 3 – Research & Data Analysis

2112001	Accountability & Research	RDA	OAS C1115 AP	Research Analyst 1	General Fund	0.92
2112002	Accountability & Research	RDA	OAS C1117 AP	Research Analyst 3	General Fund	0.92
2113122	Accountability & Research	ACTY	OAS C1117 AP	Accountability Research Analyst	General Fund	0.92

Quantifying Results:

Strategy 1 – Support a Collaborative Regional Network of Mathematics Teachers & Leaders (Mathways)

By the end of the 2019-2021 biennium, 75% of schools in rural districts will have accessed instructional new resources focused on multiple math pathways either online or through regional math leaders.

Strategy 2 – Support Increased CTE Career Pathways Grants

By the end of the 2019-2021 biennium, the number of students who have earned three or more credits in a CTE Program of Study and the number of those students who are historically underserved will increase by 50% over the previous biennium.

Strategy 3 – Increase Support for Data Analysis of Multiple Data Collections

ODE will produce two research/policy briefs each quarter (8 per year) on issues of policy importance to ODE, the Governor's Office, and the Legislature.

Revenue Source*: Operations:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$1,284,690			\$1,284,690
Services and Supplies	961,046			961,046
Special Payments				
Total Request	<hr/> \$2,245,736			<hr/> \$2,245,736

This package was not included in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 101 - Ensure Graduate Future Ready

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Publicity and Publications	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Attorney General	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 101 - Ensure Graduate Future Ready

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Package 102 – Support for Historically Marginalized and Underserved Populations

Purpose:

This package requests Strategic Investments of \$17.0 million for Technical Services, Grant-In-Aid and 2 Positions/1.84 FTE that provides enhancement to existing supports and programs that focus on improving education success for historically underserved populations.

- **Strategy 1** - Investment of \$6.0 million for Grant-In-Aid to expand support for the African American/Black Student Success Plan.
- **Strategy 2** - Investment of \$2.5 million for Grant-In-Aid to expand existing Career and Technical Education Revitalization Program to increase support to schools with a significant number of American Indian/Alaska Native students.
- **Strategy 3** - Investment of \$3.4 million for Grant-In-Aid for 1 Position/ 0.92 FTE to support implementing the American Indian/Alaska Native Plan.
- **Strategy 4** - Investment of \$1.0 million for Grant-In-Aid to support a variety of initiative linked to eliminating inequitable outcomes in school and communities including but not limited to culturally responsive and innovative best practices.
- **Strategy 5** – Investment of \$2.1 million for Grant-in-Aid and 1 Position/0.92 FTE to provide school districts with technical assistance that ensures educators receive professional development for the Ethnic Studies standards.
- **Strategy 6** – Investment of \$2.0 million for technical services and Grant-In-Aid continuation in developing and maintaining a statewide curriculum relating to Native American experience. SB13 (2016).

TOTAL POLICY OPTION REQUEST - \$17.0 MILLION

DEPARTMENT OPERATIONS: \$3.3M

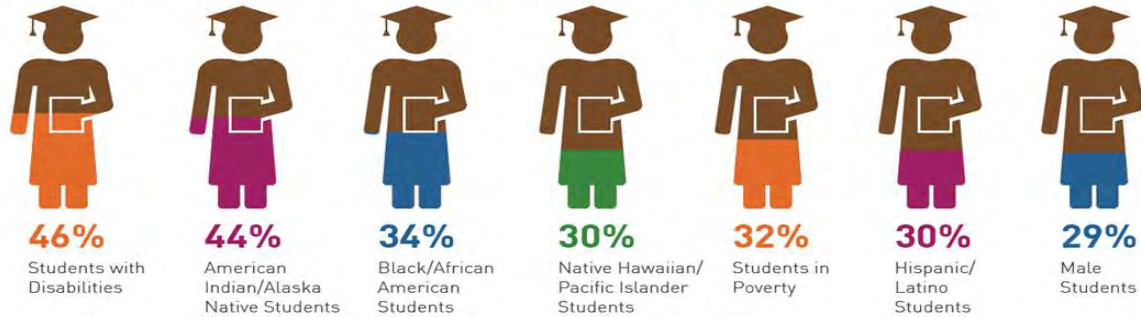
GRANT-IN-AID: \$13.7M

How Achieved:

Strategy 1 – Expand Grant-in-Aid for the African American/Black Student Success Plan

Currently the African American/Black Student Plan provides grants in the Portland metro, Willamette Valley and Southern Oregon regions. Combined, these programs reach 1,500 to 2,000 students. There is a need to provide additional supports to African American/Black students across the state of Oregon. This includes the continuation of a robust evaluation of current and future grant projects funded through these funds as well as extensive data collection specific to outcomes for African American/Black Students across the state of Oregon. There are currently over 13,000 students who identify as African American/Black in public K-12 schools. The table below highlights some past/current academic and social outcomes for African American/Black Students:

Students Who Did Not Graduate On Time in 2015-2016



Discipline Incidents: 2016/2017

Race/Ethnicity	% of Students with One or More Discipline Incidents in 2016-2017
Black/African American	9.90%
Hispanic/Latino	5.90%
American Indian/Alaska Native	8.70%
Native Hawaiian/Pacific Islander	6.70%
White	4.80%
Asian	1.40%

Academic Outcomes: 2016/2017

Student Group	Grades 3-5-ELA	Grades 3-5-Math	Grades 6-8-ELA	Grades 6-8-Math	Grade 11-ELA	Grade 11-Math
Black/African-American	29.0	20.2	33.4	19.2	45.4	13.5
Hispanic/Latino	30.9	25.8	3.7	24.8	59.0	20.8
American Indian/Alaska Native	30.4	26.6	35.6	26.1	54.8	18.6
Native Hawaiian/Pacific Islander	33.8	26.6	38.8	27.2	53.7	20.7
White	56.6	50.2	60.9	47.5	76.0	40.2

Asian	68.5	66.7	75.2	68.9	79.0	56.1
Students w/Disabilities	23.4	21.1	18.6	13.8	30.1	10.7
English Learners	21.8	19.8	17.8	11.2	14.3	9.2
Students Experiencing Poverty	37.5	31.6	42.3	28.4	60.6	23.4

The data show that African American/Black students continue to experience inequities in our current education system.

The focus on support strategically placed to consider social, emotional, and academic needs of African American/Black students is essential to their success in our K-12 public school system. Without this attention and support, the system continues to operate with the “status quo” and perpetuates systemic oppression for African American/Black students and youth. Without additional General Fund, the current level of funding will continue to fall short of providing statewide support to communities in need of resources for African American/Black students.

By enhancing and expanding the African American/Black Student Success Grant funds, ODE can scale up the work of the African American/Black Student Success Plan across the state to expand the geographic reach of supports. The additional funds will also ensure that we maintain our current project evaluation practice and consider new ways to collect pertinent data for the program.

Additional funds will be used to increase support to school districts, education service districts (ESDs) and culturally specific community-based organizations that have programs specifically for African American/Black students across the state. These funds will be issued as grants to support current and future programs delivering culturally specific services to African American/Black students. There is consideration of a “non-competitive” grant funding process for future programs to better support smaller organizations who might not have the infrastructure for a skilled grant writer. Funds will be allocated to continue project evaluation and data collection on current and future programs.

This POP aligns with the Governor’s goals for education and the Deputy Superintendent of Public Instruction, Colt Gill. There was tremendous support for the passage of HB 2016 (2015), sponsored by Representative Tina Kotek. The support continues with advocacy groups and legislators on both the House and Senate Education Committees.

TOTAL POLICY OPTION REQUEST - \$6.0 MILLION
DEPARTMENT OPERATIONS: \$0.0M
GRANT-IN-AID: \$6.0M

Strategy 2 –Career and Technical Education Revitalization Program for American Indian/Alaska Native Students (related Legislative Concept 314)

This funding would allow for five or more additional CTE Revitalization Grants of up to \$500,000 each for schools with significant numbers of American Indian/Alaska Native (AI/AN) students, identified in collaboration with local tribes. The 2017 Oregon Department of Education report entitled *American Indian/Alaska Native Students in Oregon: A Review of Key Indicators*¹ shows a marked increase in academic attainment for AI/AN students that are CTE Concentrators, as well as a dramatic increase in graduation rates for AI/AN that concentrate in CTE programs when compared to counterparts that don't.

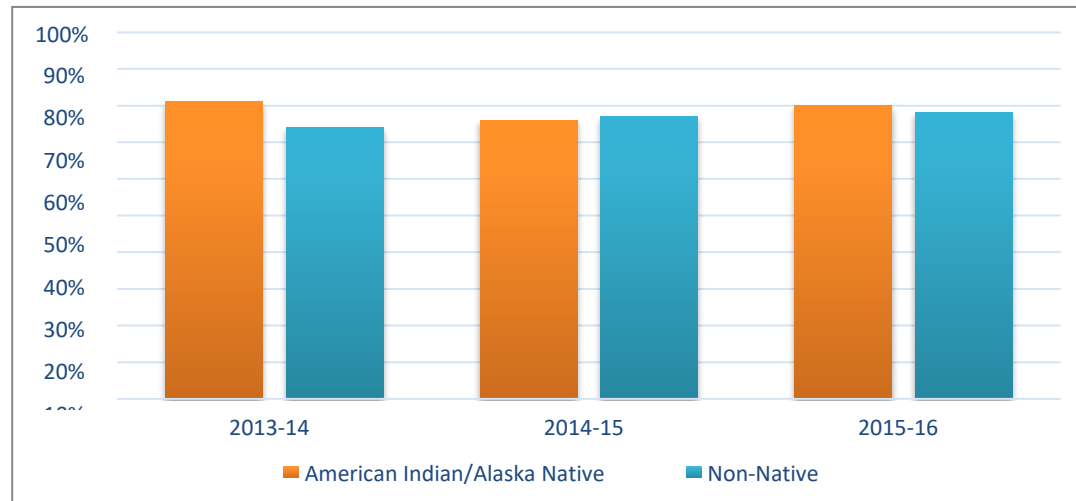
The *Oregon American Indian / Alaska Native Education State Plan 2015*² identifies eleven objectives, along with strategies and metrics, to achieve the objectives that promote the success of American Indian/Alaska Native students and communities. This initiative would assist with the attainment of four of these objectives:

- Increase graduation rates for AI/AN students to meet or exceed statewide average of all students;
- Increase college or career readiness of AI/AN students to meet or exceed statewide average of all students. All AI/AN students will have the opportunity to graduate from HS with a minimum of three college credits;
- Increase AI/AN attendance to meet or exceed statewide average for all students; and,
- Every school district in Oregon implements (K-12) historically accurate, culturally embedded, place-based, contemporary, and developmentally appropriate AI/AN curriculum, assessment tools, and instructional materials that are developed in collaboration with local tribes and are aligned with the Common Core State Standards and Oregon-specific state standards.

Additionally, schools are currently under serving our AI/AN youth. Working with local tribes to ensure the CTE curriculum in these projects is culturally responsive, place-based and developmentally appropriate should ensure this upward trend continues in outcomes for students.

¹ *American Indian/Alaska Native Students in Oregon: A Review of Key Indicators* https://www.oregon.gov/ode/reports-and-data/researchbriefs/Documents/Internal/American_Indian_Alaska_Native_Students_In_Oregon.pdf

² *Oregon American Indian / Alaska Native State Plan 2015* <https://www.oregon.gov/ode/students-and-family/equity/NativeAmericanEducation/Documents/Final-oregon-american-indian-alaska-native-state-plan%20Mar%202017.pdf>



Technical Skill Attainment for CTE Concentrators

Oregon has made a significant investment in CTE through a variety of competitive, incentive and formula grant programs largely because citizens see the value of high quality, applied learning opportunities for students. As shown in the above graph, AI/AN student concentration in CTE does great things. Investing in additional CTE funding will increase AI/AN students' outcomes. Examples of investments that would be made include funding for the transformation of an old dirty welding alcove and graveyard of milling machines, into a high tech manufacturing program that includes industry standard welding equipment, computer numerical control (CNC) machines, plasma cutters and valuable local partnerships to ensure students have enhanced access to relevant academic and technical skills. Access to CTE works.

The above graph demonstrates that for all three years, AI/AN students who are CTE concentrators reach a technical skill attainment at the same level or slightly above the level of Non-Native CTE concentrators. Existing statute, rules, oversight committees, staffing and processes are in place to run the competitive process of CTE Revitalization grant making. A separate CTE application would be developed and specifically designed for AI/AN students to access the CTE program. The application would be developed through partnerships with the staff at the ODE Indian Education Office and other ODE staff, would be endorsed by the CTE Revitalization Grant Advisory Committee, as well as the AI/AN Advisory Panel and/or the Government-to-Government Education Cluster.

CTE is a proven strategy with our AI/AN students. The relevant hands-on and applied learning that CTE provides has a direct impact on attendance and graduation. Native students earning 3 or more credits see the greatest gains in graduation over any other sub-population.

CTE Revitalization is authorized in HB 3072 (2015). There is a section in the statute that requires investments be split by percentage between CTE and STEM investments and that two different advisory groups (STEM Investment Council and CTE Revitalization Grant Advisory Committee) guide the direction and priority of those funds.

Priorities have been set in previous rounds of Revitalization grants which include geographic distribution and attention to issues of equity. This was a level playing field for all to apply for funding. There has only been one proposal submitted that is directly targeting AI/AN student participation. This clearly has not worked to ensure access to high quality CTE investments for this segment of our student population.

High School Success and College and Career Readiness funding (Measure 98 (2016)) may be available at the district level, but the early indication is that these funds are not currently focused on AI/AN student programming in CTE. If this package is not approved, efforts will be made to work with school districts with high concentrations of AI/AN students to prepare proposals for Revitalization grants, but wouldn't necessarily include input from Tribes. This proposal allows for deliberate consultation with the tribes to create meaningful CTE programming that will address specific local needs and desires.

TOTAL POLICY OPTION REQUEST - \$2.5 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$2.5M

Strategy 3 – Provide Staffing for the American Indian/Alaska Native (AI/AN) State Plan (related Legislative Concept 314)

The Oregon Department of Education (ODE) is seeking position authority for a position to work with districts serving American Indian education including policy, research, professional development, and curriculum implementation, and will support the revision and adoption of the American Indian/Alaska Native Education State Plan, and support in the implementation of the adopted plan.

One key education goal for Oregon is to ensure that 40 percent of adult Oregonians earn a bachelor's degree or higher, another 40 percent earn an associate's degree or post-secondary credential, and the remaining 20 percent earn a high school diploma or its equivalent (40/40/20 goal). Yet the educational outcomes remain stagnant for American Indian/Alaskan Native (AI/AN) youth in Oregon. Schools need additional support to achieve academic success for our AI/AN students, including additional educational strategies for physical and cultural activities pertaining to AI/AN native language, culture, and history. Teachers, administrators, and other staff can benefit from cultural competency training to explore their understanding of the unique cultural attributes of the communities they serve. Teacher preparation and administrative certification programs need to offer cultural competency coursework that includes information on developing relationships, creating relevant practices, and promoting values that help AI/AN children achieve and succeed.

In addition, this position supports the Governor's priorities and will touch on all of these priorities:

1. Embedding equity and culturally responsive practices across all ODE programs and initiatives.
2. Collaborate with the Early Learning System Director and Early Learning Division in the development of a new statewide Early Learning Plan that is inclusive of a strong prekindergarten to third grade transition system.
3. Improving outcomes for traditionally underserved students through our statewide equity initiatives (African American/Black Student Success, American Indian/Alaska Native Plan, and English Language Learner Plan) and new efforts to improve high school success (High School Graduation and College and Career Readiness Act of 2016) and reduce chronic absenteeism.
4. Identify and scale-up promising and effective practices and foster state, regional, and local partnerships to improve graduation outcomes.
5. Integrate drop-out prevention strategies and reengage youth through partnership with the Youth Development Division and the Higher Education Coordinating Commission.
6. Assist with efforts to fulfill culturally responsive educator professional development goals through direct collaboration with the Council on Educator Advancement.
7. Partner with Science, Technology, Engineering, and Math (STEM) Hubs, Regional Achievement Collaboratives (RACs), Education Service Districts (ESDs), districts, and partner agencies to better align regional workforce needs with career-connected learning in our schools, community colleges, and universities.

The *2017-2018 Oregon Department of Education Fall Membership Report* indicates the population of AI/AN students in the state is represented as 8,201. ³Due to the 2007 revision to the U.S. Department of Education policies, students who identify as AI/AN and Hispanic/Latino are counted as Hispanic/Latino for reporting purposes. In addition, students selecting multi-racial are not counted as AI/AN. The result is an inaccurate accounting and under-representation of all AI/AN students within the public K-12 system. Having a position to help support developing a solution to accurately identify Oregon AI/AN students is needed.

There is a viable and distinct AI/AN student community in need of ongoing, sustainable and holistic supports. The statistics reveal a troubling picture regarding the academic achievement of AI/AN students in Oregon. In 2017, ODE prepared the [American Indian/Alaska Native Students in Oregon: A Review of Key Indicators](#), which illustrates both an opportunity and achievement gap of our AI/AN students.

The ODE State Board of Education adopted the [American Indian Alaska Native Education State Plan for 2015-2017](#). The plan contains 11 objectives, yet lacks adequate personnel resources for implementation. This plan is currently being revised for the 2018-2022 school years. This process includes input from both the American Indian Alaska Native Advisory Panel and the Government-to-Government Education Cluster, and both share support of Legislative Concept 314 as proposed by ODE.

³Obscured Identities: Improving the Accuracy of Identification of American Indian and Alaska Native Student-s Education Northwest: <http://educationnorthwest.org/sites/default/files/events/resources/obscuredidentities.pdf>

To be intentional in meeting the objectives of the American Indian/Alaska Native State Plan, ODE must dedicate resources to ensure AI/AN students have the opportunity to increase graduation rates, lower dropout and absenteeism rates, provide accurate curricula and eliminate the achievement and opportunity gaps between AI/AN and other students. ODE needs to analyze and address the overrepresentation in special education of AI/AN students and interrupt the school to prison pipeline. To provide additional supports to schools and districts serving AI/AN students across the state of Oregon, additional funding is required for a dedicated position to support the department's efforts.

The requested position will support implementation of American Indian / Alaska Native plan objectives for AI/AN students enrolled in early childhood through post-secondary education. ODE is responsible for revising and implementing a statewide education plan for AI/AN students, and will include collaborated input with the AI/AN Advisory Panel consisting of representatives from Oregon's tribal governments, community members, education stakeholders and representatives of the Early Learning Division, the Youth Development Division and the Higher Education Coordinating Commission (HECC).

This solution advances the Governor's directives by facilitating AI/AN students to meet key benchmarks, have successful transitions, be prepared to learn, reduce chronic absenteeism, and increase the graduation rate of AI/AN students. The AI/AN state plan also provides funding to districts to build the capacity of incorporating an Equity Lens and be more culturally responsive.

This solution of intentionally supporting the AI/AN State Plan aligns with ODE's strategic plan of:

- Graduating our AI/AN students college and career ready;
- Closing the Achievement Gap and Opportunity Gap for AI/AN students;
- Increasing Teacher and administrator effectiveness;
- Increasing performance for all schools and districts; and,
- Providing AI/AN students with a strong, seamless education system from early childhood through higher education.

Implementing the AI/AN Education State Plan will provide districts the ability to increase a diverse workforce, build the capacity of the district to become more culturally responsive, and provide materials that help educators connect and teach AI/AN students successfully. If this request is not funded, ODE will continue to see the stagnant academic progress of AI/AN students.

TOTAL POLICY OPTION REQUEST - \$3.4 MILLION

DEPARTMENT OPERATIONS: \$1.0M

GRANT-IN-AID: \$2.4M

Strategy 4 – Grant-in-Aid Resources for Equity, Diversity & Inclusion Initiatives (\$1 million General Fund)

It is critical for the work of the Office of Equity, Diversity, and Inclusion (EDI) to provide resources and support for educators across the state of Oregon. This means addressing the needs of currently and/or historically marginalized student and youth populations, including but not limited to: Latino students and youth, students experiencing poverty, and Asian/Pacific Islander students and youth.

There have been various strategic investments over the course of the last five years to address the impact of systemic inequities for current and historically marginalized student populations. These investments have provided resources and support in various areas across the state. However, these investments have not covered the broad range of needs that exist in Oregon communities. In an effort to expand the reach of equity-based strategic investments, the requested funds will provide a foundation to increase funding in future biennia.

There have been limited resources available to provide specific professional learning support to districts around the state. The requested funding would provide the EDI team with the opportunity to create state and regional professional learning opportunities for educators statewide. This includes partnership and collaboration with the Educator Advancement Council (EAC) and other professional education organizations.

Please see the sample data below for additional context:

Discipline Incidents: 2016/2017

Race/Ethnicity	% of Students with One or More Discipline Incidents in 2016-2017
Black/African American	9.90%
Hispanic/Latino	5.90%
American Indian/Alaska Native	8.70%
Native Hawaiian/Pacific Islander	6.70%
White	4.80%
Asian	1.40%

Academic Outcomes: 2016/2017

Student Group	Grades 3-5-ELA	Grades 3-5-Math	Grades 6-8-ELA	Grades 6-8-Math	Grade 11-ELA	Grade 11-Math
Black/African-American	29.0	20.2	33.4	19.2	45.4	13.5

Hispanic/Latino	30.9	25.8	3.7	24.8	59.0	20.8
American Indian/Alaska Native	30.4	26.6	35.6	26.1	54.8	18.6
Native Hawaiian/Pacific Islander	33.8	26.6	38.8	27.2	53.7	20.7
White	56.6	50.2	60.9	47.5	76.0	40.2
Asian	68.5	66.7	75.2	68.9	79.0	56.1
Students w/Disabilities	23.4	21.1	18.6	13.8	30.1	10.7
English Learners	21.8	19.8	17.8	11.2	14.3	9.2
Students Experiencing Poverty	37.5	31.6	42.3	28.4	60.6	23.4

We are proposing increases to the budget to support Equity, Diversity, and Inclusion Initiatives statewide that provide necessary resources to districts, ESD's, educators, culturally specific community based organizations and other education partners. This solution is to create the Addressing Inequities in Marginalized Student and Youth Communities Program to fund initiatives linked to eliminating inequitable outcomes for currently and /or historically marginalized student and youth populations including but not limited to: Latino students, students experiencing poverty, students identifying as LGBGT, and Asian/Pacific Islander students and youth. Funds from this new program will also provide professional earning support to educators across the state of Oregon in implementing culturally responsive pedagogy and practice. ODE is requesting \$1 million General Fund that will be distributed as grant-in-aid in the second year of the biennium (school year 2020-21).

If not approved, advocates and community members will continue to apply pressure for ODE to secure funding in an effort to more fully consider the needs of communities of color in Oregon. The EDI team will continue to assist districts with limited capacity. It will also potentially result in outside organizations seeking funds to facilitate this work in school districts without guidance and direction from the Department, specifically the EDI team.

TOTAL POLICY OPTION REQUEST - \$1.0 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$1.0M

Strategy 5 – Provide Staffing for Technical Assistance on Professional Development for Ethnic Studies

HB 2845 (2017) established an advisory group to identify where current statewide social studies standards fail to recognize the histories, contributions and perspectives of ethnic minorities and social minorities, and to develop ethnic studies standards to propose for adoption into existing statewide social studies standards for public school students in kindergarten through grade 12.

There is a need to provide professional learning specific to the recently passed ethnic studies standards to educators at all levels across the state. The limited human capital on ODE's EDI team and the agency as a whole does not provide sufficient funding to allow staff to be in districts providing this level of professional learning on a regular basis. Having specific funding to provide educators would ensure that the ethnic studies standards are implemented with confidence, fidelity, and adequate resources.

The request is an enhancement to the 2017 Ethnic Studies bill (HB 2845). We are requesting General Fund targeted specifically to the work of Ethnic Studies Standards Professional Learning/Development that provides necessary resources to educators across the state. Dedicated funds would provide the ability to connect with a network of providers to develop and deliver this work.

The request would require specific funds to provide support to districts through events, contracts, etc. for the implementation of the Oregon Ethnic Studies Standards. It would create a dedicated position that would be responsible for coordinating contracts, events, and other duties specific to implementation of the Oregon Ethnic Studies Standards and professional learning for educators across the state.

With current staffing capacity and the increasing demand on resources, it is necessary to request additional resources. The Office of EDI does not have the capacity to provide the level of in depth professional learning needed for Ethnic Studies. There is currently only one position in the Office of Teaching, Learning, and Assessment specific to issues of social studies/social studies standards (1.00 FTE). This position currently provides some technical assistance and professional learning to social studies educators, but the capacity limits will make it impossible to provide the additional support relative to Ethnic Studies.

TOTAL POLICY OPTION REQUEST - \$2.1 MILLION

DEPARTMENT OPERATIONS: \$2.1M

GRANT-IN-AID: \$0.0M

Strategy 6 – Investment for Technical Services and Grants-in-Aid Continuation in Developing and Maintaining a Statewide Curriculum Relating to the Native American As Required by SB 13 (2016)

Oregon has a distinct and unique cultural heritage of American Indians and has committed to the preservation of their cultural integrity, and to providing the support and opportunities American Indian students need to thrive in school and throughout their lives.

In 2001, Oregon was the first state in the nation to pass a state-tribal government-to-government relations law emphasizing the critical importance of establishing and maintaining a variety of ways to learn each other's structures, policies, programs, initiatives, traditions and history. These are used to inform decision-makers in both state and tribal government, as well as to provide opportunities for their respective programs, departments, and staff to exchange relevant information and work together on shared interests. Some local governments also have a history of exploring ways to cooperate with local Tribes to expand opportunities and

provide services in a time of scarce resources in a way that enhances the health, safety and welfare of their citizens, Oregon tribal members, American Indians who are not members of an Oregon tribe, and non-tribal members.

The 1972, Indian Education Act was the landmark legislation establishing a comprehensive approach to meeting the unique needs of American Indian and Alaska Native students. The unique aspects of the original authority have been retained through subsequent legislative reauthorizing statutes, with the latest occurring with the adoption of the December 2015 Every Student Succeeds Act.

Indian Education legislation is unique in the following ways:

- it recognizes American Indians have unique, educational and culturally related academic needs, and distinct language and cultural needs;
- it is the only comprehensive Federal Indian Education legislation that deals with American Indian education from pre-school to graduate-level education, and reflects the diversity of government involvement in Indian education;
- it focuses national attention on the educational needs of American Indian learners, reaffirming the Federal government's special responsibility related to the education of American Indians and Alaska Natives; and
- it provides services to American Indians and Alaska Natives that are not provided by the Bureau of Indian Affairs.

Even with these important legislative efforts Oregon is failing to meet the needs of American Indian students. The state is missing a critical opportunity to fully leverage the strengths, assets and contributions these students bring to their communities and the state as a whole. American Indian students do not consistently find themselves, or their history, in school curriculum, especially Oregon state history curriculum. In fact, they find, more often than not, inaccurate and negative representations of Native Americans. Many school districts and schools, including those adjacent to Oregon's nine federally recognized tribes, have no policy or information in any of their school curricula recognizing the cultural heritage, history, or language of the Oregon Tribes or other American Indians who live in the state. As a result, students and educators often remain uninformed about the experiences, contributions, and perspectives of their tribal neighbors, fellow citizens, and classmates.

The lack of accurate and complete curricula in Oregon may contribute to the persistent achievement gaps between American Indian and other students. Further, in a survey of over 1,000 educators in the state, less than 1 percent could accurately identify Oregon's nine federally recognized tribes, and some may be unaware of the large number of American Indians not affiliated with an Oregon Tribe.

To address this issue, ODE received an investment of \$2 million General Fund in the 2017-19 biennium, for the purposes of creating a K-12 curriculum relating to American Indians in Oregon. In conjunction with SB 13 (2017), this investment is intended provide an accurate and complete curricula that recognizes the cultural heritage, history, and language of Oregon's nine federally recognized tribes. ODE is working to create and implement a historically accurate and culturally relevant curriculum on American Indians in Oregon, for students from kindergarten through grade 12. The curriculum content will include Oregon tribal history, sovereignty,

culture, treaty rights, government, socio-economic experiences, and current events. All content will align with academic standards adopted by the State Board of Education under ORS 329.045.

In collaboration with the nine federally recognized tribes, the Department has allocated \$200,000 of the proposed investment for the purposes of creating the curriculum. ODE will develop the implementation model of the curriculum in three phases (development, implementation, and impact assessment/evaluation). In the development phase, \$1.8 million in grants was provided (\$200,000 for each of the nine tribes) to build capacity in developing the curriculum within school districts (in accordance with SB 13), as well as to provide professional development for teachers.

The current request is for \$2 million for the implementation of the new curriculum, which would provide grants in 2019-21 to create additional grade level curriculum, implement curriculum, and provide professional development to districts. The department would set aside \$200,000 for contracted services, with the remaining \$1.8 million allocated as grants-in-aid for implementation. This is an estimation of the funding needed to continue fulfilling the requirements outlined in Senate Bill 13. The initial \$2 million received for the 2017-19 provided funding to create curriculum for 4th, 8th, and 10th grades and of which \$1.8 million was allocated as grants-in-aid to Oregon’s federally recognized tribal governments to create similar placed-based curriculum. ODE anticipates completion of the curriculum late August 2019, at which time continued funding for this project will be evaluated and additional funds may need to be requested.

ODE will develop accountability measures to ensure every school district is making a good faith effort to implement the curriculum. In addition, the Department will provide an annual status report on the development and implementation of the curriculum to the Oregon’s Legislative Commission on Indian Services, Oregon’s Government to Government Education Cluster, Oregon School Board Association, and Oregon Department of Education’s State Board.

TOTAL POLICY OPTION REQUEST - \$2.0 MILLION
DEPARTMENT OPERATIONS: \$0.2M
GRANT-IN-AID: \$1.8M

Staffing Impact: 2 positions (1.84 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 3 – American Indian/Alaska Native State Plan Support</i>						
2111003	Teaching & Learning	CTE	OAS C0107 AP	AI/AN State Plan Support (CTE)	General Fund	0.92
<i>Strategy 5 – Ethnic Studies</i>						
2113203	Equity, Diversity & Inclusion	EDI	OAS C0871 AP	Ethnic Studies Policy Analyst	General Fund	0.92

Quantifying Results:

Strategy 1 – Expand Grant-in-Aid for the African American/Black Student Success Plan

By end of 2021-23, increase the outcomes and opportunities for African American black students by increasing percentage of freshman on track by 5.2 percent and high school graduate rate by 3.7 percent.

Strategy 2 – Expand Career and Technical Education Revitalization Program for American Indian/Alaska Native Students

By the end of the 2019-21 biennium the number of American Indian/Alaska Native concentrators in CTE programs supported by a CTE Revitalization Grant will increase by 10 percent.

Strategy 3 – Provide Staffing for the American Indian/Alaska Native State Plan (related Legislative Concept 314)

By June 2021, ODE will begin implementing strategic objectives outlined in the American Indian/Alaska Native State Plan approved by the State Board of Education in 2014.

Strategy 4 – Grant-in-Aid Resources for Professional Development In Culturally Responsive Practices

By June 2021 the Office of Equity, Diversity, and Inclusion at Oregon Department of Education will create and deliver 12-15 equity-focused professional learning opportunities to support cohorts of educators in five regions of the state.

Strategy 5 – Provide Staffing for Technical Assistance on Professional Development for Ethnic Studies

By the 2020-21 school year, ensure 100% of all Oregon educators have received the necessary tools and professional learning to fully implement the Oregon Ethnic Standards.

Strategy 6 – Investment for Technical Services and Grants-in-Aid continuation in Developing and Maintaining a Statewide Curriculum Relating to the Native American As Required by SB 13 (2016)

By the 2020-21 school year, develop a curriculum of American Indians in Oregon for all nine federally recognized tribes to be implemented in Grades 1, 2, and 3.

Revenue Source*:

Operations:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$277,424			\$277,424
Services and Supplies	3,004,350			3,004,350
Special Payments				
Total Request	<hr/> \$3,281,774			<hr/> \$3,281,774

This package is included in the Governor's Balanced Budget as modified:

Includes funding for strategies 1, 3 and 5, including support for coordination of the American Indian/Alaska Native State Plan with 1 position (0.92 FTE).

Operations:	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$134,594			\$134,594
Services and Supplies	874,858			874,858
Special Payments				
Total Request	<hr/> \$1,009,452			<hr/> \$1,009,452

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 102 - Historically Marginalized & Underserved Pops

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,009,452	-	-	-	-	-	1,009,452
Total Revenues	\$1,009,452	-	-	-	-	-	\$1,009,452
Personal Services							
Class/Unclass Sal. and Per Diem	65,868	-	-	-	-	-	65,868
Temporary Appointments	15,000	-	-	-	-	-	15,000
Empl. Rel. Bd. Assessments	56	-	-	-	-	-	56
Public Employees' Retire Cont	11,178	-	-	-	-	-	11,178
Social Security Taxes	6,187	-	-	-	-	-	6,187
Worker's Comp. Assess. (WCD)	53	-	-	-	-	-	53
Mass Transit Tax	485	-	-	-	-	-	485
Flexible Benefits	32,252	-	-	-	-	-	32,252
Reconciliation Adjustment	3,515	-	-	-	-	-	3,515
Total Personal Services	\$134,594	-	-	-	-	-	\$134,594
Services & Supplies							
Instate Travel	15,750	-	-	-	-	-	15,750
Employee Training	800	-	-	-	-	-	800
Office Expenses	830	-	-	-	-	-	830
Telecommunications	2,280	-	-	-	-	-	2,280
Data Processing	10,000	-	-	-	-	-	10,000
Professional Services	555,000	-	-	-	-	-	555,000
Attorney General	6,000	-	-	-	-	-	6,000
Dues and Subscriptions	500	-	-	-	-	-	500

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 102 - Historically Marginalized & Underserved Pops

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Rental and Taxes	7,926	-	-	-	-	-	7,926
Agency Program Related S and S	146,204	-	-	-	-	-	146,204
Other Services and Supplies	118,118	-	-	-	-	-	118,118
Expendable Prop 250 - 5000	11,450	-	-	-	-	-	11,450
Total Services & Supplies	\$874,858	-	-	-	-	-	\$874,858
Total Expenditures							
Total Expenditures	1,009,452	-	-	-	-	-	1,009,452
Total Expenditures	\$1,009,452	-	-	-	-	-	\$1,009,452
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1
Total FTE							
Total FTE							0.92
Total FTE	-	-	-	-	-	-	0.92

PACKAGE: 102 - Historically Marginalized & Un

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2111003	OAS	C0107	AP ADMINISTRATIVE SPECIALIST 1	1	.92	22.00	02	2,994.00	65,868				65,868
									48,578				48,578
TOTAL PICS SALARY									65,868				65,868
TOTAL PICS OPE									48,578				48,578
TOTAL PICS PERSONAL SERVICES =				1	.92	22.00			114,446				114,446

DEPARTMENT OPERATIONS

Package 103 – Safe and Effective Schools for All Students

Purpose:

Incidents of school violence have created a critical challenge for schools and communities around the country. It is critical that strategies be developed and implemented that ensure schools are safe havens where students can learn and thrive without being bullied, harassed, or face physical harm from violent acts.

While we want our schools to be joyful, safe places for our children to learn, we must do more to make this a reality for all students. Bullying and harassment are a pervasive problem in schools. Youth suicides are increasing at an alarming rate. Even school shootings have impacted Oregon, most recently at Umpqua Community College.

These statistics tell the story:

- In 2017, more than 9% of 8th graders reported not going to school at least one day in the previous 30 due to safety concerns. (2017 Oregon Healthy Teen Survey)
- Nearly one in three 8th graders – and over one in five 11th graders – reported having been bullied at school in 2017. (2017 Oregon Healthy Teen Survey)
- More than 30% of Oregon 8th graders in 2017 reported feeling “so sad or hopeless almost every day for two weeks in a row” that they “stopped doing some usual activities.” (2017 Oregon Healthy Teen Survey)
- Suicide is the second leading cause of death among youths aged 10 to 24 years in Oregon in 2017. (Oregon Health Authority, 2018)
- 239 shootings have occurred at schools nationwide since 2014, resulting in 138 deaths (Gun Violence Archive, 2018)

In response to these issues, Oregon has actively pursued discussion with education stakeholders on how best to respond to these issues. Both the Oregon Task Force on School Safety and the recently convened Advisory Committee on Safe and Effective Schools for ALL Students have worked actively to create a series of recommendations and strategic initiatives. To support these ideas, ODE is proposing an investment totaling \$6.3 million for the 2019-21 biennium to implement strategic initiatives that work collectively to provide an inclusive, safe, and welcoming learning environment conducive to learning for all students and staff.

The \$6.3 million investment would be targeted for both Department Operations and Grant-in-Aid to accomplish the following strategic objectives:

- Strategy 1 – Investment of \$1.9 million for Grant-in-Aid and 1 position /.92 FTE to establish a comprehensive and systematic threat assessment system that uses early interventions to keep students safe.

- Strategy 2 – Investment of \$4.4 million for Grant-in-Aid and 6 positions/5.52 FTE to further the state’s efforts around the research, development, and implementation of professional development and best practices that provide for safe schools.

TOTAL POLICY OPTION REQUEST - \$6.3 MILLION

DEPARTMENT OPERATIONS: \$1.8M

GRANT-IN-AID: \$4.5M

How Achieved:

Strategy 1 – Statewide School Safety and Prevention System

Under this strategy, Oregon would take a pro-active, public health approach to the issue of school safety and violence prevention. It calls for establishing a comprehensive and systematic threat assessment system that uses early interventions to keep students safe. The goal is to intervene earlier, rather than wait to react to a crisis.

The key tenets of this approach are part of an eight-point plan that was developed by national experts and outlined in a recent article published by National Public Radio (Here’s How to Prevent the Next School Shooting, Experts Say,” 2018). So far, around 2,300 individual experts and around 200 universities, national organizations, school districts and others have endorsed it as a promising practice.

With the investment of \$1.9 million, ODE would provide \$1.7 million in Grant-In-Aid funding to be allocated to Education Service Districts (ESDs) for the purpose of assisting school districts within their region to convene multi-disciplinary teams of school counselors, community mental health professionals, family and youth community-based service providers and law enforcement partners. Together they would work with their school personnel to develop an intervention services plan for the student at risk of committing violence. These teams would also work with families and the community to provide wraparound supports designed to break negative patterns and steer youth in a positive direction. The funding would be targeted as follows:

- School Safety and Prevention Specialists would work with schools throughout the state. Specialists would be assigned regionally to ensure strong linkages and familiarity with the community.
- Youth Suicide Prevention Specialists would provide training, outreach and technical assistance to key school staff regarding youth suicide prevention and mental wellness promotion.
- Support to provide training and technical assistance in student threat assessment.

The additional \$200,000 of the \$1.9 million investment would be used for one program administrator position at ODE to provide oversight of the system. In addition, a steering committee would be established, comprised of experienced practitioners in the areas

of public mental health, law enforcement, education, and juvenile justice. Additional areas of representation could be added, as needed.

The result of this investment is anticipated to lead to the following outcomes:

Implementation of a multi-disciplinary student threat assessment system to help school personnel identify, assess and support students who present a potential risk for violence toward others. Outcomes will be increased training and technical assistance related to student threat assessment to all Oregon school districts that will focus on:

- Assisting school personnel in identifying students with ongoing incidents of reactive violence or aggression toward others.
- Assisting school personnel in identifying students who present a potential risk for targeted violence or aggression toward others.
- Providing training and standardized screening protocols for school personnel.
- Providing supervision strategies for students who are in at-risk situations and help connect students and families with community-based services and related support.
- Mitigating education community risk and liability.

Promotion of student mental wellness and enhanced youth suicide prevention efforts in schools. Outcome will be increased training, outreach and technical assistance related to the youth suicide prevention and mental wellness promotion. This effort will work to prevent youth suicides by increasing connections to families and peers and helping youth develop a sense of belonging.

Promotion and awareness of Oregon's statewide school safety tip line (SafeOregon). Outcome will be increased use and awareness of the SafeOregon tip line which was implemented in 2017 to provide students and parents an easy tool for reporting potential threats. It already has provided timely information to help school and law enforcement officials prevent acts of violence and self-harm.

TOTAL POLICY OPTION REQUEST - \$1.9 MILLION

DEPARTMENT OPERATIONS: \$0.2M

GRANT-IN-AID: \$1.7M

Strategy 2 – Safe and Effective Schools for ALL Students

The Advisory Committee on Safe and Effective Schools for ALL Students developed nine proactive recommendations to ensure an inclusive, safe, and welcoming learning environment conducive to learning for ALL students and staff. The recommendations focus on professional learning for educators, cross-sector services provided to students in schools, a framework for implementation of proactive programs and services, equitable systems, early indicator and intervention systems, data collection and analysis, support for a representative education workforce, support through education transitions, and inclusion of student and family voice.

In order to implement the recommendations, ODE is proposing a budgetary request to establish a Safe and Effective Schools Team ODE to work collectively in implementing many of the recommendations. Specifically, this will include:

- Developing simple, stigma-free access to cross-sector wraparound services in schools. ODE will partner with key staff at the Department of Human Services, the Oregon Health Authority, Oregon Housing and Community Services, the Oregon State Police, the Early Learning Division, the Youth development Division, and local school districts, education service districts and communities with a focus on coordinating services, opening lines of communication to deepen partnerships, identifying barriers and designing incentives to promote cross-sector collaboration, and designing relevant policy for the 2020 and 2021 sessions.
- Promoting professional learning and a representative workforce. ODE will coordinate with the Educator Advancement Council (EAC) to provide a set of rigorous Equity Standards (a tool that covers social justice, cultural relevance, maintains high expectations, etc.) to enhance the Learning Forward standards adopted by that body. Through this effort with the EAC, develop a Schools-to-Schools Pipeline to provide a pathway for racially/ethnically and linguistically diverse students to become teachers through the investments of the EAC.
- Collaborating with research partners, to design and implement a holistic Safe, Effective, and Equitable Schools Assessment Tool that will evaluate programs, practices, and policies and level of implementation in place school districts and provide recommendations for next steps for implementation of supports to provide a safe and welcoming learning environment for ALL students and staff.
- Collecting an inventory of current data collections to identify existing data and gaps in data and review to inform policies and measure progress toward improved safe and effective environments and experiences for ALL students. Where data is missing that would otherwise provide for availability of information and disaggregated school-level analysis of data about exclusionary and disproportionate practices (including specific data about children excluded from school due to behavior, put on an abbreviated school day, those receiving in-school suspension, or other exclusionary practices), develop proposals for new data collections and analysis.
- Establishing a network of 20 regional student voice councils that shall meet as a statewide body to create the Oregon Student Voice Network. This network will be charged with informing the Deputy Superintendent of Public Instruction, State Board of Education, and local education leaders on pathways (1) for feedback to build a community environment, (2) to build trust and relationships, and (3) for students to see their interests, values, and cultural heritage reflected in their school curriculum and their extracurricular activities. The Oregon Student Voice Network will be charged with the development and review of the data from the biannual statewide school climate survey along with developing recommendations to improve school climate and student success based on survey results, personal experience in public schools, and review of other available data.

The total investment requested to accomplish these objectives is \$4.4 million of which \$2.8 million will be used for Grant-In-Aid for school district grants and technical service contracts. The remaining \$1.6 million will be used to establish the Safe and Effective School Team at ODE.

TOTAL POLICY OPTION REQUEST - \$4.4 MILLION <i>DEPARTMENT OPERATIONS: \$1.6M</i> <i>GRANT-IN-AID: \$2.8M</i>

Staffing Impact: 6.44 FTE

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – Statewide School Safety and Prevention System</i>						
2113317	Student Services		OAS C0862 AP	Program Analyst 3	General Fund	0.92
Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 2 – Safe and Effective Schools for ALL Students</i>						
2111007	Deputy Superintendent		OAS C0862 AP	Program Analyst 3	General Fund	0.92
2111008	Deputy Superintendent		OAS C0108 AP	Administrative Specialist 2	General Fund	0.92
2111009	Deputy Superintendent		OAS C0873 AP	Ops & Policy Analyst 4	General Fund	0.92
2111010	Deputy Superintendent		OAS C0873 AP	Ops & Policy Analyst 4	General Fund	0.92
2111011	Deputy Superintendent		OAS C0872 AP	Ops & Policy Analyst 3	General Fund	0.92
2111012	Deputy Superintendent		OAS C0862 AP	Program Analyst 3	General Fund	0.92

Quantifying Results:

Strategy 1 – Statewide School Safety and Prevention System

Implement a statewide comprehensive and systematic threat assessment system to:

- 1) Identify students who present a potential risk for violence towards each other;
- 2) Increase student wellness and youth suicide prevention efforts in schools;
- 3) Implement effective bullying and harassment prevention programs; and,
- 4) Promote increased awareness and use of Oregon statewide school safety tip line.

Strategy 2 – Safe and Effective Schools for ALL Students

- 1) Provide guidance, training, and technical assistance on best practices to all school districts to promote safe and welcoming learning environment for all students.
- 2) Create a network of 20 regional student voice councils to better inform best practices that promote safe and welcoming learning environments for all students.

Revenue Source:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$1,229,398			\$1,229,398
Services and Supplies	589,924			589,924
Capital Outlay				
Special Payment				
Total Request	<u>\$1,819,322</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,819,322</u>

This package is included in the Governor’s Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 103 - Safe & Effective Schools for All Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,819,322	-	-	-	-	-	1,819,322
Total Revenues	\$1,819,322	-	-	-	-	-	\$1,819,322
Personal Services							
Class/Unclass Sal. and Per Diem	800,888	-	-	-	-	-	800,888
Empl. Rel. Bd. Assessments	392	-	-	-	-	-	392
Public Employees' Retire Cont	135,911	-	-	-	-	-	135,911
Social Security Taxes	61,267	-	-	-	-	-	61,267
Worker's Comp. Assess. (WCD)	371	-	-	-	-	-	371
Mass Transit Tax	4,805	-	-	-	-	-	4,805
Flexible Benefits	225,764	-	-	-	-	-	225,764
Total Personal Services	\$1,229,398	-	-	-	-	-	\$1,229,398
Services & Supplies							
Instate Travel	110,250	-	-	-	-	-	110,250
Employee Training	5,600	-	-	-	-	-	5,600
Office Expenses	5,810	-	-	-	-	-	5,810
Telecommunications	15,960	-	-	-	-	-	15,960
Data Processing	70,000	-	-	-	-	-	70,000
Professional Services	120,000	-	-	-	-	-	120,000
Attorney General	6,000	-	-	-	-	-	6,000
Dues and Subscriptions	3,500	-	-	-	-	-	3,500
Facilities Rental and Taxes	27,740	-	-	-	-	-	27,740
Agency Program Related S and S	184,989	-	-	-	-	-	184,989

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 103 - Safe & Effective Schools for All Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	40,075	-	-	-	-	-	40,075
Total Services & Supplies	\$589,924	-	-	-	-	-	\$589,924
Total Expenditures							
Total Expenditures	1,819,322	-	-	-	-	-	1,819,322
Total Expenditures	\$1,819,322	-	-	-	-	-	\$1,819,322
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							7
Total Positions	-	-	-	-	-	-	7
Total FTE							
Total FTE							6.44
Total FTE	-	-	-	-	-	-	6.44

PACKAGE: 103 - Safe & Effective Schools for A

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2111007	OAS	C0862	AP PROGRAM ANALYST 3	1	.92	22.00	02	5,189.00	114,158 60,467				114,158 60,467
2111008	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	1	.92	22.00	02	3,409.00	74,998 50,825				74,998 50,825
2111009	OAS	C0873	AP OPERATIONS & POLICY ANALYST 4	1	.92	22.00	02	5,993.00	131,846 64,821				131,846 64,821
2111010	OAS	C0873	AP OPERATIONS & POLICY ANALYST 4	1	.92	22.00	02	5,993.00	131,846 64,821				131,846 64,821
2111011	OAS	C0872	AP OPERATIONS & POLICY ANALYST 3	1	.92	22.00	02	5,442.00	119,724 61,837				119,724 61,837
2111012	OAS	C0862	AP PROGRAM ANALYST 3	1	.92	22.00	02	5,189.00	114,158 60,467				114,158 60,467
2113317	OAS	C0862	AP PROGRAM ANALYST 3	1	.92	22.00	02	5,189.00	114,158 60,467				114,158 60,467
TOTAL PICS SALARY									800,888				800,888
TOTAL PICS OPE									423,705				423,705
TOTAL PICS PERSONAL SERVICES =				7	6.44	154.00			1,224,593				1,224,593

DEPARTMENT OPERATIONS

Package 104 – Protect the Civil Rights of Students

Purpose:

This package requests Strategic Investments of \$1.6 million for 5 Positions/4.18 FTE to investigate risk; review complaints; ensure compliance; and provide technical assistance and professional development for the civil right of all Oregon students.

- **Strategy 1** - Strategic investment of \$0.6 million for 1 Position/ 0.92 FTE to provide adequate ODE staffing to review and mitigate Civil Rights complaints in the Deputy Supt. Office.
- **Strategy 2** - Strategic investment of \$0.3 million for 1 Position/0.92 FTE to provide adequate ODE staffing in the Department's Office of Equity, Diversity, and Inclusion.
- **Strategy 3** - Strategic investment of \$0.7 million for 3 Positions/2.34 FTE to address increased workload created through federal and state law changes that require additional monitoring visits to ensure Civil Rights compliance, monitoring, and professional development in Career and Technical Education Programs.

In the past year, there has been an increase in the number of formal complaints filed with the agency. The increase in formal complaints is primarily in areas relating to civil rights, but also include standards-based complaints. Two reasons cited to for this increase are that previously some of these complaints were addressed by the federal office of civil rights. Currently, the federal office is perceived as being less friendly to these complaints or not addressing the complaints at all. Examples of these kinds of complaints include complaints of discrimination based on gender or sexual orientation. The second reason is that more parents, students and other complainants are aware of the state as an avenue for addressing grievances. The complaints require communication with the parties, Department of Justice, investigation, and administrative order writing. In some cases, conducting an administrative hearing is also necessary.

Civil rights complaints touch on a variety of programs, and staff in multiple offices are impacted by the workload required.

TOTAL POLICY OPTION REQUEST - \$1.6 MILLION

DEPARTMENT OPERATIONS: \$1.6M

GRANT-IN-AID: \$0.0M

How Achieved:

Strategy 1 – Staffing Capacity to Review and Mitigate Civil Rights Complaints at Agency Level

The request is for one additional position (C0872, Operations and Policy Analyst 3) that would primarily address both formal and informal complaints received by the agency. This position would also manage ODE's complaint process. By dedicating a staff person to the civil rights complaints, civil rights staff will be able to provide more technical assistance to school districts. This position would also perform higher level policy or rule work such as facilitating the development of new policies or rules.

Addressing civil rights complaints in a timely manner aligns with ODE's goals relating to equity. Additionally, some legislators have inquired about how ODE can better support districts in addressing issues relating to civil rights such as harassment and bullying based on race, gender or sexual orientation. This request will result in the ability for more staff time to be devoted to technical assistance for such issues.

In the 2017-19 biennium, ODE hired a temporary staff person to address the increase in civil rights complaints until we could determine whether the increase in workload was sufficient to require an additional permanent staff person. We also contracted with investigators to handle the complaint investigation workload. Based on the sustained increase in complaints, we are moving forward with a permanent plan.

This request also addresses ODE's succession planning efforts by establishing Operations & Policy Analyst positions at a lower level than many others within the agency. This provides an opportunity ladder within the agency. (see also POP 113, Adequate Levels of Business Services)

TOTAL POLICY OPTION REQUEST - \$0.6 MILLION

DEPARTMENT OPERATIONS: \$0.6M

GRANT-IN-AID: \$0.0M

Strategy 2 – Staffing Capacity in Office of Equity, Diversity & Inclusion

The department is also seeking position authority and funding for an additional Education Specialist 2 position to support students, families, schools, districts, and other stakeholders to provide a safe learning environment free from harassment and discrimination on the basis of sex and gender. This position in the Office of Equity, Diversity & Inclusion would:

- Provide professional development and technical assistance to schools, districts, community groups and ODE staff;
- Work to continue providing policy and implementation support with legislation and state or federal level statutes;
- Investigate appeals of discrimination on the basis of sex or sexual orientation; and,
- Work to provide intervention and proactive measures in schools to eliminate harassment on the basis of sex and gender.

A priority of ODE is to increase graduation rates for students in Oregon and to improve student achievement. For a student to be successful in school, there must be a safe environment free from harassment or discrimination.

In 1972, a second-generation school teacher and U.S. Congresswoman from Oregon enacted Title IX of the Education Amendments Act, designed to provide protections to students from discrimination on the basis of sex and gender. Title IX has federal requirements for schools to designate and train a Title IX Coordinator to implement policy and practices. Most districts in Oregon have not been able to meet these requirements.

Since the implementation of Title IX, Oregon has been in the forefront nationally to enact state laws and establish policies based on providing equity on the basis of sex and gender (Sexual Harassment Policy, Cyber bullying, Oregon Equity Act, Transgender Guidelines). The policies and laws are in place, but staffing support has not been provided to implement these policies in schools. As a result, many of our students are at risk. While we often refer to the civil rights work as Title IX-related, Oregon has its own more stringent discrimination protections in ORS 326.051.

Data reported by Oregon’s eighth- and eleventh-grade students in the Oregon Healthy Teen Survey highlights the experiences of students in Oregon schools, and highlights discrepancies of perceived safety based on sex or gender.

As the following charts show, female students are experiencing bullying at a higher rate than male students in both eighth and eleventh grade. They are twice as likely to contemplate or attempt suicide. Ten percent of female eleventh grade students report having been physically forced to have sexual intercourse, and twenty percent report having given into sexual activity that they did not want. Eleven percent of eighth grade respondents and twenty-one percent of eleventh grade female respondents have missed over 16 days of school in the last year, and are considered chronically absent.

For Eighth Grade Students

	Experience bullying at school	Have been threatened with a weapon at school	Stayed home 16 or more days this year	Contemplated suicide this year	Attempted suicide this year	Positive Youth Development - Resiliency
Male	24%	10%	11%	10%	5%	60%
Female	35%	6%	11%	17%	11%	55%
transgender	57%	20%	17%	47%	29%	27%
other	33%	20%	10%	21%	14%	45%
Straight	27%	8%	10%	13%	7%	61%

Lesbian / Gay	52%	15%	16%	46%	25%	40%
Bisexual	57%	13%	18%	51%	25%	29%
Something Else	49%	16%	12%	41%	21%	31%
Don't know	36%	7%	11%	21%	12%	42%

For Eleventh Grade Students

	Experience bullying at school	Have been threatened with a weapon at school	Stayed home 16 or more days this year	Physically forced to have sex	Given into pressure to have sex	Contemplated suicide this year	Attempted suicide this year	Positive Youth Development - Resiliency
male	15%	6%	16%	2%	3%	12%	4%	63%
female	24%	3%	21%	10%	20%	22%	8%	55%
transgender	35%	11%	20%	13%	20%	42%	17%	33%
other	32%	23%	26%	4%	9%	32%	15%	38%
Straight	18%	5%	18%	5%	10%	14%	5%	63%
Lesbian / Gay	41%	7%	22%	15%	17%	38%	19%	41%
Bisexual	38%	7%	20%	17%	27%	47%	19%	34%
Something Else	30%	10%	24%	12%	18%	38%	15%	30%
Don't know	24%	6%	17%	10%	17%	29%	8%	41%

This survey is one of the few that collects data on gender identity and sexual orientation of students, and the experiences of LGBTQ students in Oregon schools. The survey demonstrates that students who identify as LGBTQ are three times more likely to be harassed or bullied in schools than their peers are. They are threatened with weapons more than twice as often and are more likely to be forced or coerced to have sexual intercourse. According to this survey, one out of every two LGBTQ eighth grade respondents has contemplated suicide, and approximately one in five has attempted suicide. Over 20 percent of LGBT students missed more than 16 days of school last year, and are considered chronically absent.

Many schools recognize the need for more professional development to support students. Last year there were over 40 requests to ODE staff for professional development on issues related to sex, sexual orientation or gender identity. In addition, schools, parents, students, and community groups are requesting technical assistance. During just two months (January and February) of 2018, over 28 requests for technical assistance through calls and emails came to the Title IX Coordinator at ODE. This represents a significant

increase in the number of requests. During the years of 2013 through 2016, only one appeal of discrimination was filed with the Superintendent of Public Instruction on the basis of sex or sexual orientation. During the 2017-18 school year, there have already been eight appeals of discrimination on the basis of sex or sexual orientation filed with the Oregon Department of Education. These result in the need for an investigator to investigate the allegations, as well as providing technical assistance to the complainants and the districts. ODE has one staff person who deals with Title IX and ORS 326.051 civil rights issues as about 25 percent of their duties. While the work is often cited as Title IX because of the requirement for a Civil Rights coordinator, ORS 326.051 requirements are more stringent than Title IX, and garner as many or more complaints. ODE is not able to keep up with the growing demand for support with the limited staff time dedicated towards meeting the needs of students, schools, districts, and communities. The current employee working on these cases is split between CTE civil rights complaints (50%, federally funded), ELL work (25%, other funded) and Title IX civil rights (25%, General Fund). There is enough work to support an additional full-time position on state-required oversight of discrimination complaints.

Along with Professional Development and investigations, the position is involved in policy and procedures on a state level. The Transgender Guidelines is one prior example; currently there are multiple requests for state level guidance on single gender course offerings, athletic fund raising practices, and methods for responding to sexual assault in a trauma informed manner.

This request is to provide the position needed to respond to current demand from schools, districts, communities, students, and staff. ODE is not able to keep up with the growing demand for support with the small amount of staffing that is currently dedicated towards meeting the needs of students, schools, districts, and communities. The new position would be dedicated to support current staff and programs by providing technical assistance, professional development, creating and sharing resources, and conducting investigations and/or audits, as needed.

TOTAL POLICY OPTION REQUEST - \$0.3 MILLION

DEPARTMENT OPERATIONS: \$0.3M

GRANT-IN-AID: \$0.0M

Strategy 3 – Impact of Federal and State Law Changes on Monitoring & Professional Development in CTE Programs

The Oregon Department of Education (ODE) actively supports the mission of the Office for Civil Rights: "to ensure equal access to a high-quality education for all students through the vigorous enforcement of civil rights." Federal compliance requirements from the U.S. Department of Education (USDOE) include:

- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Section 504 of the Rehabilitation Act of 1973
- Vocational Education Programs - Non-Discrimination Guidelines

- Guidelines for Eliminating Discrimination and Denial of Services on the Basis of Race, Color, National Origin, Sex and Handicap in Vocational Education Programs.

In addition, U.S. Department of Justice regulations require compliance through Title II of the Americans with Disabilities Act of 1990 (Title II), 28 CFR Part 35.

Each year 2.5 percent of high schools and community colleges are targeted for an onsite review, as required by the U.S. DOE. Comprehensive reviews are conducted to prevent discrimination and ensure equal access to programs, courses and information for each Oregon student. ODE also provides technical assistance to help institutions achieve voluntary compliance with the civil rights laws enforced by the USDOE Office for Civil Rights. Oregon Department of Education and the Higher Education Coordinating Commission/Community Colleges and Workforce Development have developed a five-step Method of Administration (MOA) process that meets the Federal requirements.

Federal regulations require that at least 2.5 percent of schools offering Career and Technical Education (CTE) have an onsite review. CTE in Oregon is increasing because of additional funding through High School Success, Secondary Career Pathway Funding, CTE Revitalization Grants, and Oregon STEM Hubs. These new funding sources and an updated Federal definition of CTE has expanded the scope of coverage beyond the high schools and community colleges to include middle schools and virtual schools.

With expanding numbers of programs, the staffing demand for the entire MOA process increases significantly. Staff will need to examine more data to identify institutions for review, train more districts and colleges, visit more institutions and buildings, write more reports, monitor more actions, and report more to the Office of Civil Rights.

This package requests three additional positions (2.34 FTE) to provide monitoring and on-site reviews to CTE programs.

TOTAL POLICY OPTION REQUEST - \$0.7 MILLION
DEPARTMENT OPERATIONS: \$0.7M
GRANT-IN-AID: \$0.0M

Staffing Impact: Total 5 positions (4.18 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – Agency Support for Civil Rights Complaints – Office of Deputy Superintendent’s</i>						
2111002	Deputy Superintendent	GLAM	OAS C0872 AP	Civil Rights Appeals Coordinator	General Fund	0.92

Strategy 2 – Capacity in Office of Equity, Diversity & Inclusion

2113202	Equity, Diversity & Inclusion	EDI	OAS C0873 AP	Civil Rights Professional Development	General Fund	0.92
Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE

Strategy 3 – Impact of Federal & State Law Changes on CTE Programs

2113123	Teaching & Learning	CTE	OAS C2301 EP	Civil Rights Compliance, Monitoring & Proactive Prof Development	General Fund	0.92
2113124	Teaching & Learning	CTE	OAS C2301 EP	Civil Rights Compliance, Monitoring & Proactive Prof Development	General Fund	0.92
2113125	Teaching & Learning	CTE	OAS C2301 EP	Civil Rights Compliance, Monitoring & Proactive Prof Development	General Fund	0.50

Quantifying Results:

Strategy 1 – Staffing Capacity to Review and Mitigate Civil Rights Complaints at Agency Level

By the end of 2019-21, ODE will effectively close 80 percent of all civil rights complaints received by ODE within 198 days.

Strategy 2 – Staffing Capacity in Office of Equity, Diversity & Inclusion

Effectively increase response time to schools regarding civil rights complaints or technical assistance needs to 10 days.

Strategy 3 – Impact of Federal and State Law Changes on Monitoring & Professional Development in CTE Programs

By the end of the 2019-21 biennium, the Oregon Department of Education will have completed Civil Rights reviews and met Federal reporting requirements for 2.5 percent of CTE programs in school districts, Community Colleges, and STEM Hubs.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$917,194			\$917,194
Services and Supplies	715,163			715,163
Special Payments				
Total Request	\$1,632,357			\$1,632,357

This package is included in the Governor's Balanced Budget as modified:

Includes funding for strategies 1 and 3, including 4 positions (3.26 FTE) for agency-level and CTE civil rights complaints.

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$719,736			\$719,736
Services and Supplies	570,179			570,179
Special Payments				
Total Request	<hr/> \$1,289,915			<hr/> \$1,289,915

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 104 - Protect the Civil Rights of Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,289,915	-	-	-	-	-	1,289,915
Total Revenues	\$1,289,915	-	-	-	-	-	\$1,289,915
Personal Services							
Class/Unclass Sal. and Per Diem	471,404	-	-	-	-	-	471,404
Empl. Rel. Bd. Assessments	224	-	-	-	-	-	224
Public Employees' Retire Cont	79,998	-	-	-	-	-	79,998
Social Security Taxes	36,062	-	-	-	-	-	36,062
Worker's Comp. Assess. (WCD)	212	-	-	-	-	-	212
Mass Transit Tax	2,828	-	-	-	-	-	2,828
Flexible Benefits	129,008	-	-	-	-	-	129,008
Total Personal Services	\$719,736	-	-	-	-	-	\$719,736
Services & Supplies							
Instate Travel	25,125	-	-	-	-	-	25,125
Employee Training	2,800	-	-	-	-	-	2,800
Office Expenses	2,905	-	-	-	-	-	2,905
Telecommunications	9,120	-	-	-	-	-	9,120
Data Processing	21,437	-	-	-	-	-	21,437
Professional Services	250,000	-	-	-	-	-	250,000
Attorney General	51,000	-	-	-	-	-	51,000
Dues and Subscriptions	2,000	-	-	-	-	-	2,000
Facilities Rental and Taxes	19,814	-	-	-	-	-	19,814
Agency Program Related S and S	157,813	-	-	-	-	-	157,813

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 104 - Protect the Civil Rights of Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	28,165	-	-	-	-	-	28,165
Total Services & Supplies	\$570,179	-	-	-	-	-	\$570,179
Total Expenditures							
Total Expenditures	1,289,915	-	-	-	-	-	1,289,915
Total Expenditures	\$1,289,915	-	-	-	-	-	\$1,289,915
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							4
Total Positions	-	-	-	-	-	-	4
Total FTE							
Total FTE							3.26
Total FTE	-	-	-	-	-	-	3.26

PACKAGE: 104 - Protect the Civil Rights of St

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2111002	OAS	C0872	AP OPERATIONS & POLICY ANALYST 3	1	.92	22.00	02	5,442.00	119,724 61,837				119,724 61,837
2113123	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST 2	1	.92	22.00	02	6,280.00	138,160 66,376				138,160 66,376
2113124	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST 2	1	.92	22.00	02	6,280.00	138,160 66,376				138,160 66,376
2113125	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST 2	1	.50	12.00	02	6,280.00	75,360 50,915				75,360 50,915
TOTAL PICS SALARY									471,404				471,404
TOTAL PICS OPE									245,504				245,504
TOTAL PICS PERSONAL SERVICES =				4	3.26	78.00			716,908				716,908

DEPARTMENT OPERATIONS

Package 105 – Best Practices in Reducing Chronic Absenteeism of Students

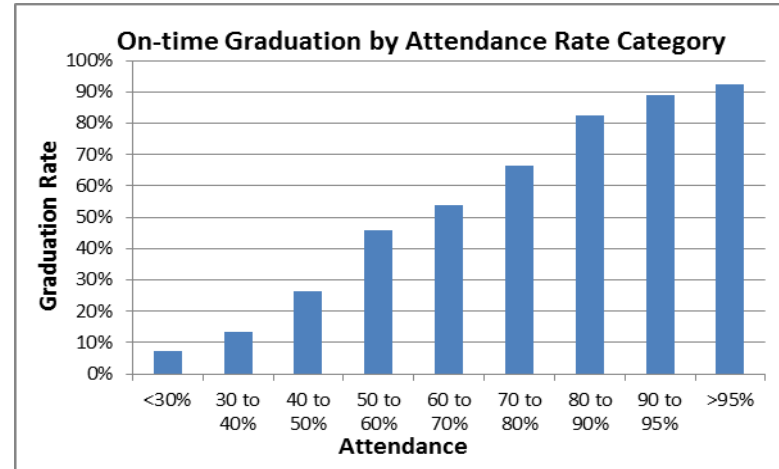
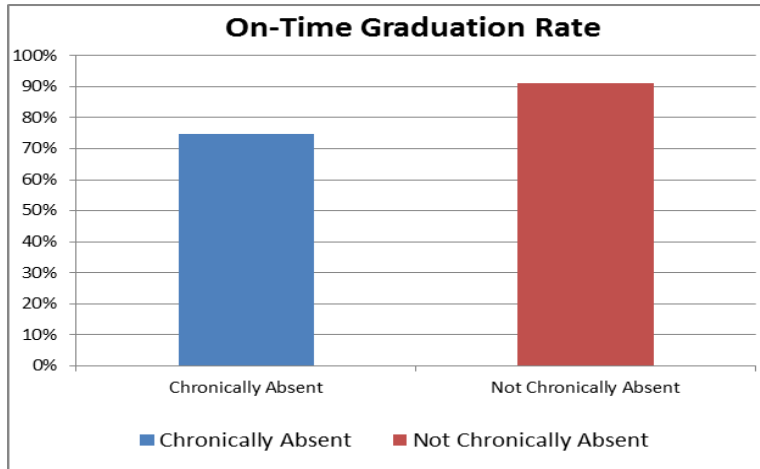
Purpose:

This package requests Strategic Investments of \$9.0 million for Grant-In-Aid and 5 Positions/3.76 FTE that expand the use of current best practices and investments targeted to reduce chronic absenteeism, implement trauma informed/social emotional learning practices, and create effective and welcoming learning environments for all students.

- **Strategy 1** – Investment of \$6.6 million for Grant-In-Aid and 3 Positions/ 2.34 FTE to increase funding in implementing the chronic absenteeism state plan to ensure more school districts with chronic absenteeism rates of 25% are receiving support. Strategy also includes focus of Regional Consortiums to include targeting culturally specific students in the region.
- **Strategy 2** – Investment of \$1.4 million for Grant-In-Aid and 2 Positions/1.42 FTE that provides continuation and expansion of the current Trauma Informed Pilot Projects and adds a networked community approach and training supports to districts statewide.
- **Strategy 3** - Investment of \$1.0 million for Grant-In-Aid that supports identified tools and best practices in implementing early indicator and intervention systems.

Chronic Absenteeism is defined as “a student missing more than ten percent of enrolled school days for any reason – excused, unexcused, suspension, or expulsion.” During the 2014-15 school year, one in every six Oregon students missed more than ten percent of their enrolled school days. At nearly 17 percent, these students meet the definition of chronically absent. Additional analysis of the data on K-12 attendance for the 2014-15 school years return the following results:

- Historically underserved student groups – including students of color and those navigating poverty - had slightly lower rates of regular attendance.
- English learners had higher attendance rates than the state overall, with a regular attendance rate of 85 percent.
- Students with regular attendance are more likely to do well in school and graduate on time.
- Among students in the twelfth grade, those with attendance rates of 90 percent or above had a graduation rate of 91 percent. For those with attendance rates below 90 percent, the rate was 75 percent.



As the data and above graphs indicate, chronic absenteeism is a strong predictor of dropping out of high school – stronger than other factors such as number of suspensions or student test scores, even when taking into account student demographics (Byrnes & Reyna, 2012). Clearly, for Oregon to begin increasing the graduation rates across the state, a key factor will be to reduce chronic absenteeism.

TOTAL POLICY OPTION REQUEST - \$9.0 MILLION
 DEPARTMENT OPERATIONS: \$1.0M
 GRANT-IN-AID: \$8.0M

How Achieved:

Strategy 1 – Increase Funding for Implementation of Chronic Absenteeism

Oregon has made great strides in recent years to identify best practices and comprehensive strategies that can make a difference in efforts to reduce chronic absenteeism of students. These efforts include:

- Promoting promising practices such as welcoming students by name, providing breakfast after the bell, celebrating good attendance, calling home when a student does not make it to school, and working with community partners to create a culture of regular attendance.
- Partnering with the Public Health Division, the Chief Education Office, and community-based organizations to identify root causes and solutions to chronic absenteeism.

- Providing professional development and training materials on conducting Attendance Audits to help specific schools in addressing chronic absenteeism.
- Participating in the [Network to Advance State Attendance Policy and Practice \(NASAPP\)](#) to work with and learn from other states and partners engaged in this work.
- Partnering with the Public Health Division to improve student health and remove health related barriers to attendance.
- Focusing on establishing early patterns of regular attendance.

Many schools and school districts have implemented a variety of best practices to help improve student attendance. In examining these best practices, every school requires a unique approach to encourage student attendance. However, most share a common thread that includes focusing on making school a positive environment; routine review of attendance with systematic follow up, and creative strategies and solutions to promote attendance.

The first commonality to achieving strong attendance starts with creating an environment in which students feel welcome, important, engaged, and connected. Many schools used programs like the Positive Behavioral Interventions and Support (PBIS) as the framework to build a positive environment in which students participate in making the school a place where everyone feels welcome.

A second key common thread is creating a data tracking and attendance system. This is central to identifying students who may be in need of some extra help getting to school. It may also point out larger, systemic issues around school culture and engagement that need to be addressed. In addition to identifying students who may be in need of help, equally important is ensuring the school has a process in place to effectively respond to the student needs and work to mitigate the issues.

Lastly, to effectively address absenteeism, schools are creating strategies to help students overcome barriers to attending school and to help students become more engaged in their schools. Examples of these strategies include home visits, connection points, attendance clubs, resource counselors, partnering with local dentist and doctor offices, and wake up calls.

Unfortunately, not every school has the capacity to identify and/or implement these types of best practice strategies. To address this issue, ODE proposed an investment of \$7,893,872 for 2017-19 to help Oregon schools in the operationalizing of best practices focused on reducing chronic absenteeism. This investment includes staff to provide state leadership, oversight and technical assistance for administering \$6.2 million for grants to school districts and/or education school districts. In 2017-19, the department started efforts to reduce chronic absenteeism with the following:

- Startup activities to develop a diagnostic tool/framework;
- Created an accountability formula to design T3 schools;
- Held 30 preliminary meetings with school districts;
- Worked with the Oregon Association of Education Service Districts (OAESD) for hiring regional coaches;

- Ran diagnostics in all districts; and,
- Selected contractor for regional coaches.

During the second year of 2017-19, the department will expand on the efforts made. The following activities are expected during the 2018-19 school year:

- Release a best practices guide for school districts as a tool;
- Roll-out a statewide media campaign on chronic absenteeism for public awareness of the issue;
- Distribute tool kits to school districts for encouraging good attendance;
- Expand regional consortiums and continue Tier 3 supports by extending these contracts for 2 years; and,
- Add 30 additional Tier 3 supports for a total of 57 statewide.

TOTAL POLICY OPTION REQUEST - \$6.6 MILLION

DEPARTMENT OPERATIONS: \$0.6M

GRANT-IN-AID: \$6.0M

Strategy 2 – Continuation and Expansion of Trauma Informed Pilot Projects

Several studies have shown that Adverse Childhood Experiences (ACE) exposure increases the likelihood of students repeating a grade, low school achievement, special health care needs, learning and behavior problems, academic failure, chronic attendance problems, and cognitive and social-emotional delays. Trauma-informed practices (TIP) in schools have the potential to improve these student outcomes. HB 4002 (2016) and SB 182 (2017) directed the Chief Education Office to conduct a 3-year pilot study implementing TIP in two high schools, which primarily consist of foundational activities to develop staff competencies in trauma-informed approaches and establish organizational capacity and commitment. Many schools and districts expressed high interest in learning and using TIP based on the high demand of TIP professional development sessions offered throughout the state. However, many professional development opportunities can potentially be a financial burden to schools/districts, and are offered mostly in Portland and the Willamette Valley area.

Whole-school trauma-informed practices can potentially improve learning outcomes for all students, and are especially helpful for students with high adverse childhood experiences. To date, there is no consensus on a definitive approach for trauma-informed school practices. In fact, trauma-informed practices in education are new and the body of literature on this topic is small, and even smaller in high school settings.

While there are resources available for aspects of implementing trauma-informed practices at the national, state, and local levels, many of them are scattered along a continuum from locally defined actions to more formal programs. The Chief Education Office has piloted a project that is part of an effort to develop a coherent and systematic exploration study of what trauma-informed school

practices look like and how we can examine replicable elements that can be shared with other schools in similar settings. Findings from this pilot could provide guidelines to other districts and schools to implement trauma-informed practices in a more structured and systematic manner and to develop intentional partnerships with health partners in their local networks.

This package requests funding to offer resources through a website/interactive communication platform, training modules for targeted educators, and technical assistance to the field. This concept also proposes an extension of the pilot for two additional years to help develop a deeper understanding of systematic implementation resources needed to support schools, and to examine for longitudinal effects of TIP on the student.

TOTAL POLICY OPTION REQUEST - \$1.4 MILLION

DEPARTMENT OPERATIONS: \$0.4M

GRANT-IN-AID: \$1.0M

Strategy 3 – Implementation of Early Indicator and Intervention Systems

An Early Indicator and Intervention System (EIIS), also known as early warning systems (EWS) in research, combines the use of data and structured teams to proactively identify struggling students. When used as intended, EIIS can be a powerful system to address disparities among student groups and strategically develop supports to help all students graduate on time with their peers. Additionally, an EIIS can support students in younger grades to help them achieve academic milestones such as 3rd grade reading proficiency and 9th grade preparedness, that keep them on track to graduate.

An EIIS has two main components that make it different from other data-driven initiatives. First, an EIIS is a system of data-based indicators predictive of student outcomes related to high school graduation and academic success. Second, the EIIS promotes action on the part of the EIIS team prompted by the indicators to help students get back and stay on track, be promoted in each grade, and ultimately graduate.

During the 2017-19 biennium, ODE was provided \$200,000 to assess the need in Oregon and the current systems available for EIIS. What the Department confirmed is dropout prevention and reengagement initiatives are not new to Oregon school districts and most districts have teams or individuals that periodically examine student data. Most frequently, though, these data examinations summarize past student experience rather than provide a signal in real time that a student is beginning to struggle. Historical data snapshots can provide some information to help guide a district allocate their intervention resources, but by the time a student is identified in the reports, they may have slid further off-track. This means that a majority of districts do not have fully implemented EIIS that have a consistent processes for identifying struggling students, communicating with them and their families, assigning them appropriate interventions, and monitoring their progress.

Some of the barriers to the development of an EIS include disparity in available technology. There are Oregon districts that take advantage of their regional data warehouse systems to provide customized reports and dashboards that can be used as an EIS, but this service is not available for all districts. Other districts have invested in their own EIS system from a vendor, but the majority of vendors do not offer a complete EIS that tracks both the indicators and the interventions. Vendor products can also be costly to a district and create inequities in the services Oregon students receive.

While data dashboards and reports can be effective at identifying students struggling, or at-risk, none of this matters if the resulting intervention system is not effective. A number of Oregon districts do have data systems that provide reports of students at risk, but many of these same districts struggle to effectively use the reports to identify and guide interventions for students. In addition, districts have reported that they do not have effective systems for tracking and evaluating the efficacy of those interventions.

Based on the research conducted in 2017-19, ODE is recommending an investment of \$1.0 million in 2019-21 for Grant-In-Aid to school districts that provides training, support, and guidance that furthers current districts efforts in developing and implementing EIS. This investment will be targeted in four main areas:

- Contract to support training on developing and implementing student focused teams: An effective EIS includes strong student-focused teams and a school level team that routinely examine their student data. ODE will ensure districts are provided with EIS specific training that provides clear guidance on how EIS reports and processes complement and can be aligned with initiatives that districts are already using, such as MTSS, PBIS and RTI.
- Contract to develop and provide guidance on a checklist of necessary elements needed for a system to be considered an EIS. Rural and small districts will need the most support in establishing the data systems since they rarely have the capacity to support the development of new data systems.
- Contract to provide training and guidance to districts and ESDs on how to establish an intervention tracking system that is integrated into the EIS reporting system, as well as provide consistent framework that student focused teams can use to identify the root causes of why students may be struggling in particular indicators. The intervention tracking system, coupled with root cause analysis training, should set student focused team up with the tools needed to monitor student progress.
- Contract to provide training and guidance to support schools in establishing a framework for implementing an EIS within a continuous improvement framework. Ideally, the EIS data system and intervention tracking system will include easy functionality for analyzing student performance, and intervention effectiveness, school and community communication plan based on an asset-based equity lens.

- Provide Technical Assistance Grants to school districts that enable them to effectively evaluate their EIS and interventions through an equity based lens, and implement clear and transparent communication strategies with parents of students.
- Provide Technology Grants to school districts that assist them in acquiring information technology solutions or technical assistance in create an EIS.

TOTAL POLICY OPTION REQUEST - \$1.0 MILLION
 DEPARTMENT OPERATIONS: \$0.0M
 GRANT-IN-AID: \$1.0M

Staffing Impact: Five positions (3.76 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – Chronic Absenteeism</i>						
2113128	Teaching & Learning	DOGM	OAS C0871 AP	CA State Plan Support	General Fund	0.92
2113129	Teaching & Learning	DOGM	OAS C0871 AP	CA State Plan Support	General Fund	0.92
2113130	Teaching & Learning	DOGM	OAS C0871 AP	CA State Plan Support	General Fund	0.50
<i>Strategy 2 – Trauma Informed</i>						
2113131	Teaching & Learning	DOGM	OAS C0871 AP	Trauma Informed Pilot Support	Other Funds	0.92
2113132	Teaching & Learning	DOGM	OAS C0871 AP	Trauma Informed Pilot Support	Other Funds	0.50

Quantifying Results:

Strategy 1 – Increase Funding for Implementation of Chronic Absenteeism

Reduce chronic absenteeism of all Oregon Students to 15 percent or less by the end of the 2019-21 biennium.

Strategy 2 – Continuation and Expansion of Trauma Informed Pilot Projects

Make available Trauma Informed Practice (TIP) resources to all Oregon districts through a website/interactive communication platform including training modules targeted towards educators and administrators by June 2021.

Strategy 3 – Implementation of Early Indicator and Intervention Systems

Provide professional learning and support on best practices in implementing Early Indicator and Intervention Systems (EIS) to all school districts currently identified as not having an EIS in place by the end of the 2019-21 biennium.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$428,556	\$265,973		\$694,529
Services and Supplies	178,756	131,139		309,895
Special Payments				
Total Request	<hr/> \$607,312	<hr/> \$397,112		<hr/> \$1,004,424

This package is included in the Governor’s Balanced Budget as modified:

Funding is provided for strategies, 1, 2 and 3 as follows:

- *Add \$2.2m General Fund to restore reductions made in package 090 and increase investment to the Chronic Absenteeism State Plan;*
- *Add \$1m General Fund to extend Trauma Informed Pilot projects; and,*
- *Add \$1m General Fund for support to district Early Indicator and Intervention Systems (EIS).*
- *Adds 5 positions (3.76 FTE)*

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$428,556			\$428,556
Services and Supplies	178,756			178,756
Special Payments				
Total Request	<hr/> \$607,312			<hr/> \$607,312

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 105 - Best Pracs in Reducing Chronic Absenteesim

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	607,312	-	-	-	-	-	607,312
Transfer In - Indirect Cost	-	-	-	-	-	-	-
Total Revenues	\$607,312	-	-	-	-	-	\$607,312
Personal Services							
Class/Unclass Sal. and Per Diem	264,712	-	160,718	-	-	-	425,430
Empl. Rel. Bd. Assessments	168	-	112	-	-	-	280
Public Employees' Retire Cont	44,922	-	27,274	-	-	-	72,196
Social Security Taxes	20,251	-	12,295	-	-	-	32,546
Worker's Comp. Assess. (WCD)	159	-	106	-	-	-	265
Mass Transit Tax	1,588	-	964	-	-	-	2,552
Flexible Benefits	96,756	-	64,504	-	-	-	161,260
Reconciliation Adjustment	-	-	(265,973)	-	-	-	(265,973)
Total Personal Services	\$428,556	-	-	-	-	-	\$428,556
Services & Supplies							
Instate Travel	39,200	-	-	-	-	-	39,200
Employee Training	1,991	-	-	-	-	-	1,991
Office Expenses	2,066	-	-	-	-	-	2,066
Telecommunications	7,093	-	-	-	-	-	7,093
Data Processing	24,889	-	-	-	-	-	24,889
Attorney General	11,200	-	-	-	-	-	11,200
Dues and Subscriptions	1,244	-	-	-	-	-	1,244
Facilities Rental and Taxes	12,329	-	-	-	-	-	12,329

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 105 - Best Pracs in Reducing Chronic Absenteesim

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Agency Program Related S and S	58,771	-	-	-	-	-	58,771
Expendable Prop 250 - 5000	19,973	-	-	-	-	-	19,973
Total Services & Supplies	\$178,756	-	-	-	-	-	\$178,756
Total Expenditures							
Total Expenditures	607,312	-	-	-	-	-	607,312
Total Expenditures	\$607,312	-	-	-	-	-	\$607,312
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							5
Total Positions	-	-	-	-	-	-	5
Total FTE							
Total FTE							3.76
Total FTE	-	-	-	-	-	-	3.76

PACKAGE: 105 - Best Pracs in Reducing Chronic

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2113128	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	.92	22.00	02	4,727.00	103,994 57,965				103,994 57,965
2113129	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	.92	22.00	02	4,727.00	103,994 57,965				103,994 57,965
2113130	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	.50	12.00	02	4,727.00	56,724 46,326				56,724 46,326
2113131	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	.92	22.00	02	4,727.00		103,994 57,965			103,994 57,965
2113132	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	.50	12.00	02	4,727.00		56,724 46,326			56,724 46,326
TOTAL PICS SALARY									264,712	160,718			425,430
TOTAL PICS OPE									162,256	104,291			266,547
TOTAL PICS PERSONAL SERVICES =				5	3.76	90.00			426,968	265,009			691,977

DEPARTMENT OPERATIONS

Package 106 – Well-Rounded, Student-Centered Teaching and Learning

Purpose:

This package requests Strategic Investments of \$30.5 million for Grant-In-Aid and 8 Positions/7.36 FTE focused on promoting student centered teaching and learning through resources that support a balanced systems of assessments through expanded continuous improvement supports.

- **Strategy 1** - Investment of \$0.7 million for 3 Positions/2.76FTE that supports current unfunded mandate to provide professional learning in districts/schools, including expanded use of the online CANVAS Professional Development platform, in response to SOS audit and recommendations.
- **Strategy 2** - Investment of \$1.0 million for Technical Services and 1 Position/.92 FTE that support the rollout of the new science assessment, as well as the development of new/enhanced assessments for social sciences, kindergarten, and ELPA 21.
- **Strategy 3** – Investment of \$3.5 million for Technical Services to provide professional learning on the use of formative assessment practices and interim assessment tools; increased local assessment capacity; and operational support for local assessment literacy packages.
- **Strategy 4** – Investment of \$25.2 million for Grant-In-Aid and 3 Positons/2.76 FTE in new best practices, as well as existing programs, to enhance support to more school districts and schools in closing belief, opportunity, and achievement gaps.

Investing in the collaborative support of effective teachers and leaders is one of the most significant strategies towards improving student achievement in which the state can engage. Consistent and significant investments in this area will yield highly qualified teachers guided by effective leaders in every school, which will translate into effective learning and improved outcomes for all students.

The Oregon Department of Education (ODE)'s assessment budget has traditionally supported the development and implementation of the statewide summative assessments required by federal law and/or identified in ORS 329.485. Oregon needs to continue investing in updates to its statewide assessment systems to align to the state-adopted standards and provide accurate data to educators about how our students are performing in relation to the new standards: Science, Social Sciences, English language proficiency and Kindergarten assessments, as well as the Essential Skills Online Bank

Findings from the Secretary of State Audit “Stronger Accountability, Oversight and Support Would Improve Results for Academically At-Risk Student in Alternative and Online Education” is urgently needed. It has transitioned from a Professional Development program to now providing high quality online learning opportunities for Oregon’s small and rural schools statewide all the while available capacity is filled and additional course enrollments continue to be requested.

This package requests an increase in ODE's current funding to address Federal reductions in future allocations; to improve the Oregon Virtual School District's education distribution and content support; increase support to Charter Schools and Alternative Education; offer additional funding efforts to implement high quality Science, Social Sciences, and English language proficiency assessments aligned to the state's rigorous adopted standards; implement improvements to the Kindergarten Assessment; and, sustain a statewide online work sample bank that supports student graduation.

TOTAL POLICY OPTION REQUEST - \$30.5 MILLION

DEPARTMENT OPERATIONS: \$6.1M

GRANT-IN-AID: \$24.4M

How Achieved:

Strategy 1 – Staffing Support for Current Unfunded Mandates to Provide Professional Learning

The Standards & Instructional Supports (SIS) Team helps create a student-centered, well-rounded education in all districts by supporting best instructional practices, collaborative professional learning, and relevant content resources. Currently, the SIS Team is tasked with providing statewide professional learning opportunities and classroom resources to improve graduation rates and overall student academic success. These learning opportunities focus on best instructional practices within specific content areas and other components of an equitable learning system (i.e. culturally responsive practices, instructional materials, school counseling, talented and gifted, etc.). However, due to the current funding mechanisms and Oregon's extensive geographical area, there has been inequitable distribution of access and opportunities for districts and schools unable to attend local, regional, or state trainings. This package would provide an equitable distribution of professional learning opportunities that utilizes online learning tools to create systems of support for districts and schools, specifically those serving students historically underrepresented and underserved.

By expanding the use of the CANVAS online learning platform and leveraging the existing networks, the SIS Team will not only be able to create content specific professional learning, but also develop cross-office content (e.g. school and district effectiveness, high school success, college & career pathways and career and technical education) to provide best instructional practices. Under the guiding principles of the Every Student Succeeds Act (ESSA) of 2015, ODE is committed to:

- Designing a collaborative plan that will improve both teaching and learning and student achievement in Oregon;
- Improving student outcomes and boosting graduation rates;
- Closing the state's achievement and opportunity gaps and having a state plan founded on educational equity;
- High-quality instruction and educational leadership; every student should be taught by an effective and culturally-responsive teacher and every school led by a strong and effective leader; and
- Leveraging effective strategies to prepare all students for success in the workplace and college.

These online professional learning opportunities would include in-depth learning modules to support each content area with best instructional practices, content specific learning resources, and demonstrations of exemplar classroom instruction via short video clips that accompany discourse prompts to engage individually or with a professional learning community. This would provide administrators and educators the opportunity to reflect on the practices and incorporate successful strategies into their schools and classrooms.

This would require ODE to provide a CANVAS license to each regional facilitators and/or individual participants. It would also require internal technical support for the development of universally designed learning modules (i.e. screen readers for the visually impaired and video editing for closed captioning), provide technical assistance to online users, assist with statewide communications of current online offerings and attend to requests for new areas of need.

This solution is grounded in educational equity, is in alignment with the Oregon ESSA Plan, and supports the ODE strategic plan by ensuring that every educator is supported with the necessary resources and professional learning to help students start strong, transition successfully, and graduate college and career ready, while receiving outstanding customer service from the agency. This package would provide equitable distribution of resources and professional learning directly to administrators and educators statewide.

TOTAL POLICY OPTION REQUEST - \$0.7 MILLION

DEPARTMENT OPERATIONS: \$0.7M

GRANT-IN-AID: \$0.0M

Strategy 2 – Science Assessment and Technical Services for Development of New/Enhanced Assessments

ODE supports to meet its obligations to provide Oregon schools with high quality assessments aligned to the most recently adopted state standards. This package will enable ODE to implement and maintain assessments that provide schools with accurate, timely results within the core content areas identified: Science Assessment, Social Science Assessment, English Language Proficiency Assessment, Kindergarten Assessment, and the Essential Skills Work Sample Online Bank content areas.

- Science Assessment: The alternative to continued development of a summative assessment that is aligned to our Next Generation Science Standards (NGSS) is that Oregon students would continue to receive a summative assessment only partially aligned to Oregon’s adopted Science content standards. This alternative was rejected because it would result in providing educators and parents’ inaccurate information about how students are performing in reference to the new science standards and would also prevent Oregon from meeting federal science assessment compliance requirements, potentially jeopardizing federal funding.

- Social Sciences Assessment: The alternative to satisfying the requirements of ORS 329.485 Section 2(b) by developing local performance assessment resources would be to realign Oregon's existing summative Social Sciences assessment to the new standards. This alternative would require ODE to engage stakeholders in a two-year test development life cycle to evaluate the existing test items for alignment to the new standards, identify gaps, develop and field test new test items, and conduct new standard setting workshops. ODE proposes to reject this alternative as the current summative structure of Oregon's social sciences assessment has limited utility. ODE does not use social science assessment results in any of its accountability calculations, and as an optional assessment, a dwindling number of districts are choosing to administer the summative social sciences assessment to their students. Over the past three years, the number of students across grades 5, 8, and high school taking the summative Social Sciences assessment annually has dropped from 5,167 in 2014-15 to 4,497 in 2016-17, out of approximately 135,000 students at the tested grades. Given the extremely low number of students taking the summative social sciences assessment, maintaining the existing assessment structure would not be most cost effective. ODE has included pricing for realigning the existing summative social sciences assessment in the budget section below for comparison.
- English Language Proficiency Assessment: The alternatives to maintaining Oregon's membership in the ELPA21 Consortium would either be return to Oregon's previous ELP assessment that is not aligned to the current state-adopted ELP standards or invest funds to develop a new ELP assessment aligned to the state-adopted ELP standards without the support and resources provided through Consortium membership. The first alternative was rejected because it would result in providing educators with inaccurate information at how our English Learners are doing in acquiring English proficiency and would also prevent Oregon from meeting federal requirements regarding support and assessment of English Learners, potentially jeopardizing federal funding. The second alternative was rejected because it would be prohibitively costly for Oregon to develop a new assessment outside of the support of the Consortium. Additionally, the time required to independently develop another assessment may prevent Oregon from meeting federal requirements and thereby jeopardize federal funding.
- Kindergarten Assessment: The alternative to funding the proposed online tool for Kindergarten Assessment administration and data collection would be to continue with the existing Kindergarten Assessment protocols. ODE favors proposing funding for a new computer-based tool because we believe that it can offer long-term efficiencies and increased use of data to improve instructional programs, both at the state and local levels. It should also help increase the accuracy of Kindergarten Assessment results by limiting the potential for human error. The alternative to adding a Spanish Literacy measure to the Kindergarten Assessment would be to continue assessing English only; this would limit ODE's ability to provide educators with valuable data about our incoming Spanish-speaking Kindergarteners—a group of students that has been historically underserved.
- Essential Skills Work Sample Online Bank: There are three alternatives to funding continued access to the online Work Sample bank. The first option is to pass the costs of supporting the online system onto districts who access the system; ODE anticipates that fewer and fewer school districts would use the bank with this change, causing the cost per district to go up,

ultimately resulting in a fiscally-unsupportable system. The second option is that the system is discontinued and the Work Sample prompts are distributed through other non-secure methods, which introduces the risk that students could access prompts prior to administration for demonstrating their Essential Skills, thereby making them invalid for graduation purposes. Additionally, if ODE is unable to maintain the online system, Oregon would lose a valuable mechanism for inter-district portability of scores, which helps with the transfer of information for students who move between districts in high school. The third option is for ODE to develop an online system for distributing the Work Sample prompts; this would require FTE for development and maintenance and would likely be a higher-cost alternative that would take time to develop, leaving a gap in students served.

- ODE is transitioning from a compliance-focused to a service-focused organization, distributing this workload to existing staff would limit the extent staff can devote time to providing support for developing local capacity and promoting best practices in Oregon schools. This request will provide an equitable platform to disseminate information and professional learning to districts/schools. This will increase the need for direct support, analysis, and technical assistance which will require additional staff (1.00 FTE):

Should this request not receive funding, ODE would not be able to implement Science, Social Sciences, and ELP assessments aligned to the state-adopted standards, depriving educators of accurate information on how well students are doing compared to the standards as well as preventing Oregon from meeting federal requirements that could jeopardize federal funding. For the Kindergarten Assessment, not funding this package would result in continuing with the current paper-based test administration and data collection protocols, missing an opportunity to implement efficiencies in assessment administration and how the data could be used by schools. As of February 2018, the Kindergarten Assessment is the only statewide assessment that is not available for administration online. Not funding development of a Spanish Literacy measure for inclusion on the Kindergarten Assessment would limit ODE's ability to provide educators with valuable data about our incoming Spanish-speaking Kindergarteners—a group of students that has been historically underserved. Not funding ODE's sustained support for the online Work Sample bank would limit ODE's ability to support the work sample Essential Skills assessment option, which in turn might limit opportunities for Oregon's historically underserved students to demonstrate proficiency in the Essential Skills required for graduation. Not funding the requested Program Analyst 2 position would put an increased burden on existing staff, requiring staff to focus time on compliance requirements at the expense of providing support and best practices to the Oregon schools.

Provides direct support, analysis, and technical assistance, which will require additional staff:

- Increase the existing networks within the state streamlining assessment models and information.
- Expand support districts with cross-office content areas with efficient alignment of content assessments.
- Improve access of assessment cross office within ODE to greater identify data driven collections.
- Enhance centralized instructional supports in all content areas for facilitators, educators and students.

TOTAL POLICY OPTION REQUEST - \$1.0 MILLION

*DEPARTMENT OPERATIONS: \$1.0M
GRANT-IN-AID: \$0.0M*

Strategy 3 – Technical Services to Provide Professional Learning on Use of Formative Assessment Practices and Interim Assessment Tools

Under the Every Student Succeeds Act (ESSA) of 2015, every state must develop a State Plan. Oregon's State Plan prioritizes educational equity and eliminating systemic and historical barriers to student success. It represents Oregon's commitment to provide each and every student in our state with the opportunity to learn, thrive, and reach his or her full potential. Based on extensive stakeholder input gathered throughout 2016 and 2017, Section 3 of Oregon's ESSA State Plan details ODE's commitment to achieving a balanced K-12 assessment system comprising not just our current statewide summative assessments but also formative and interim assessment practices. Statewide summative assessments evaluate how well the state is meeting the educational needs of *all* of our students and fulfills the systems-level accountability requirements in English Language Arts (ELA), mathematics, and science.

However, Oregon lacks the necessary formative and interim assessment practices and resources to provide students and educators with student-level feedback and to inform individualized instructional decisions that support student growth and learning. These strategies, also reflected in ODE's Strategic Plan, will help realize the Governor's aggressive high school graduation goals by informing students, parents, and educators along the K-12 continuum on student progress toward meeting grade-level targets and graduating college- and career-ready. This package identifies ODE's budgetary needs for full implementation of the assessment portion of Oregon's ESSA State Plan.

ODE will use funds from this package to improve resources and supports for current assessment policies, and provide K-12 resources and implementation support for a systematic shift to a student-centered assessment system across the state. Specifically, ODE proposes to focus on the following key strategies:

- Support appropriate uses of formative assessment practices and purchase and implement interim assessments aligned to Oregon's adopted ELA and mathematics content standards and make them available for all school districts, K-12.
- Develop or purchase interim assessment resources aligned to Oregon's adopted science standards for all school districts
- Expand online toolkit of openly licensed assessment professional learning resources; design, develop, and maintain professional development resources covering
 - the Local Performance Assessment Requirement and the Essential Skills Work Sample option (will include performance assessment task development and scoring, as well as instructional implications, cultural sensitivity, and accessibility of performance assessments);
 - local development of pre- and post- assessments to measure student learning and growth goals as a part of educator evaluations; and
 - formative assessment practices in support of personalized learning

- Provide assessment inventory grants for local assessment audits in order to learn about the assessment landscape and support schools in making the shift to student-centered assessment practices; using information gained from this inventory, create profiles of schools that are doing well with student-centered assessment practices so other schools can learn from these sites.

These products and services will comprise an integrated system of high-quality assessment resources, managed and designed to support educators and policymakers, ultimately leading to more students meeting grade-level content standards and graduating from high school ready for college and career. ODE will use the communication systems and relationships with districts and education service districts provided through existing regional infrastructures to implement the resources developed under this package.

ODE proposes this package to address stakeholder feedback from the development of Oregon's ESSA State Plan, as well as the legislatively created HB 2680 workgroup (2015) and the HB 2713 Secretary of State audit findings (2015), and the recommendations provided in A New Path for Oregon: System of Assessment to Empower Meaningful Student Learning (2015) as well as stakeholder feedback gathered in the spring of 2018 related to our high school accountability assessment options. While Oregon's summative assessments provide valuable information about how well school, district, and state-level programs are preparing students to meet the state-adopted content standards, ODE has consistently heard from educators, parents, and students a desire for a more student-centered, balanced, and comprehensive K-12 assessment system. Schools need local assessment practices that promote culturally responsive, personalized, real-time feedback on individual student learning. This package would fund ODE's efforts to provide schools with access and support on using high-quality formative practices and interim assessment tools to support assessment for learning that complement Oregon's summative assessments of learning. Through professional learning and outreach, ODE will build educator expertise in all three levels of assessment practices (formative, interim, and summative). Providing such resources at the state level for all Oregon districts might result in substantial overall cost savings for the state, as pooling resources typically results in decreased overall costs.

Additionally, this package would allow ODE to address stakeholder suggestions for improving the following aspects of Oregon's statewide summative high school assessment: the length of the test; over-testing at 11th Grade; and increasing the relevance of participation for students. ODE has already reduced the length of the test, effective starting in 2017-18; this package identifies two alternative scenarios that would address the remaining areas for improvement.

This package will provide schools with the tools and skills to gather valuable information about student learning throughout the school year, and the professional development resources and support to ensure a sustained effort can be effected. Broadening our state's assessment system to include support for student-centered assessment practices will provide all of Oregon's students with equitable access to a high quality education that will prepare them for high school graduation and beyond.

Building a Balanced K-12 Assessment System: During the second half of the 2013-15 biennium, ODE was directed to distribute two million dollars for formative and interim assessment resources to school districts for use during the 2014-15 school year. The funding

method required each individual school district to independently evaluate options for how to spend the funds and did not result in coordination or coherence across the state. While this model of pass-through funding maximized flexibility at the local level, lack of centralized organization and support prevented a coordinated approach across schools and districts. Furthermore, funding was not renewed for the 2015-17 biennium. This approach was ultimately unsuccessful in achieving measurable changes in educational equity; ODE's proposed alternative solves the foregoing problems by centrally coordinating the development, procurement, distribution, and support of resources at the state level for all schools.

Without funding for this package, ODE will not be able to adequately respond to the feedback received from stakeholders through the legislatively created HB 2680 workgroup (2015), the HB 2713 Secretary of State audit findings (2015), and the development process of Oregon's ESSA State Plan and New Plan. ODE would be limited in its ability to deliver resources and support to all districts across the state and achieve a balanced, comprehensive K-12 assessment system. Schools with the resources and the capacity to maintain effective student-centered assessment practices at the local level will remain isolated pockets of best assessment practices, and not all students across the state will benefit equitably. Without central guidance and support from ODE, schools and districts wishing to develop local capacity around student-centered assessment practices will be left without support, which may result in inefficient use of resources, inconsistent alignment to the state-adopted content standards, and inequitable student outcomes.

To accomplish this work, an investment is requested to cover all the aspects and range of the goals indicated below to increase the outcomes in Statewide Academic Standards:

- Assessment professional development - \$725,000
 - Build online toolkit of assessment professional development resources to support local training in formative assessment practices, performance assessment development and scoring, and pre-and post-test (interim assessment) development. All resources will be openly-licensed, without royalties or limits on sharing - \$475,000
 - Provide regional workshops for K-12 educators and establish local trainers for the assessment professional development resources in the online toolkit - \$250,000
- Comprehensive assessment system, including formative resources and interim assessments - \$2,400,000
 - Provide educators at 3rd through 12th Grades with access to a comprehensive suite of assessment resources aligned to Oregon's adopted content standards in mathematics and ELA, including resources for use during instruction and assessments that may serve as a seasonal checkpoints prior to the state test. - \$2,000,000
 - Provide educators at Grades 5th, 8th, and high school with access to interim assessment tasks and training resources aligned to Oregon's adopted content standards in science that may serve as seasonal checkpoints prior to the state test and in grades not tested as part of the statewide summative assessment system. - \$300,000
 - Provide educators at Grades K – Second with access to performance assessment tasks aligned to Oregon's adopted content standards in math, ELA, and science that may serve as a mid-year checkpoint prior to the state test and in grades not tested as part of the statewide summative assessment system. - \$100,000
- Resources to support systemic shift to a student- centered assessment system - \$250,000

- Convene an assessment practices task force to guide the systemic shift to a student-centered assessment system. Provide assessment inventory grants to districts so they may conduct local audits that evaluate all assessment tools used, the purpose of each, and utility of results. Collect information from the audits to build an understanding of the statewide assessment landscape and support schools in considering how to focus their practices. From the audits, develop profiles of schools that excel in their assessment practices so that other schools may learn from them. - \$250,000

TOTAL POLICY OPTION REQUEST - \$3.5 MILLION

DEPARTMENT OPERATIONS: \$3.5M

GRANT-IN-AID: \$0.0M

Strategy 4 – Investment in Best Practices to Enhance Support in Closing Belief, Opportunity and Achievement Gaps

Federal law requires states to set aside from its Title I allocation, 7 percent of the total resources, after accounting for “hold harmless” calculations which were reset for the 2017-18 school year but will be reinstated for 2018-19 and onward. ESSA requires states to identification of low-performing schools under Oregon’s ESEA Flexibility Waiver schools for comprehensive and targeted support, using a revised accountability model and indicators. Schools identified as Comprehensive Support and Improvement (CSI) schools are those schools that fall into the bottom 5 percent of all Title I schools or any high school with a graduation rate below 67 percent as determined by ODE data. Targeted Support and Improvement (TSI) schools are those schools with specific groups of students, who – if treated as an individual school – would have been identified as CSI schools. Initial models and calculations suggest that upwards of 80 CSI schools and 120 TSI schools will be identified for supports beginning 2018-19. Official identification of CSI schools and an initial identification of TSI schools will occur in the fall of 2018. Hence forth, ODE is required to annually identify TSI schools and identify new CSI schools every three years.

Identification of CSI / TSI Schools

School Year	CSI Schools	TSI Schools	Additionally Identified TSI
2017-18*	88	112	n/a
2018-19**	80	120	n/a
2019-20***	80	120	25 - 50

* - Preliminary Identification

** - Estimated Identification

*** - Estimated additional TSI schools identified

While ODE has developed plans that will better support these schools within the context of the school district, the need to differentiate these supports and resources will be drastically impeded by shrinking resources and increasing numbers of identified schools.

This essentially means that ODE will be required to add to the list of identified schools, with no additional resources for supports. In fact, the hold harmless calculations will actually see a decrease in available federal resources over time. Applying the new 7 percent set-aside calculations with the hold-harmless rules to previous Title I allocations would see the total available resources for this work decreased by as much as \$7 million per year.

Following is a comparison of resources available to support federally identified Priority and Focus Schools and projections for resources available for supports to CSI/TSI Schools.

Resources for Federally Identified Schools

TIMESPAN	NUMBER OF SCHOOLS SUPPORTED	FEDERAL IMPROVEMENT RESOURCES
2013-17	90	\$2,500,000 - \$5,000,000
2017-18*	n/a	n/a
2018-19	200	\$10,000,000
2019-20	200+	< \$10,000,000

One of the main shifts in identification of low-performing schools was the requirement that all high schools, regardless of Title I status, be identified as CSI schools. However, given the requirements of the law, a disproportionate number of alternative, charter and online high schools will likely be identified as CSI schools, with only a minimal number of traditional high schools meeting the requirements for identification. Coupled with the Secretary of State audits pertaining to graduation rates and alternative education supports, ODE lacks the personnel and resources needed to truly make an impact on comprehensive improvements.

Ultimately, less than one third of Oregon’s non-graduates would be supported in schools identified for federal supports. In order to support 50 percent or more of Oregon’s non-graduates, the graduation rate threshold for identification would need to be raised to 78 percent, which would add an additional 49 schools to the identification, further taxing the fiscal and personnel resources available.

Graduation Rate Thresholds and Non-Graduates

# students who do not graduate in 4 years	Graduation Rate Threshold	# of schools identified	# non-graduates in identified schools
10,775	67%	72	3,218
	78%	121	< 5,388

ODE needs significant fiscal resources to address the Federal ‘Hold Harmless’ reduction ensuring meaningful improvement efforts as well as additional staff to build internal routines that more proactively monitor school and district performance that will provide staff with actionable data to differentiate and adjust supports, including fiscal resources as well as technical assistance. The additional increase in investment will support more robust improvement efforts across all schools, but specifically in high schools that don’t meet federal accountability determinations.

Investing new school models and existing programs to enhance support to more school districts and schools in closing belief, opportunity and achievement gaps.

- Expand internal capacity for data driven routines aimed at differentiating supports to Oregon’s school districts and schools in need of, but not receiving fiscal and technical supports.
- Expand internal capacity to coordinate and align internal initiatives as it relates to district continuous improvement planning (CIP) and requirements.
- Safeguard service levels for school districts and schools identified for improvement initiatives.
- Enhance supports to comprehensive and alternative high schools with graduation rates that fall between 68 percent and 78 percent.

TOTAL POLICY OPTION REQUEST - \$25.2 MILLION
DEPARTMENT OPERATIONS: \$0.8M
GRANT-IN-AID: \$24.4M

Strategy 5 – Early Testing High School Assessments

Pursuant to stakeholder feedback regarding Oregon's statewide summative high school assessment used for accountability, ODE presents two alternative scenarios. ODE is also working with higher education to support use of our current high school accountability assessment results for placement and admissions decisions:

- Flexible Test Scheduling (Scenario A): Oregon has required that all high school students complete 66 percent of their instructional days prior to being allowed to participate in the high school accountability assessment. This has resulted in scheduling difficulties for some high schools and students, who may be taking multiple assessments within the late April/early May time period (e.g., ACT, SAT, AP, IB, and high school accountability assessments). ODE has adopted a new practice for 2018-19 that allows for high school students who are ready to demonstrate what they know and can do to participate in the high school accountability assessment at any time during the test window, which typically runs from early January through early June. It is hoped that this flexible test schedule will allow students who are taking multiple assessments during their 11th Grade year to avoid the scheduling conflicts and pressures that have existed in the past.
- Allow Early Testing (Scenario B): If Scenario A is not successful or sufficient to address stakeholder concerns, ODE will pursue Scenario B in 2019-20 and 2020-21. Oregon's current high school grade of accountability is 11th Grade. Historically, ODE adopted a policy allowing students to take the high school assessment at an earlier grade if they had received instruction at the full depth and breadth of the high school standards. ODE discontinued this policy for ELA and mathematics in 2015, when Oregon transitioned to ELA and mathematics assessments aligned to the state-adopted Common Core State Standards. If funded, this package would enable ODE to reinstate the former policy. Eligible students could take the high school ELA and mathematics assessments in Tenth Grade, and bank scores that meet or exceed the standard to report during their 11th Grade year; students who test early but do not meet or exceed the standard would still have an opportunity to re-test in 11th Grade. This policy would address the over-testing at 11th Grade observed by some stakeholders, providing local flexibility to manage when students test and balance the statewide testing requirement with other assessment needs. Should the Legislature choose to fund this scenario, ODE would implement the policy starting in the 2019-20 school year.

As noted above, ODE has developed two scenarios for addressing stakeholder feedback. However, Scenario B bears an implementation cost in the first year, 2019-20, as a small percentage of 10th Graders who are ready to demonstrate what they know and can do in English language arts, mathematics, and/or science will be participating in the high school accountability assessment, in addition to the 11th Graders who will participate. These costs are expected to occur only once, as it is expected that most 10th Graders who will participate will be high achieving students who should earn scores at proficient levels or higher.

Without the funds from this package, ODE will have reduced ability to address stakeholder concerns specific to Oregon's statewide summative high school assessment, and pursuant to our ESSA State Plan. Should Scenario B not receive funding, ODE would have limited ability to make additional changes to our current statewide summative high school assessment in response to stakeholder feedback beyond the changes already made to reduce testing time and increase test scheduling flexibility.

ODE will use funds from this package to address stakeholder feedback regarding Oregon's statewide summative high school assessment used for accountability. Oregon's current high school grade of accountability is 11th Grade. Historically, ODE adopted a

policy allowing students to take the high school assessment at an earlier grade if they had received instruction at the full depth and breadth of the high school standards. ODE discontinued this policy for ELA and mathematics in 2015, when Oregon transitioned to ELA and mathematics assessments aligned to the state-adopted Common Core State Standards. If funded, this package would enable ODE to reinstate the former policy. Eligible students could take the high school ELA and mathematics assessments in 10th Grade, and bank scores that meet or exceed the standard to report during their 11th Grade year; students who test early but do not meet or exceed the standard would still have an opportunity to re-test in 11th Grade. This policy would address the over-testing at 11th Grade observed by stakeholders, providing local flexibility to manage when students test and balance the statewide testing requirement with other assessment needs. Should the Legislature choose to fund this scenario, ODE would implement the policy starting in the 2019-20 school year.

ODE proposes this package to address stakeholder feedback from the development of Oregon's ESSA State Plan. This package would allow ODE to address stakeholder suggestions for improving over-testing for some students in Oregon's statewide summative high school assessment. ODE has already reduced the length of the test, effective starting in 2017-18. We've also implemented Scenario A for 2018-19, which provides additional testing flexibility. This package identifies Scenario B that would address the remaining area for improvement, pursuant to additional stakeholder feedback and Legislative support.

ODE plans to implement this work using existing staff positions.

Without the funds from this package, ODE will have reduced ability to deliver on commitments made to stakeholders engaged in discussion about the high school assessment in the spring of 2018. ODE would have limited ability to make additional changes to our current statewide summative high school assessment in response to stakeholder feedback beyond the changes already made to reduce testing time and allow for additional test scheduling flexibility.

- Early Testing Option – \$62,000
 - \$6.20 per-student cost for an estimated 10,000 additional students testing in Tenth Grade (*ODE anticipates that after the first year, the cost of students testing at Tenth Grade would be offset by a corresponding decrease in students needing to test in Eleventh Grade*) - \$62,000

TOTAL POLICY OPTION REQUEST - \$0.1 MILLION

DEPARTMENT OPERATIONS: \$0.1M

GRANT-IN-AID: \$0.0M

Staffing Impact: 8 positions (7.36 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – CANVAS Professional Development Platform</i>						
2113103	Teaching & Learning	SIS	OAS C0108 AP	CANVAS Prof Develop Tech Asst.	General Fund	0.92
2113104	Teaching & Learning	SIS	OAS C0108 AP	CANVAS Prof Develop Tech Asst.	General Fund	0.92
2113105	Teaching & Learning	SIS	OAS C0108 AP	CANVAS Prof Develop Tech Asst.	General Fund	0.92
2113154	Teaching & Learning	SIS	OAS C0108 AP	Admin Specialist 2	General Fund	0.92
<i>Strategy 2 – Rollout of Science Assessment and New/Enhanced Assessments for Social Sciences, K, and ELPA 21</i>						
2113106	Teaching & Learning	Assess	OAS C0861 AP	Science Assessment	General Fund	0.92
<i>Strategy 4 – Technical Services to Close Belief, Opportunity & Achievement Gaps</i>						
2113110	Teaching & Learning	SDE	OAS C2301 AP	Technical Assistance to SDs	General Fund	0.92
2113111	Teaching & Learning	SDE	OAS C2301 AP	Technical Assistance to SDs	General Fund	0.92
2113112	Teaching & Learning	SDE	OAS C2301 AP	Technical Assistance to SDs	General Fund	0.92

Quantifying Results:

Strategy 1 – Staffing Support for Current Unfunded Mandates to Provide Professional Learning

By June 2020, a set of accessible learning resources and materials will be available through CANVAS to support educators and administrators for implementing math, science, health and physical education courses.

By June 2021, an expanded set of accessible learning resources and materials will be available through CANVAS to support educators and administrators for implementing English language arts, social sciences and world languages.

Strategy 2 – Roll-Out of Science Assessment and Technical Services for Development of New/Enhanced Assessments

Develop 300 new testing items and conduct alignment study for future improvement to Science Assessment. 2) Convert Kindergarten Assessment from paper to online testing tool. 3) Increase the number of work samples for the Essential Skills Work Sample Bank by 25 percent. 4) Shift Social Science Assessment to focus on classroom-embedded practices and performance assessment.

Strategy 3 – Technical Services to Provide Professional Learning on Use of Formative Assessment Practices and interim Assessment Tools

Provide the necessary tools, resources, and training to all school districts in order to effectively implement formative assessment practices and a statewide interim assessment system and shift to student-centered assessment practices by June 2021.

Strategy 4 – Investment in Best Practices to Enhance Support in Closing Belief, Opportunity and Achievement Gaps

By June 2021, 50 percent of school districts and 50 percent of schools currently receiving supports will have demonstrated improvement as measured by the ORIS Framework Needs Assessment as well as improved outcomes for students as measured by Oregon’s revised accountability measures.

Strategy 5 – Early Testing Option for High School

Allow for up to 10,000 high school students in Oregon who are prepared to take the high school assessment in 10th Grade to take the high school assessment early.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$2,765,233	(\$168,849)	(\$148,786)	\$2,447,598
Services and Supplies	3,688,816			3,688,816
Special Payments				
Total Request	\$6,454,049	(\$168,849)	(\$148,786)	\$6,136,414

This package is included in the Governor’s Balanced Budget as modified:

Funding for strategies 2, 3 and 4 are included as follows:

- Adds \$4.7m General Fund to backfill NQTL funds that move to the EAC in 2019-21;
- Adds \$4m General Fund to backfill reduction of Federal School Improvement funding (Title I);
- Adds \$1.5m General Fund investment to School Improvement; and
- Adds \$5.0m for interim and formative assessments, including 1 position (0.92 FTE).

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$672,888	(\$455,371)		\$217,517
Services and Supplies	4,355,882	(40,000)		4,315,882
Special Payments				
Total Request	\$5,028,770	(495,371)		\$4,533,399

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 106 - Well-Rounded Student-Centered Teach & Learn

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance Adjustment	-	-	-	-	-	-	-
Total Beginning Balance	-	-	-	-	-	-	-
Revenues							
General Fund Appropriation	5,028,770	-	-	-	-	-	5,028,770
Total Revenues	\$5,028,770	-	-	-	-	-	\$5,028,770
Personal Services							
Class/Unclass Sal. and Per Diem	475,891	-	(371,897)	-	-	-	103,994
Temporary Appointments	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	196	-	(141)	1	-	-	56
Public Employees' Retire Cont	80,758	-	(63,110)	-	-	-	17,648
Social Security Taxes	36,406	-	(28,450)	-	-	-	7,956
Worker's Comp. Assess. (WCD)	186	-	(133)	-	-	-	53
Mass Transit Tax	624	-	-	-	-	-	624
Flexible Benefits	113,175	-	(80,923)	-	-	-	32,252
Reconciliation Adjustment	(34,348)	-	89,283	(1)	-	-	54,934
Total Personal Services	\$672,888	-	(\$455,371)	-	-	-	\$217,517
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 106 - Well-Rounded Student-Centered Teach & Learn

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	-	-	-	-	-
Professional Services	3,477,000	-	(40,000)	-	-	-	3,437,000
Attorney General	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	289,188	-	-	-	-	-	289,188
Other Services and Supplies	589,694	-	-	-	-	-	589,694
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	\$4,355,882	-	(\$40,000)	-	-	-	\$4,315,882
Total Expenditures							
Total Expenditures	5,028,770	-	(495,371)	-	-	-	4,533,399
Total Expenditures	\$5,028,770	-	(\$495,371)	-	-	-	\$4,533,399
Ending Balance							
Ending Balance	-	-	495,371	-	-	-	495,371
Total Ending Balance	-	-	\$495,371	-	-	-	\$495,371
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 106 - Well-Rounded Student-Centered Teach & Learn

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							0.92
Total FTE	-	-	-	-	-	-	0.92

PACKAGE: 106 - Well-Rounded Student-Centered

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE		
0000120	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09	8,769.00		105,228- 43,559-	105,228- 43,558-	210,456- 87,117-		
0000120	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09	8,769.00	105,228 43,558		105,228 43,559	210,456 87,117		
1110034	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09	8,769.00	42,091- 17,424-	168,365- 69,693-		210,456- 87,117-		
1110034	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09	8,769.00	210,456 87,117			210,456 87,117		
1517535	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST	1	1-	1.00-	24.00-	09	4,096.00		98,304- 59,505-		98,304- 59,505-		
1517535	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST	1	1	1.00	24.00	09	4,096.00	98,304 59,505			98,304 59,505		
2113106	OAS	C0861	AP PROGRAM ANALYST 2	1		.92	22.00	02	4,727.00	103,994 57,965			103,994 57,965		
TOTAL PICS SALARY									475,891	371,897-			103,994		
TOTAL PICS OPE									230,721	172,757-	1		57,965		
TOTAL PICS PERSONAL SERVICES =									1	.92	22.00	706,612	544,654-	1	161,959

DEPARTMENT OPERATIONS

Package 107 – Meeting the Nutritional Needs of All Students

Purpose:

This package requests Strategic Investments of \$2.9 million for Grant-In-Aid and 2 Positions/1.46 FTE focused on ensuring existing Child Nutrition Programs are able to continue providing support to low-income students in receiving health and nutritional food.

- **Strategy 1** - Investment of \$0.4 million for Technical Services and 2 Positions/1.46 FTE that supports continuation of existing federally funded nutrition programs targeted towards ensuring student wellness.
- **Strategy 2** - Investment of \$0.5 million for Grant-In-Aid for the expansion of the Farm to School Program.
- **Strategy 3** - Investment of \$2.0 million for Grant-In-Aid to respond to the requirement of HB3454 which mandates a school district to provide lunches to all students, regardless if they qualify for free or reduced lunch, should their parents deem they are unable or unwilling to pay for the cost.

This request tackles the issue of improving student health and academic success through nutrition, physical activity, and management of chronic conditions in schools. The purpose of the package is to increase funding to improve the number of students who consume nutritious food and beverages (i.e., those aligned with the *Dietary Guidelines for Americans*); participate in daily physical education and physical activity; and who can effectively manage their chronic health conditions. The chronic conditions would include Type 1 diabetes, food allergies, epilepsy and other seizure disorders, and asthma.

TOTAL POLICY OPTION REQUEST - \$2.9 MILLION

DEPARTMENT OPERATIONS: \$0.4M

GRANT-IN-AID: \$2.5M

How Achieved:

Strategy 1 – Provide Staffing for School Wellness Grant Coordinator

This package builds on efforts and staff currently in place. Through a prior five-year federal Centers for Disease Control (CDC) grant, Oregon Department of Education (ODE) has been working in partnership with the Oregon Health Authority, Public Health Division (OHA-PHD) to increase the number of students who consume nutritious food and beverages, and increase the number of students who participate in physical education and physical activity. There has also been legislative action to support school nursing (e.g. SB 698 (2015) and SB 111 (2017)). Therefore, this program would coordinate and expand upon existing programs.

This request will focus on three major strategies: infrastructure development; professional development and training; and, technical assistance. Strategies will be implemented using a comprehensive statewide approach. Additionally, ODE will work with eight local education agencies (LEAs) —seven school districts and one education service district — to prioritize the work. ODE will work in partnership with the

selected school districts with the majority of the districts' schools at the elementary, middle, and high school levels. The selected LEAs will receive funds to attend trainings and carry out efforts at the local level.

In 2017-19, ODE had the opportunity to apply for a competitive five-year federal CDC grant focused on improving student health and academic success through nutrition, physical activity, and management of chronic conditions. This grant builds on previous school health grants that ODE received through the Oregon Health Authority. ODE received approval of the federal grant in June 2018, which is funded at \$365,000 per year. The grant will go through the 2021-23 biennium.

This program will require two positions to administer the grant: a School Wellness Policy Coordinator that is in the department's 2017-19 budget as a limited-duration position and a part-time position that will assist the School Wellness Coordinator position. In addition, the Health Education and Physical Education Learning Specialist and the School Health Specialist positions in ODE would collaborate on this work.

TOTAL POLICY OPTION REQUEST - \$0.4 MILLION

DEPARTMENT OPERATIONS: \$0.4M

GRANT-IN-AID: \$0.0M

Strategy 2 – Provides Grant Support for HB 3454 Requirement to Provide School Lunches to All Students (\$2.0 million General Fund)

The school nutrition programs in schools are incurring uncontrolled, uncollectable debt from meals served to students who are not providing payment at the time of service as required under ORS 327.537 (HB 3454 (2017)). Historically school nutrition programs have charged families for meals for students who forgot their money or meal at home. House Bill 3454 (2017) expanded the service of meals to any child requesting a meal and restricted methods of collection from direct contact with the student. Cashiers may not ask or prompt students for payment at the point of service, or at any point after the meal is served. Notes may be sent home with the student to the parent requesting payment, but schools may not suspend meal service because of non-payment by the family. Schools are accumulating meal charges at two to five times the past rates for non-payment.

HB 3454 has created an unfunded mandate to schools. School districts with the National School Lunch and School Breakfast Program are federally required to have a charge policy. School districts are undertaking activities to qualify eligible students for meal benefits and collect charges. The funding requested in this package would cover the uncollected amounts after allowable collection activities were exhausted.

Delinquent accounts may remain in the school food service account at a district from year to year. These accounts do not earn interest, and food service programs are federally required to be non-profit programs. Once the student is no longer enrolled in the district, the delinquent account becomes uncollectable and is cleared through a transfer from the school's general fund. The non-profit school food

service account must be made whole with funds to cover the uncollectable amount once the child is no longer enrolled. This request would reimburse schools for funds transferred for uncollectable, delinquent accounts.

Districts will request funding by providing background on each student account with an uncollectable amount. The funds will be distributed by ODE at a fixed time to ensure equitable access to funds. Reimbursements will be issued on a prorated basis should funding not be sufficient to reimburse all uncollectable meal charges.

Without additional funding to support the unfunded mandate of HB 3454 (2017), school districts could have unpaid meal charges that negatively impact their ability to deliver quality meals in the short term and could impact education services in the long term.

TOTAL POLICY OPTION REQUEST - \$0.5 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.5M

Strategy 3 – Expand Farm to School Investment

This request is for expansion of the Farm to School program in the 2019-21 biennium. HB 2038 (2017) provided \$4.5 million in funding for the 2017-19 biennium for:

- Procurement Grants: Non-competitive grants to reimburse K-12 school districts for their purchases of Oregon-grown and Oregon-processed products. By rule, fluid milk ½ pints, certain bakery products, and minimally processed products grown in other states are not reimbursable. Funds may be used for costs associated with sourcing and processing Oregon products.
- Education Grants: Competitive grants to school districts and other eligible partner organizations to fund food-, farm- and garden-based education activities.

The Oregon Farm to School and School Garden Network approached ODE CNP with a request for expansion of the Farm to School Grant Program in several areas:

This funding would enable expansion of the Farm to School Grant Program to entities that are currently not eligible for the grant program and would increase funding currently available in several needed areas. It would directly fund and/or support purchasing of Oregon-grown and –processed foods and implementation of food-, farm-, and garden-based education by school districts, preschool providers, and other sponsors and their community partners. Expanding eligible entities would support farm to school efforts in approximately 70 early childcare and education sites and by 184 summer meal sponsors. Increasing funding for currently eligible grantees would allow participation by an additional 30 school districts and would allow 133 current Procurement Grantees to expand their programming to include education and promotion of Oregon foods.

Current grantees have indicated in their grant reports and surveys that additional technical assistance, training and resources are needed. In addition, new early childcare and education settings and new summer meals sponsors will need technical assistance. ODE and its partners do not currently have capacity to provide this support statewide at the needed level. This funding would provide technical assistance for 150 Procurement Grantees and 50 Education Grantees and stakeholders involved with their programs. Without this funding, grantees will continue to struggle finding and buying Oregon foods. Funding for evaluation of the Grant Program is needed to determine whether expenditure of these public dollars is resulting in positive economic impacts, educational and health outcomes, and to demonstrate that the grants are being effectively managed and administered. With adequate funds, we could produce an Annual Report available to farm to school stakeholders and the Oregon State Legislature documenting our results in the areas of economic impact, educational and health outcomes, as well as grant administration.

TOTAL POLICY OPTION REQUEST - \$2.0 MILLION
DEPARTMENT OPERATIONS: \$0.0M
GRANT-IN-AID: \$2.0M

Staffing Impact: Two positions (1.46 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – School Wellness</i>						
2113301	Student Services	CNP	OAS C0872 AP	School Wellness Grant Coordinator	Federal Funds	0.96
2113302	Student Services	CNP	OAS C0104 AP	School Wellness Assistant	Federal Funds	0.50

Quantifying Results:

Strategy 1 – Provide Funding for School Wellness Grant Coordinator

By the end of the biennium, by extending the Coordinator position and adding the 0.50 School Wellness Assistant, the number of schools that have established, implemented, and/or evaluated a Comprehensive Physical Activity Program will increase by 10 percent.

Strategy 2 – Provides Grant Support for HB 3454 Requirement to Provide School Lunches to All Students (\$2.0 million General Fund)

By the end of the biennium, 100% of schools with paid meal charges receive a General Fund subsidy to cover uncollectible charges.

Strategy 3 – Expand Farm to School Investment

By the end of the biennium, the Farm to School Grant would be expanded to 65 early childcare programs that participate on the Child and Adult Care Food Program (CACFP) and 75 non-profit Summer Food Service Program (SFSP) sponsors. These programs/sponsors are

currently ineligible to participate in the Farm to School Grant.

Revenue Source:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services			\$266,481	\$266,481
Services and Supplies			91,159	91,159
Special Payments				
Total Request			<hr/> \$357,640	<hr/> \$357,640

This package is included in the Governor's Balanced Budget as modified.

- *All General Fund investments have been removed from the Grant in Aid budget.*

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 107 - Nutritional Needs of All Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Federal Funds	-	-	-	408,891	-	-	408,891
Total Revenues	-	-	-	\$408,891	-	-	\$408,891
Transfers Out							
Transfer Out - Indirect Cost	-	-	-	(51,251)	-	-	(51,251)
Total Transfers Out	-	-	-	(\$51,251)	-	-	(\$51,251)
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	158,358	-	-	158,358
Empl. Rel. Bd. Assessments	-	-	-	119	-	-	119
Public Employees' Retire Cont	-	-	-	26,874	-	-	26,874
Social Security Taxes	-	-	-	12,114	-	-	12,114
Worker's Comp. Assess. (WCD)	-	-	-	114	-	-	114
Flexible Benefits	-	-	-	68,902	-	-	68,902
Total Personal Services	-	-	-	\$266,481	-	-	\$266,481
Services & Supplies							
Instate Travel	-	-	-	23,625	-	-	23,625
Office Expenses	-	-	-	1,245	-	-	1,245
Telecommunications	-	-	-	3,000	-	-	3,000
Data Processing	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	51,251	-	-	51,251
Other Services and Supplies	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 107 - Nutritional Needs of All Students

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	-	12,038	-	-	12,038
Total Services & Supplies	-	-	-	\$91,159	-	-	\$91,159
Total Expenditures							
Total Expenditures	-	-	-	357,640	-	-	357,640
Total Expenditures	-	-	-	\$357,640	-	-	\$357,640
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							2
Total Positions	-	-	-	-	-	-	2
Total FTE							
Total FTE							1.46
Total FTE	-	-	-	-	-	-	1.46

PACKAGE: 107 - Nutritional Needs of All Stude

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2113301	OAS C0872	AP OPERATIONS & POLICY ANALYST 3	1	.96	23.00	02	5,442.00			125,166 64,648		125,166 64,648
2113302	OAS C0104	AP OFFICE SPECIALIST 2	1	.50	12.00	02	2,766.00			33,192 43,475		33,192 43,475
TOTAL PICS SALARY										158,358		158,358
TOTAL PICS OPE										108,123		108,123
TOTAL PICS PERSONAL SERVICES =			2	1.46	35.00					266,481		266,481

DEPARTMENT OPERATIONS

Package 108 – High Quality and Safe School Facilities

Purpose:

The condition of Oregon’s K-12 schools reflects a national pattern of long-term under-investment: crumbling buildings, obsolete systems, deteriorating site conditions, and potentially unhealthy and unsafe schools. This is a familiar pattern experienced by the Oregon School for the Deaf (OSD), which is owned and operated by the Oregon Department of Education (ODE).

In order to effectively maintain and/or replace aging infrastructure, it requires continued investment that ensures deferred maintenance issues are addressed timely, and capital improvements or modernization projects are put in place to replace infrastructure that has outlived its useful life and is far more costly to maintain.

As with aging facilities, the infrastructure needed for reliable and effective internet connectivity has also begun to outlive its useful life in many school and districts across the state. The internet has become a powerful tool in bringing information and resources to both students and educators that provide for a more effective learning environment. In many areas of the state, particularly in the rural areas, educators are unable to provide resources via internet due to slow connectivity speeds or connections that are unable to access the information needed.

In order to address these issues, ODE is proposing a strategic investment to ensure students are able to learn in safe, accessible, and quality school facilities that optimize their opportunities for success. To accomplish this goal, the department is recommending \$165 million of new capital bond authority and \$16.2 million of General Fund. During the 2019-21 biennium, ODE would expend \$81.2 million of these funds to accomplish the following strategic objectives:

- Strategy 1 – Oregon School Capital Improvement Matching Program: \$60.0 million in Other Funds (Capital Financing).
- Strategy 2 – Oregon School for the Deaf Capital Improvements: \$5.0 million in Other Funds (Capital Financing).
- Strategy 3 – E-rate State Matching Program to leverage increased funds for internet connectivity - \$1.2 million in General Fund.
- Strategy 4 – Funding to complete statewide facility assessment for all Oregon schools - \$15.0 million in General Fund.

TOTAL POLICY OPTION REQUEST - \$81.2 MILLION

DEPARTMENT OPERATIONS: \$0.2M

GRANT-IN-AID: \$16.0M

CAPITAL FINANCING: \$65.0M

How Achieved:

Strategy 1 – Oregon School Capital Improvement Matching Program

The primary sources of funding in addressing deferred maintenance and capital improvement for school facilities is local school bonds. However, even for those districts that have been able to pass a bond, the amounts have not been enough to keep up with the demands placed on an aging infrastructure. A further exacerbation of the problem is illustrated by the fact that prior to 2015, more than one-third of the capital dollars requested by school districts had been rejected. More than half the rejected funding requests have never been brought back before voters in subsequent elections.

Prior to 2015, the estimated amount of deferred maintenance in Oregon's K-12 schools totaled at least \$7.6 billion. In the ten years up to 2015, local voters had rejected \$2.2 billion in school facility bond requests. From 1997 to 2005, 43 percent of Oregon's school districts have tried and failed, or not tried at all, to pass capital bonds. For those districts that have attempted to pass local bonds, it has often taken three or more attempts to win voter approval.

The 2015 Legislature worked to address this issue with the passage of SB 447 and the approval of state matching grant funds. These funds were approved through the issuance of Article XI-P general obligation bonds. With this funding, the Oregon Department of Education (ODE) allocated this funding through the Oregon School Capital Improvement Matching (OSCIM) program, which assists school districts and local communities through:

- Providing incentives for voters to approve local school bonds;
- Committing resources (grant) for specific capital needs and deferred maintenance issues; and
- Leveraging local economies through increased construction and facility maintenance jobs.

Over the last two biennia, ODE has received a total of \$227 million in XI-P bonding authority to provide up to \$225,985,000 in state matching grants through the OSCIM program. Since May 2016, the program has completed five funding cycles in connection with each local election. The results have been outstanding: since the inception of OSCIM, there have been 47 school districts that have sought approval from voters for local bond financing using the incentive of an actual state match commitment. Of these 47 school districts, 27 passed their local bonds, representing a success rate of slightly over 57 percent. For the last three funding cycles, the success rate has risen to 75 percent. The average success rate prior to OSCIM was slightly above 50 percent.

In total, districts have been awarded \$172.2 million in state matching grants since May 2016. Combine this with the \$4.11 billion of local approved funds creates \$4.28 billion of statewide funding targeted to capital improvement for Oregon's schools. When considering the average economic multiplier effect for these types of projects of 1.45, the total statewide economic activity is estimated at \$6.2 billion which translates to \$36 of economic activity for every \$1 of state investment.

In order to continue making progress in addressing the ongoing facility needs in Oregon's K-12 schools, ongoing state investment is needed. In just a very short time, the OSCIM program has demonstrated the ability to incentivize voters to invest in the capital needs of their schools. In addition, the return of local investment for the OSCIM program is nearly 24 times the amount of state contribution. Continuous investment in the OSCIM program will gradually increase the safety, efficiency, and effectiveness of Oregon's schools.

ODE requests a 2019-21 investment of \$161,310,000 of XI-P bonding authority, which would provide \$160,000,000 in state matching grants. The remaining \$1,310,000 would provide funding for the cost of issuing general obligation bonds. Based on the current project cash flows within the OSCIM program, the issuance of the XI-P bonds would not need to occur until the spring of 2021, which would eliminate the need for General Fund debt service during the 2019-21 biennium.

TOTAL POLICY OPTION REQUEST - \$60.0 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.0M

CAPITAL FINANCING: \$60.0M

Strategy 2 – Oregon School for the Deaf Capital Improvements

The Oregon School for the Deaf (OSD) has been located on its present campus in northeast Salem for over 100 years. The school is the center of deaf education and culture in Oregon. Programs offered on the campus include accredited instruction in elementary, middle and high school, and post-secondary (adult transition). The school also provides residential (dormitory) housing for students.

The 40-acre campus is nestled amongst residential neighborhoods and commercial development. The school's 18 buildings, arranged in a campus style, have a total floor area of 270,000 square feet housing a variety of educational, recreational, cultural and residential facilities. The campus is organized to shelter the core of the campus where most of the students may enjoy the community atmosphere.

In 2011, a facility assessment was performed on OSD to identify the capital improvement needs for all 18 buildings. The assessment identified a comprehensive list of 348 potential projects/tasks at an estimated \$22.0 million. The Department identified \$4.9 million of these projects as high priority and critical in nature. This included two roof replacements, an elevator replacement, refinished gymnasium floor, a campus HVAC system replacement, and other smaller maintenance and repair projects. Through a combination of sale proceeds from OSD surplus property and lease and rent revenues, the Department will have effectively completed all of these projects by end of the 2017-19 biennium.

While this has been a significant investment, there still remains \$17 million of projects identified in the original assessment that must be addressed to maintain the integrity, safety, and effectiveness of the OSD facilities and campus. Since five years have now passed since the assessment, many of these projects have risen in priority and need to be addressed immediately. In 2017, ODE proposed \$9.3 million to address the highest priority areas from this list. The Legislature approved \$4.3 million in funding for 2017-19 to be

generated from the issuance of XI-Q general obligation bonds issued by the Department of Administrative Services. These funds were targeted specifically for roof replacement and ADA improvements in restrooms.

The Department has been successfully administering the projects outlined by the Legislature and anticipates having all project funds committed by the end of 2017-19. ODE is now requesting the balance of the \$9.3 million in high priority needs identified in 2017. For 2019-21, ODE is proposing \$5.1 million from the issuance of XI-Q general obligation bonds, which will generate \$5,000,656 of project funding for OSD and an additional \$99,344 for the cost of issuing the bond. The proceeds will be used to target energy efficiency measures that focus on window replacement, insulation improvements, and lighting upgrades. The proposal for this investment was reviewed by the Capital Projects Advisory Board on August 10, 2018.

TOTAL POLICY OPTION REQUEST - \$5.1 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.0M

CAPITAL FINANCING: \$5.1M

Strategy 3 – E-rate State Matching Grant Program

In late 2014, the FCC adopted an E-rate Modernization Order (FCC 14-189) which included a provision for USAC, administrator of the E-rate Program, to provide up to an additional 10 percent in funding (discounts) for special construction projects with state contributions. This additional discount is added to the standard USAC discount that ranges from 20 to 90 percent per project. The rates are based on the overall poverty rate of the beneficiaries of the project, as well as the geographical location of the project.

Oregon schools are eligible to apply to the E-rate Program to obtain affordable telecommunication and Internet access. In many rural communities, high-speed internet is not available, which limits the ability to expand student learning through access to more advanced tools and resources. Through the USAC program, school districts may apply for discounts for special construction projects that construct fiber connections for high speed Internet connections.

While USAC provides up to 90 percent discounts for project costs, many school districts are still unable to finance the funding gap. Even a 10 to 40 percent funding gap can be relatively significant due to the overall large cost for these projects. In many cases, filling this financial gap would be a significant burden to already limited school budgets.

To begin addressing this issue, the May 2016 Emergency Board approved funding for an ODE pilot program to provide state matching funds to school districts that applied for special construction project funding. The funding was limited to school districts approved for USAC discounts in the 2016 funding cycle with a standard discount of 70 percent or higher. The pilot program expended \$199,571 in state matching grants for five school districts that leveraged an equal amount of USAC funding that reduced

or eliminated the funding gap for \$2,295,707 in projects. Each of these projects resulted in schools achieving internet connectivity speeds that provide tools and resources that further student learning.

In an effort to further the success of the pilot program, the 2018 Legislature took an additional step by creating the Connecting Oregon School Fund for ODE to provide state matching funds for federal moneys received by school districts to provide broadband access to eligible schools in Oregon. With the establishment of this fund and dedicated resources, ODE has the opportunity to be more proactive in providing opportunities for school districts in obtaining adequate internet connectivity.

To date, funding provided for E-rate matching grants have been allocated to ODE at the conclusion of the USAC funding cycle to determine the exact amount the state would fund. While this provides identification of school districts and the funding amounts needed, it limits many school districts that may have applied if there had been sufficient time to complete their applications.

To optimize the use and impact of the Connecting Oregon Schools Fund, ODE is requesting \$1.2 million General Fund to support capitalizing the fund and incentivize school districts to apply. Many school districts lack adequate internet connectivity, but traditionally do not apply for E-rate funds due to their inability to resolve the funding gaps that remain. In February 2018, ODE estimated there were 43 school districts and charter schools without access to high-speed internet, yet only 6 successfully applied for a fiber construction project that could help meet this need. With funding provided in advance, schools and districts will be able to address funding gaps for their projects and have incentive to apply for the federal funds that pay for the majority of the project cost.

ODE is proposing to use \$1.0 million in Grant-In-Aid to award state matching grants for E-rate projects, and an additional \$0.2 million in Operations for one position (0.92 FTE) to provide oversight and administration to the program, and work with school districts to conduct research and analysis in more effectively identifying and addressing the connectivity needs of the state. This investment will leverage an additional \$9.0 million in Local and Federal Funds for special construction projects targeted at creating or improving internet connectivity for Oregon schools.

TOTAL POLICY OPTION REQUEST - \$1.2 MILLION

DEPARTMENT OPERATIONS: \$0.2M

GRANT-IN-AID: \$1.0M

CAPITAL FINANCING: \$0.0M

Strategy 4 – Statewide Facility Assessment

In 2013, the Task Force on School Capital Improvement Planning estimated there was \$7.6 billion in deferred maintenance in school facilities across the state. This estimate was derived from data on 40 school districts and then scaling up for the state. While this estimate provides a good basis for policy and budget discussion, it does not provide the kind of data needed to become more strategic in making investments in school facilities across the state.

The challenge the state currently faces in collecting this data is that there is no mechanism to determine the actual and current conditions of school facilities. The Office of School Facilities Technical Assistance Program (TAP) provides grants for specific districts to conduct facility assessments for specific buildings in their district; however, not all buildings in districts may be assessed with the grant proceeds and not all districts receive these grants. Based on the last two rounds of the TAP, 32 districts received a grant for a facility condition assessment. These grants are designed to cover 3-4 buildings per grant. Assuming that only the main building in Oregon's 1,200 schools are assessed, it would take about 10 years to assess the state using the TAP funds only. That means that by the time the state's last building has been assessed, the first building assessments are 10 years old and the information is no longer valid. The current program funding is not adequate to provide the state with a comprehensive study of the districts' facilities.

In an effort to gain more up-to-date and accurate data on the state of school facilities throughout the state, ODE is proposing a one-time investment to conduct a statewide facility condition assessment. The results of this assessment would provide the state a baseline of information about school facilities and could further improve the targeting of state resources to address those facilities that have the most need. This assessment could also improve the statewide seismic information on school facilities.

Once the baseline information is established, ODE can use its annual data collection on facilities to get additional information that would enable the Department to update the assessment as necessary. ODE estimates a one-time investment of \$15.0 million into the Technical Assistance Program (Department Operations) to conduct a statewide facility assessment.

<p>TOTAL POLICY OPTION REQUEST - \$15.0 MILLION <i>DEPARTMENT OPERATIONS: \$0.0M</i> <i>GRANT-IN-AID: \$15.0M</i> <i>CAPITAL FINANCING: \$0.0M</i></p>
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Staffing Impact:

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 3 – E-Rate Program Administration</i>						
2113308	Finance & Administration	OSF	OAS C0108 AP	Admin. Specialist 2	General Fund	0.92

Quantifying Results:

Strategy 1

Provide support to districts to help successfully pass 27 local districts bonds aimed at improving school facilities in Oregon.

Strategy 2

Provide support to the Oregon School for the Deaf to improve overall energy efficiency of the campus and reduce utility cost by 10 percent by the end of the 2021-23.

Strategy 3

Ensure at least 10 Oregon Schools improve internet connectivity to a level of speed that is adequate for online resources and learning.

Strategy 4

Smart Goal: Develop and implement a plan that ensure the state has current and up to date information on the facility assessment of all Oregon schools by the end of 2021-23.

Revenue Source:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$126,273			\$126,273
Services and Supplies	87,028			87,028
Special Payments				
Total Request	\$213,301			\$213,301

This package is included in the Governor’s Balanced Budget as modified.

Funding for strategy 1 is approved for \$100.1m . All other strategies are denied.

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services				
Services and Supplies				
Special Payments				
Total Request	\$0			\$0

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 108 - High Quality and Safe School Facilities

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Transfers Out							
Transfer Out - Intrafund	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Attorney General	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 108 - High Quality and Safe School Facilities

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Package 109 – Improved Levels of Services for Students with Special Needs

Purpose:

This package requests Strategic Investments of \$95.0 million for Grant-In-Aid and 11 Positions/9.52 FTE that further enhance existing programs, initiatives and best practices that improve the ability to identify and educate students with specialized needs.

- **Strategy 1** - Investment of \$75.8 million of Grant-In-Aid to increase support for the Early Intervention/Early Childhood Special Education Program to ensure all eligible students are provided with the level of services necessary to meet their need.
- **Strategy 2** - Investment of \$14.7 million of Grant-in-Aid to increase support for the Low Incidence Regional Programs to ensure eligible students are meeting at least the minimal level of services.
- **Strategy 3** – Investment of \$2.2 million of Grant-In-Aid to increase support for Youth Corrections Education Program and Juvenile Delinquency Education Program to ensure the level of funding supports the appropriate number of teacher and aides needed for student caseloads.
- **Strategy 4** – Investment of \$0.5 million of Grant-In-Aid to fully implement the requirements of Senate Bill 612 in ensuring all school districts are able to provide effective dyslexia screening of students.
- **Strategy 5** – Investment of \$0.6 million and 6 Positions/4.92 FTE to increase teaching capacity of the Oregon School for the Deaf in maintaining and improving outcomes of student success for students that are deaf or hearing impaired.
- **Strategy 6** - Investment of \$1.2 million for Grant-In-Aid and 5 Positions/4.60 FTE to develop a full-day Kindergarten implementation guide focusing on social-emotional learning and developing classroom schedules through professional development and technical assistance to school districts through ODE-led coaching model.

Oregon children are not meeting third grade benchmarks. School districts are experiencing difficulty in providing successful supports to incoming kindergartners and children in the early grades. Kindergarten Assessment data shows some groups of children are failing or not making progress in kindergarten-to-third grade benchmarks. School districts are calling the Oregon Department of Education (ODE) for guidance, not knowing how to support incoming kindergarten children.

The purpose of this work is to improve early supports to children entering school in an effort to close achievement gaps and reach third grade benchmarks. The work will be comprised of several components identified below.

TOTAL POLICY OPTION REQUEST - \$95.0 MILLION

DEPARTMENT OPERATIONS: \$1.2M

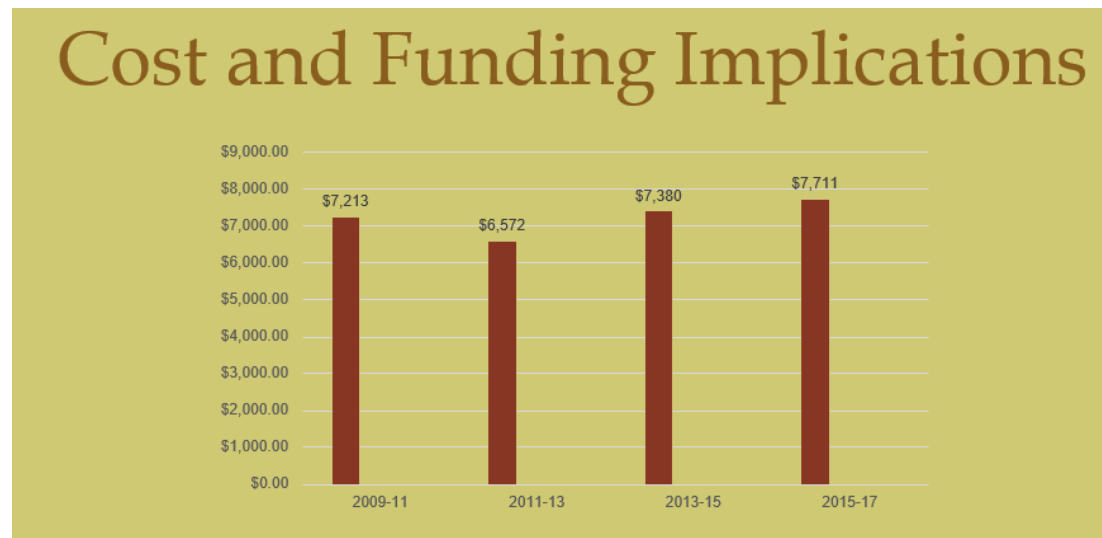
SCHOOL FOR THE DEAF: \$0.6M

GRANT-IN-AID: \$93.1M

How Achieved:

Strategy 1 – Invest in the Early Intervention/Early Childhood Special Education Program to Ensure Adequate Levels of Service

The EI/ECSE program serves young children birth to school age (usually age five) with disabilities and their families. It is a mandated program funded with approximately 16 percent federal and 84 percent state funds. ODE contracts with education service districts to provide the services required to eligible children, depending on their needs. There are no other resources such as state school funds or directed grants for this program. Over time, the program has continued to grow, including a large increase in children with autism, children with medical needs, and those with mental health needs. The goals of this program are to improve developmental status and increase school readiness for each child.



Each biennium the legislature appropriates grant-in-aid funds to the program through a calculation based on changes from caseload count (number of children) plus the statewide standard inflation rate. The 2017 Legislature appropriated additional funding (\$5.9 million General Fund) to address increases in costs associated with rising costs of services and growth in the program. However, the funding still is not keeping pace with expenses and growth in the program and children are receiving fewer and fewer services. The funding amount per child has hovered at \$7,300 per child per year for the last nine years (2007-09: \$7,316; 2009-11: \$7,213; 2011-13: \$6,536; 2013-15: \$7,380). Funding for the 2017-19 biennium is estimated at \$8,209 per case (based on an average of 13,120 cases per year) of April 2018. This is a 12.8 percent increase since 2007. Meanwhile teacher compensation has increased by 22.4 percent.

EI/ECSE services require a reasonable expectation that children receive educational benefit from the services they receive. Decreasing service levels is not meeting this expectation. In January 2009, Representative Peter Buckley created a work group including legislative members, service providers, advocates, school administrators, and ODE staff to research the adequacy of funds for the program and propose an improved method of funding the program. ODE retained a national expert (Dr. Tom Parrish, American Institutes of Research) knowledgeable about special education funding, and familiar with Oregon funding mechanisms to provide a framework which guided the work of ODE in determining the data collection process, cost determinations and other key elements of a funding model. ODE also employed information from the Quality Education Commission as another guide and utilized the expertise of program service providers. Additionally national early childhood consultants were contacted to discern the critical elements for serving this population and other options for funding.

As a result of ongoing concern about the adequacy of funds for this program, the 2009 Legislative Assembly approved the following budget note:

“The Department of Education shall complete the development of a funding model for Early Intervention and Early Childhood Special Education programs which incorporates minimum service level expectations, caseload, and current cost estimates. In consultation with the Legislative Fiscal Office and Department of Administrative Services, the Department shall develop a key performance measure(s). The Department’s 2011-13 budget request shall incorporate the results of these efforts.”

ODE worked with service providers to collect information on not only the number of children in service but also identified the drivers of services and costs including: 1) disability, 2) related services (e.g., speech therapy, occupational therapy), and 3) intensity of service (mild, moderate, or high). In February 2010, ODE presented the funding model to the Joint Ways and Means Committee and was directed again to use the model in its budget request for 2011-13.

The service level guidelines used to develop the funding model are conservative and carefully considered to provide benefit to children and their families. The funding model includes the following guidelines for services:

Early Intervention (infants and toddlers birth to age three)	What is an “Adequate” Level of Service?	Percent of Children Receiving Level of Service
Services are typically home based.	Specialized consultation services with caregivers: 1 time per week	29.1 percent
Early Childhood Special Education (children age three to kindergarten entry)	What is an “Adequate” Level of Service?	Percent of Children Receiving Level of Service

Low Needs: Delayed in 1-2 areas of development (e.g., speech).	Specialized ECSE services: 1x per week	64.3 percent
Moderate Needs: Delayed in 3-4 areas of development.	Preschool: 12 hours per week Specialized consultation: 1 x per week Parent education/support: 1 x per month	8.1 percent
High Needs: Delayed in most or all areas of development.	Specialized preschool: 15 hours per week Specialized consultation: 1 x per week Parent education/support: 1 x per month	1.6 percent

2017 Service Level Data

The funding model was updated in winter 2018 to include forecasted salaries (using the Quality Education Model) for special education teachers, related service personnel (speech therapists, occupational therapists, occupational therapists) and teaching assistants. Applying inflation forecast to the next biennium, full funding of this model requires a budget of \$304,821,276 for the 2019-21 biennium. The current service level (CSL) calculation in the 2019-21 budget is \$229 million including all fund sources. Assuming the same level of inflation for EI/ECSE services for 2019-21 over 2017-19, this difference is \$75.8 million to fully fund a caseload of 27,513 children. (Current service level estimates include \$10.3 million for caseload growth assuming an average year-over-year growth of 4.74 percent.) Both funding calculations used the same forecasted caseload growth (number of children) in the program.

The current amount budgeted in CSL for 2019-21 would fund services at about 75 percent of the minimum service level expectations for this population. The 2017-19 budget was funded to provide about 82 percent of services based on estimates at the end of the 2017 Legislative Session. To maintain this level of services in 2019-21 (82 percent), it would require an additional General Fund investment of \$20.9 million. To fully fund appropriate levels of service for all enrollees, the program would need an additional \$75.8 million investment. For additional investments less than full funding, we could achieve progress towards full funding for this vulnerable population with the following investments

	Total Needed:	Additional General Fund Investment Required	
Funding @ 80 percent	243,857,021	14,814,873	
Funding @ 82 percent	249,953,447	20,911,299	<i>Maintains current level of services</i>
Funding @ 85 percent	259,098,085	30,055,937	
Funding @ 90 percent	274,339,149	45,297,001	

Funding @ 95 percent	289,580,213	60,538,065
Funding @ 100 percent	304,821,276	75,779,128

Underfunding this program has resulted in the continual reduction of services to eligible infants, toddlers, and preschoolers with disabilities and their families. This increases the likelihood that the achievement gap between children with disabilities and their peers will continue and that more children with disabilities will continue to drop out of school and not reach their full potential.

TOTAL POLICY OPTION REQUEST - \$75.8 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$75.8M

Strategy 2 – Restored Support for Low Incidence Regional Programs

ODE is requesting funding be restored to Low Incidence Regional Programs (LIRP) as funding has not kept up with inflation, and the number of students served in these programs has increased by 28 percent in the past ten years. Both inflationary and student number increases have caused services to students to be provided at a lesser capacity over this time.

Low incidence disabilities are disabilities that affect a small percentage of students eligible for special education. Students served by the Low Incidence Regional Program have disabilities that encompass the following eligibility categories:

- Deaf/hard of hearing
- Blind/Visually Impaired
- Deaf/Blind
- Autism
- Orthopedically Impaired
- Traumatic Brain Injury

The Oregon Legislature established funding for this program in 1983 to:

- Provide equity of access for students with low incidence disabilities to specialized services;
- Acquire and retain highly specialized staff; and,
- Capitalize on economy of scale for providing services for students with low incidence disabilities birth to age 21 that are equitable across the State of Oregon and flexible to meet local needs.

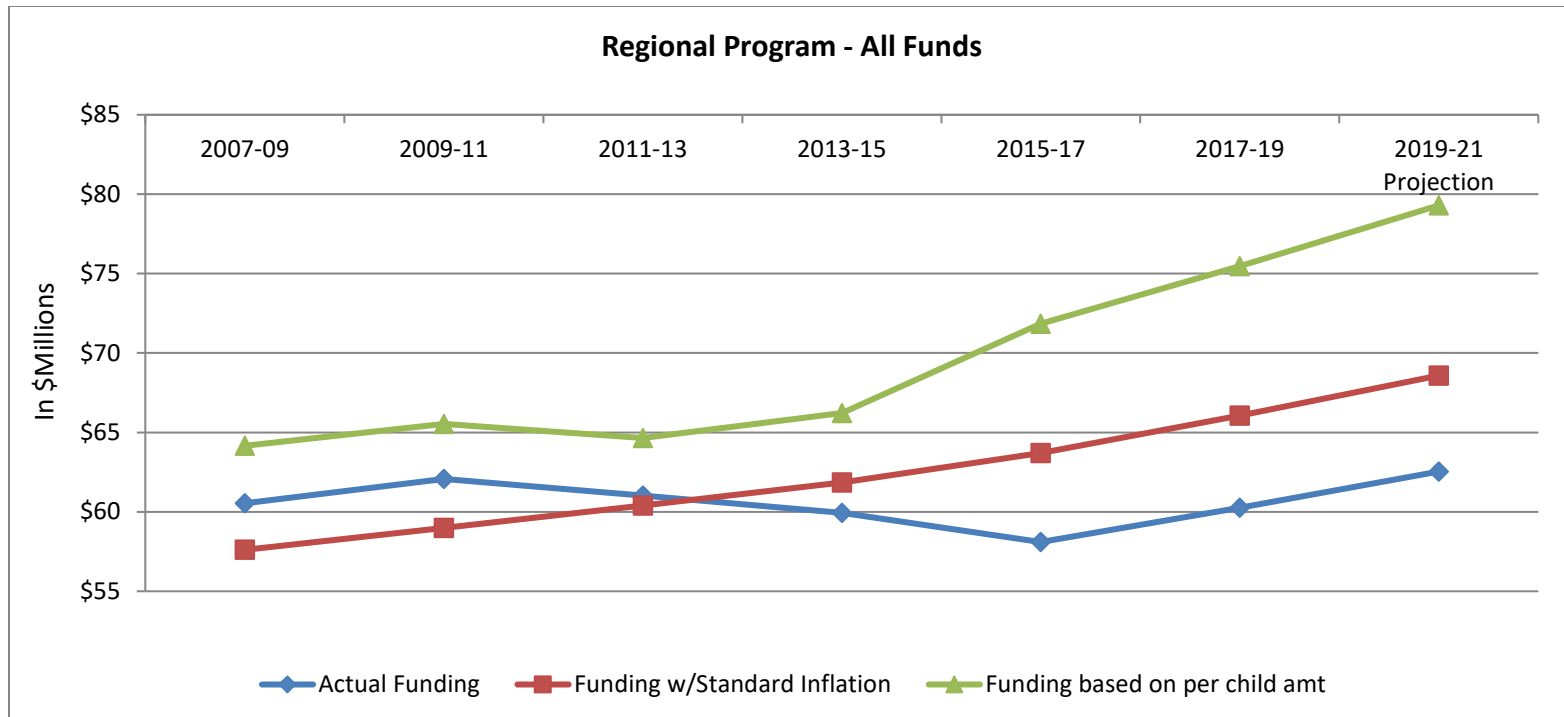
Currently there are eight programs operating across Oregon that contract with ODE to provide services to students with low incidence disabilities in students' local school districts. These eight programs are provided by seven education service districts (ESDs) and one

school district (Portland Public Schools). Oregon Department of Education contracts with these eight regional providers to serve eligible students.

The number of students impacted by low incidence special education disabilities needing Low Incidence Regional Program services has significantly increased over the past ten years. The number of students eligible for and receiving services has increased from 7,910 in the 2005-07 biennium, to 9,758 in the 2015-17 biennium. The number of students projected to be served in the 2017-19 biennium is 10,152, a 4 percent biennial increase. This is a projected increase of 28 percent or 2,242 students from 2007 to 2019. If the increase between 2015-17 and 2017-19 holds for 2019-21, we can estimated service needs for 10,562 students in the program.

In reviewing student data, it is important to note the significant increase of students impacted by low incidence special education disabilities over the ten year period from 2007-2017. For example, the number of students experiencing autism has increased by 26 percent, from 5,490 students to 6,940 students. The number of students impacted by Traumatic Brain Injury has increased by 300 percent, from 33 students to 132 students. The number of students with a hearing impairment has increased by 15%, from 942 students to 1,083.

The budget for this program is based on student data collected during the past five biennia. The allocations of General Fund for Low Incidence Regional Programs (LIRP) have been analyzed to determine trends in funding. The inflation rate for this ten-year period has ranged from 2.4 percent to 3.8 percent. As shown in the graph below, an inflation rate of 3.8 percent was utilized to determine the projected funding allocations for the 2019-21 biennium if funding had kept up with inflation (red line). The actual Low Incidence Regional Programs funding allocations (blue line) have not kept pace with inflation. Using a per student funding allocation, (green line) the current projected funding level of \$28,897,460 for 2019-21 is 50 percent less than if funding is allocated at \$43,457,947 based on a per student allocation.



Funding Regional programs at a level that provides adequate special education support to meet the unique special education needs of low incidence disability students will improve educational results and functional outcomes for these students.

Continuing to underfund low incidence Regional programs will result in continued reduction of special education services to students in all low incidence disability categories. Over the past five biennia, direct instruction for students with autism and orthopedic impairments has been discontinued, and a consultation model implemented due to insufficient funding with the increased number of students. In addition, services for students with traumatic brain injuries have continued to be provided at a consultative level as funding is not sufficient to provide a direct instruction model. Increased funding will allow direct instruction to be implemented for these students. Although direct instruction continues to be provided for students in the remaining low incidence eligibility areas, increased funding based on a per-student amount will significantly improve the services to these students by lowering caseloads.

TOTAL POLICY OPTION REQUEST - \$14.7 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$14.7M

Strategy 3 – Increased Support for Youth Corrections and Juvenile Detention Education

The Youth Corrections Education Program (YCEP) and Juvenile Detention Education Program (JDEP) are currently funded by distributions from the State School Fund. The program contracts with education service districts and/or school districts to provide the education required to youth incarcerated in Oregon Youth Authority facilities or county juvenile detention facilities.

State School Fund distributions for this population is based on the average daily membership (ADM) for youth in these facilities, based on a weighting of 2.0 (YCEP) or 1.5 (JDEP) per student. The average student without special education needs or other weights gets a weight of 1.0.

The average student in Oregon receives 180 days of instruction, but at YCEP and JDEP facilities, the average number of days for instruction is 220, or 40 additional instruction days for incarcerated youth. In addition, these students typically have lower than average test scores because they have been in the system and may not have been attending school regularly prior to being incarcerated. They often have other contributing factors that in a normal school setting would have resulted in additional funding weights. In a single institution, a teacher is often providing education to youth in several grades in the same classroom.

In addition, based on the July 2018 average daily membership (ADM) count, four out of eight YCEP schools and eight out of twelve JDEP schools would require supplemental funding to provide a full-time licensed teacher at the site. Whether you have three or twenty students, the salary of a license teacher remains the same. Based on the July 2018 ADM counts, the four small YCEP sites have an average of 7.57 ADM and the eight small JDEP sites have an average of 7.53 ADM. Teachers in these programs have to contend with multiple age/grade levels at the same time.

Contributing to extended school year issue is the fact that OYA incarcerated youth are decreasing in numbers. While this is a very desirable situation, it reduces the amount of available funding from the State School Fund to support the education of those youth remaining in OYA and juvenile detention custody. It also puts further pressure on maintaining class sizes sufficient to support a full-time teacher.

The YCEP/JDEP program currently has an ending balance that would support increasing contracts to cover the additional instruction days and maintaining the cost of teacher minimums for the first year of the 2019-21 biennium. This request is for General Fund support for increased instruction days in YCEP & JDEP facilities to increase contracts for providing education on the basis of a 220-day instruction year, instead of the traditional 180-day instruction year for most public school students, and to supplement small JDEP and YCEP sites to fund a minimum of one full-time teacher. The cost is estimated at \$2,152,139 General Fund per year.

TOTAL POLICY OPTION REQUEST - \$2.2 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$2.2M

Strategy 4 – Addressing the Special Needs of Oregon Students - Dyslexia

SB 1003 (2017) requires that kindergarten students and students first enrolled in a public school in Oregon for first grade receive a screening for risk factors of dyslexia to include:

- phonological awareness;
- rapid naming skills;
- the correspondence between sounds and letters; and,
- family history of difficulty in learning to read.

School districts must screen for risk factors of dyslexia using a screening test identified by the department. The legislation did not include funding for Oregon districts to meet this screening requirement. SB 1003 requires ODE to identify screening tests that are cost effective for districts. It is essential that the screening measures selected accurately identify students who are at risk.

To allow for the use of cost effective screening measures that are also strong predictors of risk, with input from an advisory group consisting of multiple stakeholders, ODE has identified the following criteria for selection of universal screening systems:

- a) the screeners must have strong predictive validity, classification accuracy, and norm-referenced scoring;
- b) the systems must include measures of all three of the risk factors required in SB 1003 (phonological awareness, letter-sound correspondence, and rapid naming); and,
- c) the systems must also include progress-monitoring measures.

Districts will be required to select one of the universal screening systems approved by ODE that meet the criteria and administer the subtests for each risk factor at designated points in time during the school year, as per test developer guidelines.

District personnel who act as members of the Oregon Dyslexia Advisory Council (ODAC) have expressed concerns that the expenses associated with the newly required dyslexia screening will be a burden for districts. Not only will many districts need to purchase the needed screening measures, they will also need to utilize existing resources to administer, score, and enter data for the required screeners. Because the requirement is to screen all K students (and students first enrolled in grade one), it will require a significant commitment in time from instructional staff to complete.

This package requests funding that would provide each Kindergarten-to-grade-5 (K-5) school \$3 per kindergarten student to be used toward the cost of an annual subscription to a universal screening system for each year of the biennium. This subscription includes

access to the measures and a database to enter scores and request summary reports. Each K-5 school would receive \$85 per kindergarten teacher (based on the ratio of one kindergarten teacher per 30 kindergarten students) to be used toward purchasing access to online training modules on test administration and scoring. Each K-5 school would also receive \$85 for one first grade teacher to complete the online training modules.

For districts with established systems of universal screening that meet the requirements set forth by the department, this funding could be used toward covering the cost of the resources needed to administer, score, and enter data for the required screeners. About half of Oregon K-5 schools already have an approved system in place. Funding also could be used to provide ongoing training on test administration and scoring.

SB 1003 requires ODE to employ a Dyslexia Specialist to implement this bill. ODE has an approved Dyslexia Specialist funded at 0.75 FTE. In order to obtain a qualified person with sufficient experience and background knowledge for this position, the Dyslexia Specialist was hired as a permanent, full-time position, leaving a funding gap of 25 percent of the position. The position is currently assigned to a share of federal Individuals with Disabilities Education Act (IDEA) program work to pay the additional position costs. Federal IDEA funds can only be spent for federally required special education purposes, so the Dyslexia Specialist is currently not able to address the SB 1003 work at the depth needed. Full implementation of SB 1003 necessitates the attention of a full-time Dyslexia Specialist dedicated to fulfilling the requirements. As districts begin to implement the new dyslexia requirements, there will be significant training, technical assistance, and systems maintenance to assure that the 750 teachers across the state are adequately trained to implement the dyslexia screening and to assure that school districts have adequate data systems and interventions in place. Policy Option Package 115 (Program Cleanup) addresses the adjustment to make the part-time position full-time by adding 0.25 FTE.

TOTAL POLICY OPTION REQUEST - \$0.5 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.5M

Strategy 5 – Increase OSD Staff to Meet Needs of Deaf/Hard-of-Hearing Students

The Oregon School for the Deaf (OSD) has been located on its present campus, in northeast Salem, for over 100 years. The school is the center of deaf education and culture in Oregon. The 40-acre campus is nestled amongst residential neighborhoods and commercial development. The school's 18 buildings, arranged in a campus style, have a total floor area of 270,000 square feet, housing a variety of educational, recreational, cultural, and residential facilities. The campus is organized to shelter the core of the campus where students may gather to enjoy the community atmosphere.

All students enrolled at OSD are entitled to the best education possible. Each student is valued as a unique individual treated with dignity in an atmosphere where individual differences are accepted. OSD believes each student can learn, and accepts the challenge of providing a nurturing environment that allows students to achieve their full potential. The school endeavors to instill in all students the intrinsic value of learning.

Over the course of previous several biennia, OSD's student enrollment has been on the rise. In 2011-13, the student enrollment at OSD was 104; it is estimated to be 122 for 2019-21, a 17 percent increase. The primary source of funding for OSD is General Fund. The State School Fund, the secondary source of funding, provides support similar to public schools based on an ADMr basis; however, it gets slightly less weight than public schools receive for students that are deaf or hearing impaired.

As a subset of the population growth, OSD's special needs students are also increasing. Deaf students who have additional disabilities - known as "Deaf Plus" students – require very specialized education, particularly students with Autism, Intellectual Disabilities, or Learning Disabilities. Currently, OSD's teachers are sharing responsibilities for multiple grade levels, however, that becomes very challenging for staff and does not provide the most effective teaching methods. With one additional teacher, the school could split out the "Deaf Plus" population into elementary, middle, and high school levels to provide for the optimum level of services.

OSD students struggle with the fundamentals of reading, given that traditional programs are not equipped to educate Deaf and Hard of Hearing students - most being reliant on phonics and auditory cues for building English literacy skills. OSD focuses on visual strategies to teach reading. In the 2015-17 biennium, OSD had available funder resources through the Effective Behavioral & Instructional Support Systems (EBISS) grant that funded two literacy lab aids. These positions supported students and were successful in improving reading and translation skills from American Sign Language (ASL) to English and English to ASL. When the grant ended the positions were eliminated, as continued funding did not exist within agency resources. OSD is requesting two permanent, academic year assistants dedicated to running a Literacy Lab to reinstate this effective program. These positions would support all of the Language Arts teachers at OSD with pull-out and push-in strategies, assisting in the literacy skill building components of their classrooms.

As a bilingual school, it is imperative for OSD to assess its students with equal importance on their ability to use American Sign Language as well as English. Serving a school where 95 percent of student body parents are hearing and do not sign fluently, over 50 percent of our teaching and administration staff are Deaf adults, and 100 percent of the student population is Deaf/Hard of Hearing, we have need of an interpreter on a daily basis. It is a struggle to provide consistency in interpreting services for various OSD meetings with parents, Deaf students/staff, and hearing parents and/or staff, because we are reliant on a contract with the Department of Human Services for interpreter services. There have been many instances where meetings with parents or Human Resources had to be postponed because of the inability to provide interpreter services convenient to all parties. Having an interpreter available on staff would put the school in compliance with individual education plan (IEP) meeting protocols, and would be a boost in morale between Deaf and hearing staff members.

OSD is requesting the addition of one half-time interpreter during school operations who is certified for Educational Interpreter Performance Assessment (EIPA) certified 3.5 or above, and Registry of interpreters for the Deaf (RID)-certified.

In summary, ODE proposes adding six new positions (4.92 FTE) to the School for the Deaf to provide two Lab Assistants that will staff a Literacy Lab; one half-time ASL Interpreter for daily support to students, parents, and staff; and three Teaching Assistants to assist with Deaf-plus students.

TOTAL POLICY OPTION REQUEST - \$0.6 MILLION

DEPARTMENT OPERATIONS: \$0.0M

SCHOOL FOR THE DEAF: \$0.6M

GRANT-IN-AID: \$0.0M

Strategy 6 – Develop Full-Day Kindergarten Implementation Guide

Develop a full-day Kindergarten implementation guide that will focus on social emotional learning and developing classroom schedules and routines that are conducive to teaching young (age 5) young children and lay the foundation for success in kindergarten and the early grades. The implementation guide will address:

- Consensus of what full day Kindergarten should look like;
- Aligned early childhood education and K-3 expectations, curriculum and practices;
- Aligned school initiatives and programs in Kindergarten and grades 1, 2, and 3 (Special Education, Title 1, ESSA, Educator Effectiveness, etc.); and,
- Address early childhood-to-kindergarten transition.

Provide Professional Development and Technical Assistance

Provide professional development and technical assistance to school districts through an ODE-led coaching model. Coaches will work with selected districts having difficulty with incoming kindergarteners and performance on third grade benchmarks (tie to School Improvement, Title 1, and Every Student Succeeds Act (ESSA)).

TOTAL POLICY OPTION REQUEST - \$1.2 MILLION

DEPARTMENT OPERATIONS: \$1.2M

GRANT-IN-AID: \$0.0M

Staffing Impact: 5 positions (4.60 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 6 – Full-Day K Implementation</i>						
2113303	Student Services	EI/ECSE	OAS C0871 AP	Full-Day K Implementation	General Fund	0.92
2113304	Student Services	EI/ECSE	OAS C0871 AP	Full-Day K Implementation	General Fund	0.92
2113305	Student Services	EI/ECSE	OAS C0871 AP	Full-Day K Implementation	General Fund	0.92
2113306	Student Services	EI/ECSE	OAS C0871 AP	Full-Day K Implementation	General Fund	0.92
2113307	Student Services	EI/ECSE	OAS C0871 AP	Full-Day K Implementation	General Fund	0.92

Quantifying Results:

Strategy 1 – Invest in the Early Intervention/Early Childhood Special Education Program to Ensure Adequate Levels of Service

For the 2019-21 biennium, 100% of all eligible children served through the Early Intervention/Early Childhood Special Education Program will receive adequate levels of services.

Strategy 2 – Restored Support for Low Incidence Regional Programs

By June 2021, through improved service levels, the Low Incidence Regional Programs will see a decrease in student caseloads by 20%.

Strategy 3 – Increased Support for Youth Corrections and Juvenile Detention Education

Every Youth Corrections Education Program (YCEP) and Juvenile Detention Education Program (JDEP) will have funding to support a full-time licensed teacher providing 220 days of instruction in all YCEP/JDEP educational classrooms, ultimately resulting in increased educational outcomes for incarcerated youth.

Strategy 4 – Addressing the Special Needs of Oregon Students - Dyslexia

By June 30, 2021, 100 percent of Oregon's K-5 schools will have a universal screening system in place to effectively test and provide intervention for students at risk for reading difficulties.

Strategy 5 – Addressing the Special Needs of Oregon School for the Deaf

For 2019-2021, Oregon School for the Deaf will provide additional supports to students by hiring a part time ASL interpreter, two Literacy Lab assistants and three Teaching Assistants, to address students' needs in the areas of academics, behavior and language access during the school year.

Strategy 6 – Develop Full-Day Kindergarten Implementation Guide

By June 30, 2020, a Full-day kindergarten Implementation Guide will be finalized along with a coaching and outreach plan to meet the goals identified for the 2020-21 year.

By June 30, 2021, at least 75 percent of districts will be aware of tools and resources that work to effectively improve outcomes for kindergarten students.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$812,915			\$812,915
Services and Supplies	408,315			408,315
Special Payments				
Total Request	<hr/> \$1,221,230			<hr/> \$1,221,230

This package is not included in the Governor’s Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 109 - Improved Special Needs Levels of Service

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 109 - Improved Special Needs Levels of Service

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Package 110 – Education and Job Reengagement Opportunities

Purpose:

Strategic Investments of \$7.1 million and 8 Positions/6.64 FTE for collaboration of ODE and Youth Development Division working in collaboration to increase efforts that work to prevent at-risk youth from becoming disconnected from the education system and/or labor market.

- **Strategy 1** - Investment of \$3.0 million of Grant-In-Aid to support the Community Schools Program and Youth & Workforce Grant Program to help reengage youth who have become disconnected from the education system and provide supports for job opportunities through entrepreneurial training.
- **Strategy 2** - Investment of \$1.4 million of Grant-In-Aid to implement a pilot program focused on youth reengagements – YDC All Mean All Reengagement Grants.
- **Strategy 3** - Investment of \$0.3 for 1 Position/0.96 FTE to provide technical assistance and supports that work to effectively reduce disparities among disadvantaged youth of color.
- **Strategy 4** - Investment of \$0.3 million for 1 Position/0.92 FTE to further the ability to collect, analyze, and measure data on at-risk youth to more effectively identify best practices and solutions.
- **Strategy 5** - Investment of \$1.7 million Technical Services and 6 Positions/4.76 FTE to help improve education outcomes for at-risk students in alternative and online schools and programs, as identified by the Secretary of State's Audit 2017-30, through increased staffing support in the Oregon Virtual School District and a recalibration of the funding formula that currently support online learning.

Strategy 1 – Invest to Support the Youth & Workforce Grant Program

The Youth Development Division (YDD) is requesting a General Fund investment to implement Senate Bill 586 (2015), which expanded the YDD's services for academically and disconnected youth through the age of 24. This request is for \$3 million General Fund: \$2 million to fund Youth & Workforce grants and \$1 million to fund the Youth & Entrepreneurship grant program. These programs would provide grants and services to implement career and workforce success for youth ages 11 through 24 with interventions designed to prevent youth disconnection, by providing early opportunities for career connected learning, effective interventions for youth at risk of disconnection, improve graduation rates, and reengage disconnected youth with education and employment through aligned and equitable service delivery.

Strategy 2 – Implement a Pilot Program Focused on Youth Reengagements (All Means ALL Reengagement Grants)

The Youth Development Division is requesting funding for a pilot project that will stand-up reengagement sites utilizing partnerships between local communities (Community Based Organizations, business, etc.) and Education (Oregon Department of Education

(ODE) and the Higher Education Coordinating Commission (HECC)) focused on reengaging and/or engaging youth with education and career. The goal of the pilot is to demonstrate that such partnerships can and are effective in: providing equitable reengagement opportunities, improving equitable educational and workforce outcomes, customizing to the localities' existing strengths, and being replicable across diverse regions of the state. Results from the pilot sites can be used to inform and create a statewide reengagement system that addresses the unique needs of youth and students through a strengths-based approach that builds on the supports of the regions and communities in which the youth and students reside, while being equitable in both access and outcomes.

Oregon has an unacceptably high number of students leaving high school before completion (earning a diploma or equivalent, such as the GED) and the overrepresentation of student groups within this population that indicates the existence of systemic inequity. Exacerbating the problem is the fact that youth who are not in school, do not, cannot, benefit from any policy, initiatives, programs, or interventions designed for students while they remain out of school.

Over the previous three years for which Oregon Department of Education (ODE) fifth year graduation outcomes are available, an average of 7,781 youth per cohort did not complete High School within five years. The size of the out-of-school youth population reduces the potential positive effect of many critical initiatives aimed at improving equitable outcomes (Graduation Rates, Attendance, CTE, Dual Credit, Hands on Learning, etc.) because the population most in need of such efforts are not in school to benefit from them.

Youth that do not complete high school are at greater risk of engaging in criminal behavior, requiring social services, poor health, lower life expectancy, and unemployment. The ODE does not track graduation outcomes beyond the fifth year. As such, the 5-year adjusted cohort non-completer count is likely the best estimate of Oregon's out of school population for youth age 16 through 24 years of age. In comparison, the most recent estimates using the American Community Survey (U.S. Census Bureau) place the number of 16 through 24 year olds that are out of school and not working at 56,534.

The most recent cohort data from ODE, the 2013-14 Adjusted Cohort (Class of 2017), had 46,155 students. There were 35,380 students that graduated within four years, which produced a 4-year Adjusted Cohort Graduation Rate (ACGR) of 76.65 percent. There were 10,775 students that did not graduate within four years and 9,147 students that did not complete within four years. To put this in perspective, the 2013-14 Adjusted Cohort (Class of 2017) would require an additional 6,160 students to become four-year graduates in order to achieve a 90 percent 4-year ACGR. Using 2015 data, the Alliance for Excellent Education estimated that if Oregon achieves a 90 percent 4-year ACGR it would be accompanied by an annual increase of 300 additional jobs annually, \$76.7 million in additional earnings, \$8.2 million in state and local tax revenue, and \$92 million in healthcare savings.

Strategy 3 – Invest in Staffing and Supports to Effectively Reduce Disparities Among Disadvantaged Youth of Color

The Youth Development Division is requesting a position to act as Disproportionate Minority Contact Coordinator. This position is required by the federal Office of Juvenile Justice and Delinquency and Prevention (OJJDP) in order to maintain federal funding. Failure to comply will result in the loss of federal funds. The Youth Development Division is designated by the Governor to administer federal formula grant funds from the Office of Juvenile Justice and Delinquency Prevention, as well as monitor the state's compliance with the core provisions of the Juvenile Justice and Delinquency Prevention Act of 2002. One of the core provisions requires the YDD to monitor disproportionalities at all decision points in the juvenile justice system and address disparities where found.

Youth of color are disproportionately represented in the Oregon's juvenile justice system at all points of contact – from referral to the juvenile departments by law enforcement to placement in secure OYA facilities, resulting in increased likelihood of these youth to become homeless, unemployed and imprisoned. Disproportionately applied school disciplinary sanctions are a significant contributor to the “school-to-prison pipeline” for racial and ethnic minorities.

Strategy 4 – Invest in Staffing to Increase the Ability to Collect, Analyze, and Measure Data on At-Risk Youth to Identify Best Practices and Solutions

The Youth Development Division (YDD) was established within the Department of Education in 2013 and functions under the direction and control of the Youth Development Council (YDC). The purpose of the YDD is to ensure that services are provided to school-age children age 6 through youth 24 years of age in a manner that supports educational success, focuses on crime prevention, reduces high risk behaviors and is integrated, measurable and accountable. The YDD needs a program analyst to facilitate the measurability and accountability portion of its legislative mandate.

The YDD serves thousands of youth through more than 150 grants and does not have a program analyst. The positions devoted to the legislative mandate that services are measurable and accountable have not increased commensurate with advances in the specificity of program service data and program outcome data the YDD is collecting. The YDD's capacity to collect and analyze data is currently limited, and an additional position is needed if the division is to adequately monitor and support community investments and fully meet the mandate that services are measurable and accountable – which will not only ensure the quality of investments, but provide better information on community needs and affective practices. The addition of a permanent, full-time Program Analyst 2 position would accommodate growth and help ensure the continued effectiveness of the YDD's work.

In a letter dated October 11, 2017 to the Directors of the Governor's Education Cabinet, the Governor outlined her vision for the state's educational system. The first of two overarching guiding principles the Governor conveyed was the requirement for “a high standard of accountability in implementation, ensuring outcomes are measured, and that every dollar of public investment for our students is well spent.” Later, in the same letter, the Governor requested that “...further recommendations are provided to me on the programs administered by the Youth Development Division that serve Oregon's youth disconnected from school and the workforce,

and the integration of these programs with drop-out prevention strategies and career-connected learning in K-12 and postsecondary education...”

Strategy 5 – Invest in Staffing and Technical Services to Improve Education Outcomes for At-Risk Students in Alternative and Online Schools and Programs

The Oregon Virtual School District (ORVSD), established in 2005, was implemented at a time when online learning in Oregon was in its early years. Digital learning was primarily in schools that had received grants, and devices were in labs where students had access once every six to eight weeks and for testing. Today, many of our schools are providing nearly 1:1 access to devices and students are using digital tools as an integral part of their learning. Blended learning (online and face-to-face) is happening frequently in our schools and online learning is happening in a variety of programs.

Oregon’s virtual public charter schools and online alternative programs are struggling to show results in graduation rates, chronic absenteeism, Ninth grade on track, and overall student academic performance. Evidence of this fact may be found in the Secretary of State’s Audit titled “Stronger Accountability, Oversight and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education.” There is a need to improve the quality of virtual public charter schools and other online programs in Oregon. The Oregon Department of Education (ODE) has just scratched the surface of the performance data from online charters and alternative education schools and programs, but does not currently have the capacity to provide analysis to fuel improvement. Investments in capacity at ODE will allow the Department to develop high quality tools and systems for operation and oversight. These tools and systems can be available to school districts and online providers to strengthen their operational performance and accountability monitoring. ODE will also be able to provide professional learning opportunities and technical assistance for school districts and online providers at scale, based on the ODE’s operation and national best practices.

TOTAL POLICY OPTION REQUEST - \$7.1 MILLION

DEPARTMENT OPERATIONS: \$2.7M

YOUTH DEVELOPMENT GRANTS: \$4.4M

How Achieved:

Strategy 1 – Invest to Support the Youth & Workforce Grant Program

Following the passage of SB 586 in 2016, which expanded the age range of youth served by the YDD through age 24, the Legislature requested that the YDD conduct a Community Engagement process to determine gaps in programs and services, and to identify effective innovative programs for youth ages 16 through 24. That process was completed in 2016. These YDD Community Engagement efforts have given communities the opportunity to identify the needs and challenges associated with young peoples’

entry into the workforce. These conversations also allowed communities to share their successes and their vision for reengaging disconnected youth and helping them achieve success in the workforce. Across the state, community leaders, educators, service providers, employers and youth themselves shared their experiences, and identified the barriers to youth employment. Young people need more opportunities to develop their skills, explore careers and gain employment experience. Employers need workers who understand workplace expectations. They indicate that soft skills – personal and professional qualities like communication, reliability, and persistence – are essential to success in their workplaces. Trainers and educators must not only develop a young person’s skills, but in the case of many disconnected youth, support them in navigating a variety of barriers, such as homelessness, substance abuse issues, and trauma. These barriers manifest in varying ways in Oregon’s diverse communities; both the issues and their solutions may look different in rural counties compared to urban centers, however young Oregonians entering the workforce experience some consistent challenges. Communities across the state expressed a desire for increased services to connect disconnected youth to career pathways, and identified promising and effective approaches. The YDD has supported effective barrier-removal programs and programs that link youth to evidence-based career readiness programming. These would include soft skills training, professional mentoring, academic remediation, access to industry-recognized apprenticeship and credentials programs, internships, work experience and entrepreneurship and social enterprise projects.

The YDD is requesting \$3 million to support a dedicated Youth & Workforce Grant Fund, which would support a variety of career connected learning and workforce training opportunities to under-attached and disconnected youth. These funds would be distributed as Youth & Workforce Grants (\$2 million) and Youth & Entrepreneurship Grants (\$1 million). This grant fund would support community-based projects that develop the soft skills, work readiness and career awareness of disconnected youth, with an emphasis on strengthening engagement among youth at risk of disconnection, and providing meaningful training opportunities to reengage and retain youth disconnected from school and work.

Disconnected Youth – young people who are not in school or working – represent a potential social and economic burden on the state. There were an estimated 56,534 disconnected youth between the ages of 16 and 24 in Oregon in 2016. Found in every county of Oregon, disconnected youth are not on a trajectory for post-secondary education and career-track employment; however, with the support of effective community-based efforts to develop their skills, remove barriers and prepare them for academic and employment success, these youth can become productive community members contributing to their local economy. The estimated annual state and local financial impact – including public services, criminal justice impact, lost tax revenue, and other costs – is estimated at \$13,900 (full tax burden, including state, federal and local costs) per Disconnected Youth, totaling more than \$785 million in 2016.

By funding this package, grants will support programs that engage and support Disconnected Youth, provide disconnected youth with skills and experiences designed to increase their connection to school, and set them on a trajectory for career success – and prevent disconnection in the first place. The Youth & Workforce Grant program will expand outreach, offer specialized interventions and

supports for young people facing barriers to employment and education, and align with other agencies and investments serving this population.

This grant program would support community projects that align with the efforts of the following:

- The Community College and Workforce Development Division of the Higher Education Coordinating Commission (HECC);
- Local Workforce Development Boards;
- Oregon Department of Education's Career and Technical Education specialists (ODE);
- The 9 Federally Recognized Tribes in Oregon;
- Bureau of Labor and Industries (BOLI);
- The Oregon Employment Department (OED);
- Department of Human Services (DHS);
- Oregon Housing and Community Services (OHCS); and,
- The College and Career Readiness Advisory Group to the Chief Education Office (CEdO).

The Youth & Workforce Grant would support community-based efforts to reengage, train and support Disconnected Youth. The grant would prioritize work readiness and soft skill development, personalized career coaching and mentoring, meaningful work opportunities, career exploration activities, education reengagement, and wrap-around supports to ensure participants engage and advance in services. For community-based organizations that utilize funding from a variety of agencies and leverage multiple resources and partnerships to provide holistic services to Disconnected Youth, the Youth & Workforce grant offers supports flexibility and innovation. This grant would support program expansion, increase and improve services, bolster collaboration with other service providers and industry partners, remove barriers to serving youth, and expand service availability in underserved communities.

In 2017-19, the YDD awarded 12 Youth & Workforce grants to youth workforce development programs across the state. These 12 projects have served more than 350 youth in the 2017-18 program year. With services including educational reengagement, the participants have received high school diplomas and GEDs, participated in work readiness training and work experiences, attained certifications, enrolled in pre-apprenticeship and post-secondary education, and received employment placement. The YDD dedicated a portion of the 2017-19 Youth & Innovation Grant funding to Youth & Workforce grants in order to pilot these projects. Dedicated statewide funding is needed to connect young people with training and employment, and ensure that these youth successfully enter Oregon's emerging industries and career pathways. If the request is approved, \$2 million would support 20 or more projects at up to \$100,000 each per biennium, with a target of serving between 1,000 and 1,500 youth in the 2019-21 biennium.

The Youth & Entrepreneurship Grant would support community-based efforts to provide innovative entrepreneurship education to disconnected youth to develop financial literacy, soft skills, work readiness, and a greater understanding of business and STEM careers. Entrepreneurship training is emerging as a promising approach to developing youth skills and providing work experience.

Entrepreneurship provides youth with an opportunity to explore and develop their own passions, gain a better understanding of business and finances, and in some cases, start a youth on a new career path, or even self-employment. A number of programs, both nationally and in Oregon, have focused on entrepreneurial skills and experience as a way of preparing youth for workforce success. The skills needed to be successful as an entrepreneur are the same “soft skills” that are identified as essential for success in the workforce, including communication, collaboration, problem solving, networking and leadership. Entrepreneurial approaches and experiences can be integrated with STEM/CTE programming to add additional relevance and applicability in career connected learning.

Entrepreneurship can be relevant and engaging for youth of all backgrounds: tailored for students across the spectrum of age and ability, it is an engaging approach for young people who are disconnected from school and those that have not found success in the workplace. It also has relevance in urban and rural communities alike.

Exposure to business operations may have another positive impacts in preparing young people for employment: – an understanding of the concepts and costs associated with operating a business, and better awareness of the needs and goals of their employer. By gaining real-world experience with planning, budgeting, inventory, staffing and other aspects of business management, youth enter jobs with a deeper recognition of the challenges employers face in managing a business. For some participants, entrepreneurship provides a greater understanding of the workplace they will enter, while for others it may be the launching pad for the business they will start. Participants in YDD-funded entrepreneurship programs express surprise at learning about the myriad costs associated with running a business – and take pride in the role they played in making the business successful.

Current YDD grants supported several programs with an entrepreneurship focus in the 2017-18 program year. These include the Boys and Girls Club in Corvallis (29 middle school youth); TiE Youth Entrepreneurs in Portland and Gresham (42 high school youth); Wallowa Resources/Building Healthy Families Youth Entrepreneurship Program (12 high school youth); and Interface’s Entrepreneurial Spirit program (23 out-of-school youth). In addition to entrepreneurship-oriented programming supported by the YDD, there are a number of initiatives across the state that may be eligible for this fund, including Young Entrepreneurs Business Week, Business Education Compact, Project Proto, and other initiatives led by Small Business Development Centers (SBDC) and other entrepreneurship incubators. If the request is approved, \$1 million would support 10 or more projects at up to \$100,000 each per biennium, with a target of serving 500 to 800 youth in the 2019-21 biennium.

TOTAL POLICY OPTION REQUEST - \$3.0 MILLION

DEPARTMENT OPERATIONS: \$0.0M

YOUTH DEVELOPMENT GRANTS: \$3.0M

Strategy 2 – Implement a Pilot Program Focused on Youth Reengagements (All Means ALL Reengagement Grants)

The problem of students not completing high school goes deeper than the high numbers of students not completing, the increased risk they experience for negative life outcomes, and the associated economic cost to the state: there is over-representation by identified student groups as non-graduates. Examining the population of students that did not graduate on time in the 2013-14 Adjusted Cohort (Class of 2017) reveals the out-of-school population is overrepresented by students with disabilities, economically disadvantaged, English language learners, Native American Indian/Alaska Native, African American/Black, and Hispanic/Latino students.

The All Means ALL Reengagement pilot project proposes a solution that reduces the number of out of school youth by addressing the unique needs of out of school youth and, depending on those needs, reengaging them with education and career opportunities or engaging them with education and workforce opportunities. To accomplish this reengagement/engagement the proposed pilot would incorporate three main tenants:

- Youth that have left school before completing desire opportunities to reengage/engage with education and career options that meet their current needs;
- Youth that leave school before completing, by enlarge, continue to reside in their local communities; and,
- Local communities and regions across the state have varying strengths and resources that can and should be leveraged and brought to bear in creating an effective reengagement program.

Reengagement takes shape through four primary pathways that involve potential partnerships including, but not limited to, communities (Community Based Organizations, business, etc.) and education (ODE and HECC). The four primary pathways include:

1. Reengagement with a traditional educational setting (Partnership = community and ODE).
2. Reengagement/engagement with a non-traditional educational setting (Partnership = community, ODE, and HECC).
3. Reengagement/engagement with job skills development programs (Partnership = community, ODE, and HECC).
4. Reengagement/engagement with post-secondary education (Partnership = community and HECC).

Implementation includes:

- Applying the Oregon Equity Lens throughout all phases and to all processes of the pilot project.
- Selecting eight pilot sites across the state that, based on analysis, are representative of the state's diverse regions, and can model a primary reengagement pathway mentioned above. The eight sites will include four that emphasize reengagement/engagement to education (Pathways 1, 2, and 4), two that emphasize reengagement/engagement to job skill development programs (Pathway 3), and two that are hybrid models emphasizing reengagement/engagement to combined education and job skill programs (Pathways 1, 2, and 3).

- Pilot reengagement sites will support ongoing dropout prevention efforts, career-connected learning, and postsecondary education through partnerships with ODE, HECC, Chief Education Office (CEdO), Department of Human Services (DHS), and community based partners. Analysis for site eligibility will include:
- Education Sites:
 - Support ongoing evidence based dropout prevention and career-connected learning efforts in K-12 and postsecondary (High School Success and College and Career Readiness (Measure 98), Every Child Succeeds Act (ESSA), etc.).
 - Develop multi-pathways approach to college and career readiness through strengths based approach galvanizing resources of local community and building capacity.
 - Develop use of early warning systems to identify youth that have left school and are on-track otherwise for targeted reengagement and support services (4-year graduation).
 - Develop use of early warning systems to identify youth that have left school and are not on-track to graduate for targeted reengagement and support services (5-year graduation, decrease non-completer count/rate).
 - Identify sites that have a high degree of potential to be replicated due to similarities with other communities/regions.
- Job Skill Development Sites:
 - Support ongoing dropout prevention and career-connected learning efforts in K-12 and postsecondary (High School Success, ESSA, etc.).
 - Develop use of early warning systems to identify older youth that have left school and are not on-track to graduate for targeted reengagement and job skill development programming (5-year graduation, decrease non-completer count/rate).
 - Target gaps in service and eligibility to improve outcomes for youth.
 - Identify sites that have limited youth workforce development programs with a high degree of potential to be replicated due to similarities with other communities/regions.
 - Support innovative and evidence-based approaches to work readiness.

Implementation Timeline:

May – July (2019):	Procurement process, solicitation, selection, contract execution.
August - September (2019):	Roll out of programming and reporting.
June – August (2020):	Review and implement improvements based on trial period.
September – June (2020-21):	Full-scale roll out and reporting.
May - June (2021):	Final reporting and evaluation

Analysis:

Analysis of the 2015-16 Four-Year Adjusted Cohort (students for whom the 2012-13 school year was their first year of high school) representing 185 Oregon school districts¹ found wide variation in the 4-year ACGR both within and across Districts. However, what was strikingly consistent was the underrepresentation of student groups consisting of economically disadvantaged, underserved race/ethnicities (American Indian/Alaska Native, African American/Black, Hispanic/Latino, and Native Hawaiian/Pacific Islander), migrant, students with disabilities, and English learners in high school as on-time graduates and their over-representation as non-completers.

Analysis also revealed that only 13 school districts had an adjusted cohort above 750 students, and of those, 11 were in the Willamette Valley, and of those 11, eight were in the Portland Tri-County area. The 13 school districts with the largest adjusted cohort had a 4-year ACGR that ranged from a low of 59.3 percent to a high of 83.7 percent. By comparison, the state 4-year ACGR for that year was 74.8 percent. There are 101 school districts which had a 2012-2013 adjusted cohort below 100 students (4-year ACGR range: 0 to 100 percent), 40 with an adjusted cohort between 100 and 280 (4-year ACGR range: 13.5 percent to 91.3 percent), and 31 with an adjusted cohort between 281 and 749 (4-year ACGR range: 44.2 percent to 93 percent).

There is strong legislative support for a statewide reengagement system. Both Senator Roblan and Representative Doherty, Chairs of their respective chambers' Education Committees, have voiced support. During the 2017 Legislative Session, the House Ways & Means Sub-Committee on Education unanimously voted to advance House Bill 2657, which would have establish a Task Force on Youth Reengagement for the purpose of providing input on the development of a statewide reengagement plan. Two reengagement workgroups were convened during the 2018 Legislative Session. The Joint Committee on Student Success has also incorporated reengagement efforts as part of the statewide tour the committee is engaged in.

- This proposal aligns with the Governor's priorities and vision. Oregon simply cannot reach the Governor's on-time graduation goal of 90 percent without reengaging out-of-school youth.
- Priorities related to Equity that every youth, community and school district is provided equitable services.
- Priorities related to improving high school graduation rates and ensuring every youth completes high school ready for career, college, and civic life.
- Priorities related to ensuring every student is supported and on-track to meet expected grade level outcomes through a well-rounded education.
- Priorities related to shared principles and cross-sector/interagency coordination.

¹ Twelve school districts were not included in the analysis: eleven school districts without high school students and one district because it was comprised of schools within the State's juvenile correctional facilities.

Relatedly, the proposed package aligns with ODE's 40-40-20 goal, Future Ready Oregon, High School Success and College and Career Readiness Act of 2016., the federal Every Student Succeeds Act (ESSA)-related implementations, increased CTE/STEM opportunities (hands on learning), and the Governor's 90 percent high school graduation goal.

Without additional funding, graduation rate increases will plateau until such time as an effective strategy to address students and, more specifically, youth that have left high school without completing, is adopted. The state will continue to pay a large financial price for inaction: each disengaged youth represents an estimated \$13,900 (full tax burden, including state, federal and local costs) to the state. Additionally, the full potential of school based initiatives aimed at improving student outcomes will be limited as long as those most in need of such services are not in school to benefit from them.

Demonstrating that reengagement is an effective strategy to improve educational outcomes has the potential to impact community organizations, all nine of Oregon's Federally Recognized Tribal Governments, and each of the state's 36 counties. Additionally, ODE, HECC, Oregon Youth Authority, Department of Corrections, Employment Department, and Department of Human Services would be affected both as service providers and through a positive impact in outcomes to youth served.

TOTAL POLICY OPTION REQUEST - \$1.4 MILLION

DEPARTMENT OPERATIONS: \$0.0M

YOUTH DEVELOPMENT GRANTS: \$1.4M

Strategy 3 – Invest in Staffing and Supports to Effectively Reduce Disparities Among Disadvantaged Youth of Color

In order to achieve measurable results, the Disproportional Minority Contact Coordinator will be working to comply with the federal requirements, provide technical assistance to state and local partners, and support local and statewide efforts to reduce disparities. We will monitor progress with data and evaluations.

Disproportionate Minority Contact directly connects to our state equity lens in that we need to address disparities at the local level as the level of disproportionality varies by jurisdiction, racial/ethnic group and the points of contact within the juvenile justice system. Information from the Juvenile Justice Information System (JJIS) indicates that all minority groups are represented in the juvenile justice system at percentage levels greater than their proportion of the total juvenile population.

TOTAL POLICY OPTION REQUEST - \$0.3 MILLION

DEPARTMENT OPERATIONS: \$0.3M

YOUTH DEVELOPMENT GRANTS: \$0.0M

Strategy 4 – Invest in Staffing to Increase the Ability to Collect, Analyze, and Measure Data on At-Risk Youth to Identify Best Practices and Solutions

Currently, YDD has insufficient staff to dedicate to the measurability (implementation) and accountability (quality) of YDD funded programs. This position would be specifically devoted to the implementation of the collection tools, and quality assurance of the program service and outcome data collected by the YDD in adherence with the YDD legislative mandate. Issues pertaining to the implementation, collection, and quality assurance of diverse program service and outcome data are nuanced and time consuming. The concentration of these responsibilities under a position with qualifications specifically aligned with the demands of program monitoring and evaluation will increase operational efficiency.

TOTAL POLICY OPTION REQUEST - \$0.3 MILLION

DEPARTMENT OPERATIONS: \$0.3M

YOUTH DEVELOPMENT GRANTS: \$0.0M

Strategy 5 – Invest in Staffing and Technical Services to Improve Education Outcomes for At-Risk Students in Alternative and Online Schools and Programs

This request is designed to both modernize the Oregon Virtual School District (ORVSD) and address findings from the Secretary of State Audit, “*Stronger Accountability, Oversight and Support Would Improve Results for Academically At-Risk Student in Alternative and Online Education.*” To alleviate the confusion for some that Oregon Virtual School District is related to an actual school district, a legislative concept has been submitted to change the name of the program to Oregon Online.

Oregon Online has transitioned from a program that provided professional development to a program that now provides high quality online learning opportunities for our small and rural schools across the state. In each of the past three years, Oregon Online has served over 1,040 rural school students by providing access to courses that are otherwise not available in their districts. Many of our small and rural districts do not have the capacity to develop their own online programs, and often lose students to other districts that sponsor charter schools. Unlike many of the online course provider options for school districts, Oregon Online students do not transfer to another school to take these courses; students remain enrolled in their home school district.

Each year, we fill Oregon Online to capacity and have demand for additional course enrollments. In 2005, at inception, Oregon Online was allocated \$2 million from the State School Fund. Since then, funding has declined to \$1.6 million, even as the number of students served and course enrollments are growing. In the fall of 2015, Oregon Online began providing online course access to Oregon students in 138 rural districts. Since that time, we have seen increased demand for online course access for a greater number of students, with requests to extend course access to middle and elementary school students. We would like to increase the

number of enrollments available to Oregon's small and rural schools and set standards for high quality online teaching, high quality online content and best practices for monitoring student engagement and progress throughout the experience of taking an online course. Oregon Online would also increase the professional development provided to all Oregon school districts to meet the demands for professional development in high quality online and blended learning.

In the current biennium, the program has reserved about \$555,000 from carryover funding to purchase an enrollment, registration, and student progress monitoring system. The business case is being developed to make a final determination on the process for acquisition.

Oregon Online is in discussion with ODE staff in the Youth Corrections/Juvenile Detention Education programs (YCEP/JDEP) and Long Term Care and Treatment (LTCT) program to pilot offering courses in the fall of 2018 where the course would follow the student as they move from one facility to another. Currently, our students in these programs start a program in one facility and if they are moved to another facility before they complete the course they have no option but to start over in a new course operated by that new facility. This does not provide students with the best educational opportunities and leads to students falling farther and farther behind. The benefit of incarcerated students participating in Oregon Online courses is that the course stays with the student. Oregon students who fall into YCEP/JDEP and LTCT will have a much greater opportunity to stay on track for graduation.

Additionally, funding this request would increase ODE's ability to establish standards, provide technical assistance and professional development, and provide increased ability to analyze data for the improvement of alternative education and improved online and blended learning in Oregon through:

- Increased technical assistance to districts and schools implementing or sponsoring online learning;
- Increased professional development to support:
 - High quality instructional practice in an online or blended learning environment;
 - Identification of high quality instructional materials used in online and blended learning, including those materials used for credit recovery;
 - District annual evaluations of the online school or program and oversight of charter agreements;
 - Research and resources to determine when online learning is the best option for a student; and,
 - Online instructional materials and applications, including how to protect student data privacy;
- Increased accountability for districts implementing online schools and programs or sponsoring online charters; and,
- The option to provide online learning through the Oregon Online program where students remain students within their resident school/district.

It is also our goal to establish a tool and system for effectively monitoring student engagement, teacher interactions with students, and other key criteria in order to keep students on track and moving toward successful completion of a course throughout the entire

experience in order to increase graduation rates. It may also have an impact on reducing chronic absenteeism. Often, students turn to online courses when they become disenfranchised in the brick and mortar system. Using a tool like the one we describe will help ensure that all students in Oregon Online courses are getting the best instructional support possible for successful completion of an online course. This tool will also allow us to provide exemplars and strategies for school districts overseeing online programs and charter schools. The expected outcome is increased successful completion of courses, students on-track for graduation and increased graduation rates in Oregon Online and across online programs within schools and in online charter schools. ODE will be able to provide much needed leadership in the online and blended learning arena.

As of spring 2017, more than 12,500 students in Oregon were enrolled in online schools where all or almost all of the instruction is provided virtually. An additional 205,000 students attend schools that provide supplemental virtual courses and the Department provides 1,040 course enrollments to 138 eligible rural school districts through Oregon Online. However, ODE accomplishes the work related to Oregon Online through two positions (a total of 0.90 FTE) dedicated to supporting students and school districts across the state to ensure there are high standards, clear pathways, quality oversight, and equitable access to online education options. Over the last ten years, Oregon has seen steady growth in the virtual education sector and it is likely to increase over the next ten years. Not only is ODE currently limited in its capacity to provide support, there is a growing need for oversight and accountability as districts implement virtual programs and authorize virtual public charter schools in an attempt to generate revenue. There are also many districts that are taking advantage of these virtual programs and schools as a way to increase local graduation rates by funneling students who are not successful in traditional programs into virtual programs.

Problems	Proposed Solution	Related Policies and Programs
Oregon Virtual School District		
Name Oregon Virtual School District does not clearly reflect the implementation of the statute.	Change to Oregon Online (O ₂).	ORS 329.840 OAR 581 Division 20 ORVSD
Program cannot grow to meet demand because of declining funding allocations.	An increased Oregon Online allocation will allow ODE to increase student access to Oregon Online courses and increase professional development and services to schools to support online and blended learning. This will also support ODE in staffing appropriately to provide high	ORS 329.842 OAR 581 Division 20 ORVSD

	quality courses, oversight, evaluation, and professional development.	
Purpose of Oregon Online is to provide courses. This should be expanded to include professional development, support, and establish standards for quality.	Add professional development, establish standards for quality, and support for districts implementing online learning.	ORS 329.840(1) OAR 581 Division 20 SOS Audit 2017-30 ORVSD
Statute restricts the State Board to establish rules related to courses and students. This should be expanded to include standards for quality online programs including attendance, funding, instructional materials, and instruction.	Add standards for quality online programs including attendance, funding, instructional materials, and instruction to the list of areas the State Board of Education shall adopt rules.	ORS 329.840(1) OAR 581 Division 20 & 22 SOS Audit 2017-30 ORVSD
Statute restricts the Superintendent to contract only with public entities to provide online courses. This does not allow for other services and content necessary to provide courses.	Add other education related organizations for content and services. (e.g., registration and scheduling platforms are required to interface between ODE, course providers, districts, and students. These expenses are not allowable under current statutory framework.)	ORS 329.840(3) OAR 581 Division 20 ORVSD
Oregon Virtual Public Charter Schools		
The standards for virtual school attendance, funding, and oversight is weak. The SOS Audit, Recommendation 10, specifically urges ODE to strengthen attendance and funding standards for virtual schools.	We need to establish stronger attendance accounting policy for virtual schools and online programs to support student learning and engagement. This will likely have an impact on the funding virtual schools and online programs receive. There are additional ways to further strengthen this with outcomes-based funding or with other methods.	ORS 338.120 ORS 338.155 OAR 581 Division 26 Cumulative ADMw Manual Charter Schools Program ORVSD
There are very few requirements for districts sponsoring virtual public charter	The State Board of Education should establish standards and rules for districts offering virtual and online options	ORS 338.120 OAR 581 Division 26

<p>schools and no standards for districts to evaluate virtual schools and online programs offered at the district.</p>	<p>(even virtual public charter schools). ODE should provide support to districts with virtual schools and online programs. There should be monitoring and feedback provided to districts regarding program quality and student outcomes. Districts should also have access to quality professional development and support for operating online programs and providing oversight.</p>	<p>Charter Schools Program ORVSD</p>
<p>Districts have very little accountability for the level of oversight they provide to their virtual public charter schools. This has led to very weak charter contracts and weak practices at the district level resulting in poor program implementation and skewed power dynamics. Ultimately, this has resulted in poor support and outcomes for students. The SOS Audit 2017-30, recommendation 13, urges the Department to develop standards for district review of online programs and charter agreements with online schools, and ensure districts are following them.</p>	<p>ODE should monitor school districts that sponsor virtual public charter schools to ensure there are appropriate levels of staffing and oversight for the charter school. Staff should also evaluate the performance of districts as authorizers of virtual public charter schools. District reviews of the agreements are often biased by the funding that is brought into the district. SOS auditors have recommended a collection of data regarding agreements and district oversight. This would require funding, stakeholder group and focus groups to determine the data elements. This work will require a new staff position with substantial program evaluation experience to conduct the analysis of the data collection and work with the stakeholder group to set standards for what would reflect acceptable quality and suitability for such programs.</p>	<p>ORS 338.120 OAR 581 Division 22 & 26 Charter Schools Program ORVSD</p>
<p>Alternative Education Schools & Programs</p>		
<p>There are minimal expectations for districts regarding alternative education practices, including annual program evaluation, student referral process, credit attainment, student progress monitoring, and student-teacher ratios.</p>	<p>ODE should establish standards and guidance for key alternative education practices, including district annual evaluations, referrals to alternative education schools and programs, credit standards, monitoring of student progress and student-teacher ratios. Also, many virtual schools have become “alternative options” for students struggling in brick and mortar schools. This work would become a</p>	<p>OAR 581 Division 21, 22 & 26 Alternative Education Charter Schools Program ORVSD</p>

This was noted in the SOS Audit 2017-30, recommendations 7 and 11.	collaborative effort amongst alternative educations, charter schools and virtual learning.	
Credit recovery instructional materials are not evaluated and vetted in Oregon. There is no accountability that the materials align with state content standards or demonstration of learning. The SOS Audit 2017-30, recommendation 12, urges the Department to verify the quality and suitability of online credit recovery options used by Oregon schools.	The State Board needs to amend the current OARs to include “materials used for credit recovery” with the current instructional materials adoption process. The Department should work with staff and stakeholders to establish review criteria for credit recovery instructional materials. Credit recovery materials that meet the established criteria of the adoption process would then be placed on the approved list to be adopted by the State Board of Education. Work with publishers to disseminate information about the review of credit recovery instructional materials. Provide technical assistance to virtual schools choosing to adopt resources not on the adopted list on the requirements of the independent review process.	OAR 581 Division 21 & 22 Alternative Education Charter Schools Program ORVSD

The solution is an enhancement to the existing Oregon Virtual School District program, created by the legislature in 2005, includes modernization to the existing program and new activities addressing the Agency’s response to the December 2017 Secretary of State Audits Division report entitled “*Stronger Accountability, Oversight and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education.*” The name of the program will change to Oregon Online, and new activities would focus on the Virtual School components of this report.

The request for additional positions will provide greater continuity and ability for reviewing and analyzing student data; increase oversight to online teachers; and, provide the ability to disseminate information on best practices for online and blended learning for all student populations.

Through collaborative and cross-office staffing, ODE will be able to research and establish standards for virtual, online, and alternative education providers in Oregon. This will include professional development, monitoring, and evaluation. Changes to the Oregon Online program would allow ODE to grow the course access for an increased number of students across the state and professional development in online and blended learning to educators statewide. It would also provide school districts with an alternative for students who want to take online courses for schedule flexibility, expanded options and diverse learning opportunities

while still remaining a student within that district. These opportunities would result in increased Ninth grade on track and increased graduation rates.

TOTAL POLICY OPTION REQUEST - \$2.2 MILLION
 DEPARTMENT OPERATIONS: \$2.2M
 YOUTH DEVELOPMENT GRANTS: \$0.0M

Staffing Impact: Total 8 positions (6.64 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 3 – Staffing and Supports to Effectively Reduce Disparities Among Disadvantaged Youth of Color</i>						
2115501	Youth Development Div.	YDD	OAS C0862 AP	DMC Coordinator	General Fund	0.96
<i>Strategy 4 – Staffing to Increase the Ability to Collect, Analyze, and Measure Data on At-Risk Youth to Identify Best Practices and Solutions</i>						
2115502	Youth Development Div.	YDD	OAS C0861 AP	YDD Program Analyst 2	General Fund	0.92
<i>Strategy 5 – Staffing and Technical Services to Improve Education Outcomes for At-Risk Students in Alternative and Online Schools and Programs</i>						
2112519	Finance & Administration	OFA	OAS C1244 AP	Digital & Alt Ed Fiscal Analyst	General Fund	1.00
2113116	Teaching & Learning	DOGM	OAS C0107 AP	Oregon Online Support	General Fund	0.92
2113117	Teaching & Learning	DOGM	OAS C1118 AP	Alternative Educ. Online Learning	General Fund	0.92
2113118	Teaching & Learning	DOGM	OAS C0862 AP	Virtual Charter School	General Fund	0.92
2113120	Teaching & Learning	DOGM	OAS C2301 EP	Online Educ. Specialist	General Fund	0.50
2113121	Teaching & Learning	DOGM	OAS C2300 EP	Alternative Educ. Specialist	General Fund	0.50

Quantifying Results:

Strategy 1 – Invest to Support the Youth & Workforce Grant Program

For all youth served, including those reengaged, increase retention, academic advancement and completion (diploma, GED or equivalent, and career) by 10 percent.

Strategy 2 – Implement a Pilot Program Focused on Youth Reengagements (All Means ALL Reengagement Grants)

Demonstrate a proven concept of reengaging youth in continuing to access services, resulting in successful completion of education and/or entering the workforce.

Strategy 3 – Invest in Staffing and Supports to Effectively Reduce Disparities Among Disadvantaged Youth of Color

The DMC Coordinator’s position is essential to ensure that federal funds are expended consistent with the core requirement of the OJJDP Act to identify and reduce disproportionate minority contact with the juvenile justice system (DMC) on state, and local program levels. Failure to be 100% compliant with the DMC core requirement will result in reduction of the state’s grants or elimination of State’s eligibility to receive federal funds.

Provide high quality technical assistance that will optimize program outcomes and ensure 100 percent compliance with all applicable federal requirements resulting in continuous federal funding.

Strategy 4 – Invest in Staffing to Increase the Ability to Collect, Analyze, and Measure Data on At-Risk Youth to Identify Best Practices and Solutions

For 90 percent of all YDD grant programs, the quarterly reports would be completed by the second month following the end of the previous quarter 98 percent of the time.

Strategy 5 – Invest in Staffing and Technical Services to Improve Education Outcomes for At-Risk Students in Alternative and Online Schools and Programs

By June 30, 2021, the number of online resources/materials available will double and availability will be expanded to youth in elementary and middle school.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$1,239,458			\$1,239,458
Services and Supplies	920,798	555,000		1,475,798
Special Payments				
Total Request	\$2,160,256	\$555,000		\$2,715,256

This package is included in the Governor’s Balanced Budget as modified:

Funding is provided for strategy 3 and 5, including:

- *One position (0.96 FTE) for a Disproportionate Minority Contact Coordinator position required for receiving federal DOJ grants; and,*
- *Other Funds limitation to expend one-time Oregon Virtual School District (OVSD) funds from ending cash balance.*

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	182,562			\$182,562
Services and Supplies	87,466	555,000		642,466
Special Payments				
Total Request	<hr/> \$270,028	\$555,000		\$825,028

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 110 - Education & Job ReEngagement Opportunties

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	270,028	-	-	-	-	-	270,028
Total Revenues	\$270,028	-	-	-	-	-	\$270,028
Personal Services							
Class/Unclass Sal. and Per Diem	119,347	-	-	-	-	-	119,347
Temporary Appointments	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	58	-	-	-	-	-	58
Public Employees' Retire Cont	20,253	-	-	-	-	-	20,253
Social Security Taxes	9,130	-	-	-	-	-	9,130
Worker's Comp. Assess. (WCD)	56	-	-	-	-	-	56
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	33,718	-	-	-	-	-	33,718
Total Personal Services	\$182,562	-	-	-	-	-	\$182,562
Services & Supplies							
Instate Travel	27,563	-	-	-	-	-	27,563
Employee Training	1,400	-	-	-	-	-	1,400
Office Expenses	1,453	-	-	-	-	-	1,453
Telecommunications	4,560	-	-	-	-	-	4,560
Data Processing	35,000	-	-	-	-	-	35,000
Professional Services	-	-	-	-	-	-	-
Attorney General	2,571	-	-	-	-	-	2,571
Dues and Subscriptions	875	-	-	-	-	-	875
Facilities Rental and Taxes	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 110 - Education & Job ReEngagement Opportunties

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Agency Program Related S and S	-	-	555,000	-	-	-	555,000
Expendable Prop 250 - 5000	14,044	-	-	-	-	-	14,044
Total Services & Supplies	\$87,466	-	\$555,000	-	-	-	\$642,466
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	270,028	-	555,000	-	-	-	825,028
Total Expenditures	\$270,028	-	\$555,000	-	-	-	\$825,028
Ending Balance							
Ending Balance	-	-	(555,000)	-	-	-	(555,000)
Total Ending Balance	-	-	(\$555,000)	-	-	-	(\$555,000)
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
 Pkg: 110 - Education & Job ReEngagement Oppourtunies

Cross Reference Name: Department Operations
 Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							0.96
Total FTE	-	-	-	-	-	-	0.96

01/30/19 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:58100 DEPT OF EDUCATION
 SUMMARY XREF:100-00-00 Department Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2019-21

PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 110 - Education & Job ReEngagement O

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2115501	OAS	C0862	AP PROGRAM ANALYST 3	1	.96	23.00	02	5,189.00	119,347 63,215				119,347 63,215
TOTAL PICS SALARY									119,347				119,347
TOTAL PICS OPE									63,215				63,215
TOTAL PICS PERSONAL SERVICES =				1	.96	23.00			182,562				182,562

DEPARTMENT OPERATIONS

Package 112 – Accountability, Compliance, and Efficiency of Business Systems

Purpose:

The Oregon Department of Education (ODE) is dedicated to providing high quality customer service to both its internal and external customers, while at the same time ensuring accountability of resources and compliance with all state and federal rules. One of the key responsibilities of ODE is to allocate and administer over \$11.6 billion in current service level resources to its community partners to help ensure positive outcomes for Oregon's children and students. These resources are appropriated from the State School Fund and various Grant-In-Aid programs (including Early Learning and Youth Development programs).

In order to meet the agency goals of customer service, accountability of resources, and compliance with all applicable rules, it requires efficient business processes. Two of the most critical business processes are the procurement of contracts and grant agreements, and the distribution and payment of the State School Fund. To optimize the efficiency in each of these business processes, it requires information technology solutions that help staff to manage the large volume of work and process information timely and accurately. The overall purpose of this policy option package is to improve business processes for the procurement of contract and grant agreements and the distribution and payment of the State School Fund by developing enhanced and/or new technology solutions.

The procurement of contracts and grant agreements is currently processed manually in terms of requests and tracking through the development process. Once developed, the contracts are tracked through an access database that enables the Department to identify all outstanding contracts. What is currently lacking is an end-to-end procurement system that is real time and allows for electronic approval, processing, encumbrance, tracking, disbursement, and liquidation.

In terms of the State School Fund distribution process, the current system uses a variety of tools, such as SQL, Access and Excel to gather data, compile information, calculate and disseminate information to and from ODE Systems. The current system is not sustainable, standard or flexible enough to keep up with the needs of agency staff. Without a new system, both the risk of inaccurate distribution and the cost of mitigating those risks will increase.

In order to address these issues, ODE is proposing a strategic investment to implement an Electronic Procurement System that provides for end-to-end processing of all contracts and grant agreements, and develop a new information technology solution for the management and distribution of the State School Fund. The department is recommending \$1.1 million in a combination of General Fund and Other Funds to accomplish the following strategic objectives:

- Strategy 1 – Implementation of OregonBuys (E-Procurement): \$0.1 million in Other Funds and \$0.3 million in General Fund.
- Strategy 2 – Development of new State School Fund System: \$0.7 million in General Fund.

TOTAL POLICY OPTION REQUEST - \$1.1 MILLION
DEPARTMENT OPERATIONS: \$1.1M

How Achieved:

Strategy 1 – Technical Services and Staffing to Implement E-Procurement

The Oregon Department of Education (ODE) distributes approximately \$2.3 billion per biennium through the agency's procurement and grant making processes. This responsibility is administered by the Office of Finance and Administration (OFA) through its Procurement Services Section. This Section is tasked with ensuring a high degree of efficiency, accountability, and quality customer service in developing and executing a large volume of contracts, grants, and other legal agreements with Oregon's 197 school districts, 19 education service districts, non-profit entities, and other state agencies and governmental entities. The Procurement Services Section prides itself in providing a service that helps the Department to meet its overall goals and objectives while still complying with Oregon procurement law and mitigating the overall risk to the state.

With an end-to-end electronic procurement system, ODE could increase its efficiency in delivering procurement services for the agency. This system would enable ODE to effectively:

- automate processes to get rid of paper processes and wasteful work-arounds;
- reduce errors in processes, including overpayments to contractors or grantees;
- streamline processes to remove unnecessary steps, speed up the process, and make it more efficient;
- standardize processes to make it more consistent for users and vendors and increase transparency;
- enable agency to track and monitor procurements more easily and help manage the process;
- allow for easier administration of contracts, including deliverables, schedules, and spending, to ensure that ODE and its partners fulfill all of their obligations;
- integrate with other systems, such as state accounting systems, which would ensure better financial controls and accountability for taxpayer dollars; and
- allow agency staff to access real-time, standardized data to create forward looking analyses and make strategic decisions about procurement.

In 2014, ODE began coordinating with a group of eight other state agencies to develop a single e-procurement system that provides an end-to-end process. In October 2015, the nine agencies formalized a group to begin collaborating on a request for proposal that would effectively identify a business solution that could meet the needs of each agency. The group consisted of Chief Information Officers (CIOs), Chief Financial Officers (CFOs), Chief Procurement Officers (CPOs), and their delegates from the following nine agencies.

- Secretary of State
- Oregon Judicial Department
- Oregon Department of Forestry
- Oregon Department of Fish and Wildlife
- Oregon Department of Education
- Department of Revenue
- Department of Human Services/Oregon Health Authority
- Department of Consumer and Business Services
- Department of Administrative Services (DAS)

In 2015-17, the nine agencies began working together to document each agency's procurement business processes and to define common requirements for a new solution. This enabled the agencies to change their business processes to comply with best practices in procurement and contract administration rather than automating their current inefficient practices. By the end of the biennium, the representative agencies were able to release a RFP, choose a solution, and negotiate a contract with a vendor to provide and configure a system that would effectively meet the business requirements. The vendor selected was Periscope Holdings which was contracted through a price agreement that all representative agencies could access.

During the 2017-19 biennium, the Oregon Department of Transportation joined the representative agencies and collectively, the 10 agencies provided funding to have Periscope Holdings configure the core backbone system. Once developed, each agency could then enter into an individual agreement with the vendor to implement and configure the system for their respective agency. This development is currently about two-thirds complete and the project schedule anticipates the full configuration of the core backbone system by the end of October 2018. The Secretary of State has negotiated its agreement with Periscope and will be the first agency to go live in the Spring of 2019. The Oregon Department of Forestry is in the early stages of developing their project plan to go live and anticipates entering into an agreement with Periscope this biennium with implementation in early 2019-21.

ODE, along with three other representative agencies, is making a budget request for the implementation of the new business solution in 2019-21. By the time ODE begins its implementation process, at least two agencies will have already gone live. The Department will be analyzing each of these agencies' process and experience to determine how to optimize success and gain insight from lessons learned.

To successfully implement the system, ODE is estimating the need for 2 positions (1.92 FTE) to successfully implement the new solution. One position (1.00 FTE) will be the continuation of an existing Business Analyst within the Information Technology Office. This position has been actively involved in the configuration of the core backbone system and will help with the configuration of the system into the ODE environment and provide system documentation for the successful oversight and maintenance of the system. The second position (0.92 FTE) will be a limited-duration Procurement Specialist that will be used to backfill the time of existing procurement staff to perform testing and develop policies, business protocols, training, and support for the system. In addition,

funding will be allocated for change management in supporting all agency staff. The total funding request is \$440,459.

<p style="text-align: center;">TOTAL POLICY OPTION REQUEST - \$0.4 MILLION <i>DEPARTMENT OPERATIONS: \$0.4M</i></p>
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Strategy 2 – Technical Services and Staffing to Develop and Implement Sustainable System for Distribution of State School Fund

The Oregon Department of Education (ODE) serves 197 school districts and 19 education service districts (ESDs) and oversees the education of over 575,000 students in Oregon’s public K-12 education system. The primary resource in carrying out these responsibilities is the State School Fund, which represents approximately 70% of the state’s funding for K-12 education, with \$8.2 billion allocated to the fund by the legislature for the 2017-19 biennium. The \$8.2 billion in state resources is combined with approximately \$3.9 billion in local revenues, with the system accounting for over \$12 billion in K-12 funding resources for the biennium.

With over 575,000 students, and almost 30,000 teachers in 1,239 schools around the state, there are millions of data points to monitor for the timely and accurate distribution of the State School Fund. The State School Fund is extensive and its mandates comprise an entire chapter of law, which can be found in ORS 327.

The ODE State School Fund System is utilized to calculate and distribute funding provided from the State of Oregon to Oregon school districts. ODE’s Office of Finance and Administration (OFA) staff gradually transitioned to the current system from a paper based system around the year 2000. The current system uses a variety of tools, such as SQL, Access and Excel to gather data, compile information, calculate and disseminate information to and from ODE Systems. Prior to the State School Fund System, all submissions and calculations were done on paper.

The state of the current system is not sustainable, standard or flexible enough to keep up with the needs of ODE OFA staff. In 2015-17, funding was provided to build a business case to identify and recommend alternative system options that would meet both the current and future needs of the State School Fund. The business case helped to narrow possible solutions through an initial evaluation of current market, industry and peer technology. Analysis was focused on solutions that met the following selection criteria:

- The system must act in accordance with and abide by current Oregon Revised Statute and Oregon Administrative Rules.
- The application must tie directly to ODE systems to use data submitted to ODE collections.
- The application will be hosted at ODE.
- Off-the-shelf software must need no modifications, or minimal modifications.
- Peer technology must need no modifications, or minimal modifications.
- The application must be designed to add changes mandated by legislature.
- The application must be able to meet and abide by all ODE security requirements.

Through the business case process, ODE evaluated the options of do nothing, completing a system refinement, or completing a system replacement. Based on this process, it was determined an in-house system replacement would be the most cost-effective and streamlined approach with the most long-term benefits. This approach would update technology, streamline processes, increase transparency and improve quality within the shortest time-frame. In addition, an in-house system replacement would leverage current staff knowledge. The main drawback of this approach was the lack of resources to complete. This would require substantial staff augmentation to complete, including OFA staff, business analyst, backend developer, frontend developer, tester and project manager resources.

To effectively complete an in-house system replacement for the State School Fund, ODE is requesting 3 position (1.74 FTE), and funding for a temporary IT specialist and appropriate technical services. The total request for funds is \$652,606.

TOTAL POLICY OPTION REQUEST - \$0.7 MILLION
DEPARTMENT OPERATIONS: \$0.7M

Staffing Impact: Total 5 positions / 3.66 FTE

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – E-Procurement System</i>						
2111508	Finance & Administration	PROC	OAS C1486 IP	Info. Sys. Spec. 6	General Fund	1.00
2112534	Finance & Administration	PROC	OAS C0438 AP	Proc. & Contracts Spec. 3	General Fund	0.92
<i>Strategy 2 – In-House Replacement of State School Fund Distribution System</i>						
2111520	Finance & Administration	SSF	OAS C1487 IP	Info. Sys. Spec. 7	General Fund	0.58
2111521	Finance & Administration	SSF	OAS C1487 IP	Info. Sys. Spec. 7	General Fund	0.58
2111522	Finance & Administration	SSF	OAS C1487 IP	Info. Sys. Spec. 7	General Fund	0.58

Quantifying Results:

Strategy 1 – Technical Services and Staffing to Implement E-Procurement

Elimination of all paper processing of agency requests for purchase orders and contracts, which will lead to a minimum of a 10 percent increase in processing time.

Strategy 2 – Technical Services and Staffing to Develop and Implement Sustainable System for Distribution of State School Fund

Reduction of existing and redundant IT programming to the current State School Fund system that enables the design and development of a replacement and/or enhanced system that will lead to increased business efficiency and accuracy.

Revenue Source*: Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$782,579	\$87,656		\$870,235
Services and Supplies	206,539	16,291		222,830
Special Payments				
Total Request	<hr/> \$1,093,065	<hr/> \$103,947		<hr/> \$1,093,065

This package is not included in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 112 - Accountability Comp & Efficiency of IT Sys

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Transfer In - Indirect Cost	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Temporary Appointments	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 112 - Accountability Comp & Efficiency of IT Sys

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Package 113 – Adequate Levels of Business Services

Purpose:

Administrative Rules

The Oregon Department of Education (ODE) has experienced an increased level of workload relating to administrative rule development and reporting. Over the course of the last three biennia, we have seen a significant increase in the volume of rules adopted, amended or repealed. Most of these rules are the result of new legislation. During the same time period, new legislation was adopted which adds requirements to the rulemaking process. For example, SB 227 (2017) requires reporting to the Secretary of State of the review of rules within five years of passage. ODE does not currently have staff dedicated to tracking, updating and drafting internal policies. This has resulted in increased risk to the agency of being out of compliance with laws or state policies.

Internal Audits

In August 2018 the Secretary of State issued Opportunities Exist to Increase the Impact of State Agency Internal Audit Function, which highlighted the benefits of an adequate internal audit function within state agencies. The Secretary of State found that “audit work can lead to positive outcomes including:

- improved programs and services;
- cost savings;
- increased revenue;
- improved accountability for performance;
- improved awareness of risks; and
- prevention of future problems.

Furthermore in appendix C of the report using the methodology for audit staffing from North Carolina, the Secretary of State calculated that the Oregon Department of Education should be staffed at 6-7 FTE devoted to internal auditing.

Business Services

The Office of Finance and Administration (OFA) is tasked with the administration of all business functions for the department. It operates as a service organization that provides support to all other offices and divisions of the Department of Education. Services provided

include financial transactions, procurement, budget, information technology support and operations, application development, project management, employee services and facilities/mail room support. An analysis of the workload is in process to identify staffing shortages that need to be resolved in an effort to provide the services and supports needed by agency staff.

During the 2011-13 biennium, OFA provided support and monitored \$1.523 billion (excluding school funding and debt service) in administrative and grant funding through 41 positions (39.83 FTE), excluding IT services. In the 2017-19 biennium, the office provides support and monitoring of \$2.735 billion in administrative and grant funding (all fund sources), excluding the State School Fund. This is a 79.6 percent increase in total funding, with 49 positions, a staffing increase of just 6.5 percent over the same period. This same period saw an increase of 136.7 percent in General Fund expenditures, almost tripling General Fund grant programs. In addition, other grants including the Network of Quality Teaching & Learning; Child Care Development Fund (CCDF) grants; various Early Learning and Youth Development Division grants; several General Fund “strategic investments,” such as the recent Chronic Absenteeism, Trauma Informed, and High School Success (Measure 98) have impacted the volume of work that is expected of OFA.

The table below illustrates the changes in the number of business office staffing and the increases in the budget and grant streams for which support is required. The agency had 28 distinct grant streams (all fund types) in the 2011-13 biennium, and has 51 in the 2017-19 biennium. In 2011-13, the agency issued right around 5,000 subgrants; in 2017-19, we estimate that number to increase to over 7,600, an increase of over 50 percent.

Office of Finance & Administration
(excluding School Finance & Facilities positions/FTE)

	Pos.	FTE	Grant Streams	# Sub-Grants	General Fund Budget	Total Funds Budget	Comments
<i>2011-13</i>	41	39.83	28	5,049	340,837,528	1,523,258,138	<i>includes 4 budget positions located in EII/OSLP; 1 EGMS position in EII</i>
<i>2013-15</i>	46	45.67	32	8,190	453,969,907	1,946,861,647	<i>includes 2 positions transferred with ELD/YDD (1 budget/1 accounting)</i>
<i>2015-17</i>	44	43.67	49	8,241	580,091,439	2,286,313,522	
<i>2017-19</i>	49	52.92	51	8,030	806,769,417	2,735,074,522	<i>includes bond financing budget</i>
change from 2011-13	19.5%	32.9%	78.57%	59.0%	136.7%	79.6%	
change from 2013-15	6.5%	15.9%	56.3%	0.98%	77.7%	40.5%	

Likewise, in the 2011-13 biennium IT services had 51 positions (48.55 FTE) that supported all agency IT demands: application development; network operations, and desktop support services to 397 staff (374.13 FTE). In the 2017-19 budget, 47 IT Services staff support 567 positions (545.82 FTE), including 8 Office of Child Care field offices across the state. This represents a reduction of 3 IT positions to support 170 additional agency staff, an increase of 42.8 percent over 2011-13 staffing levels.

Office of Information Technology						
	Pos.	FTE	Total Positions	General Fund (excl. SSF, CSF, DS)	Total Funds (excl. SSF, CSF, DS)	Comments
2011-13	51	48.55	397	340,837,528	1,523,258,138	
2013-15	60	56.84	544	453,969,907	1,946,861,647	
2015-17	47	45.87	556	580,091,439	2,286,313,522	
2017-19	47	47.00	567	806,769,417	2,591,464,649	<i>excludes bond financing budget (little or no OIT support required)</i>
change from 2011-13	-7.8%	-3.2%	42.82%	136.7%	70.1%	
change from 2013-15	-21.7%	-17.3%	4.23%	77.7%	33.1%	

The essential business services provided by OFA support the agency’s expenditures for all federal, state and other fund sources. Services will continue to fall behind in key areas: serious lag time in procurement of goods and services; delays in reporting budget-to-actual expenditures; decreased scrutiny in fiscal grant oversight and monitoring; lag times in staff hiring and support to employees; and reduced support to employees for IT services.

TOTAL POLICY OPTION REQUEST - \$4.6 MILLION
 DEPARTMENT OPERATIONS: \$4.6M
 GRANT-IN-AID: \$0.0M

How Achieved:

Strategy 1 – Minimize Agency Risk Through Coordination of Agency Administrative Rules and Expansion of Internal Auditing
 ODE is requesting one permanent, full-time position (C0871, Operations and Policy Analyst 2) who would serve as the agency’s rule coordinator. This would include filing rules, conducting rule hearings, facilitating rule workgroups and drafting rule reports required by legislation. This position would also track agency policies and identify policies for updating to meet the requirements of SB 227 (2017).

Previously, much of this work was done by higher-level staff, but who no longer have time. If this position is not approved the agency would sustain some risk as it is likely that rules and policies would not be updated or amended timely.

ODE currently has one position (1.00 FTE) devoted to internal auditing. Adding a second internal audit position would help ODE achieve the positive outcomes identified within the SOS audit. Additionally it would allow ODE to utilize existing audit staff more efficiently. Currently because we only have one internal auditor that auditor performs all internal audits including more simplistic audits such as the SPOTS card audit required annually by state policy. Having a second position that is classified lower will allow our existing position to devote more time to more complex program and services and allow for some succession planning to maintain the quality of the our internal audit program.

TOTAL POLICY OPTION REQUEST - \$0.6 MILLION

DEPARTMENT OPERATIONS: \$0.6M

GRANT-IN-AID: \$0.0M

Strategy 2 – Continue Staffing for Federal Charter School Grant Program

The federal Charter School grant was extended by the federal government. ODE is requesting the reinstatement of the current LD position that administers this grant of \$7 million over the biennium. This would ensure the completion of this grant which was approved in the 2015-17 biennium.

TOTAL POLICY OPTION REQUEST - \$0.2 MILLION

DEPARTMENT OPERATIONS: \$0.2M

GRANT-IN-AID: \$0.0M

Strategy 3 – Provide Adequate Business Services Staffing and Support to Meet the Need of Current Operation and Program Needs

Office of Finance & Administration:

During the 2017-19 budget development, OFA requested a position to support agency fiscal operations that would be available for special projects. One such project is to review and map the grant making process in the department, and bring some consistency to how all similar grants are managed. We would bring some conformity and consistency to the grant making process, as well as reporting

requirements for grantees. This work has begun in the current biennium using limited-duration staff and staff time of multiple levels of other agency positions.

ODE is requesting a permanent, full-time position to act in this capacity. This position will lead agency projects, including examination of fiscal policies and processes. This position will support the Assistant Superintendent of the Office of Finance and Administration (OFA) by providing analysis and advice on administrative policy and other fiscal aspects of agency operations, as well as proposed legislative and statewide policies affecting fiscal operations.

Employee Services:

Employee services provides mailroom, facilities, payroll and human resource services to all of ODE, including the Early Learning and Youth Development Divisions. The unit serves all 565 positions in the department. On average, the unit does about 150 recruitments per year for a single or multiple positions; so far for 2018, there have been 123 recruitments and the estimated number for 2018 is about 195 total recruitments for new positions and/or staff turnovers. With additional workloads in 2019, this number will continue to rise.

Since 2011-13, the number of staff in the department has grown by over 42 percent, from 397 employees in 2011-13 to 567 in 2017-19. The number of staff in employee services has declined in that same period, primarily from reductions to mail room and support staff. That said, there have not been sufficient increases to payroll and HR Analysts to keep up with the sheer volume of recruitments and payroll duties. Currently, only 2 of the 11 staff in this unit work on nothing but recruitment activities, and keeping up with turnovers and new staff make it difficult for offices to get their work done; the one payroll clerk in the unit is working overtime every week to maintain the critical duties and respond to employee issues.

This request asks for one HR Analyst 1 (X1320) and one payroll clerk (C0212) to assist with workloads in Employee Services. The department had to hire a limited-duration in the 2017-19 biennium to maintain a minimum of service to ODE offices. These additional positions will allow the agency to provide better service to offices filling recruitments, and answer payroll and recruitment questions in a timely manner.

Financial Services:

Financial Services provides accounting and financial reporting for the agency. The unit processes over 100,000 payment transactions during the biennium including State School Fund payments to districts; completes drawdown of federal grant awards; issues billings for amounts owed to the agency for interagency agreement or other issues; handles cash receipts; and maintains internal controls. The unit provides oversight for all cash-on-hand balances and provides cashiering for the Oregon School for the Deaf Nightmare Factory, which brings in \$200,000 each year.

The unit also handles the reconciliation process for Vision Screening reimbursements enacted through SB 187 (2017). The 2017-19 budget includes one limited-duration Accounting Technician 3 position to cover the workload associated with SB 187. Funding of the position is only through the end of 2017-19 even though SB 187 makes Vision Screening reimbursements permanent.

The Vision Screening position processes reimbursements to over 140 school districts. The position also tracks reimbursements against amount funded. To cover the workload permanently, the agency is requesting a full-time Accounting Tech 3 (C0212) to support the program. If the request for the position is denied, this work will need to be prioritized within existing resources, which could impact the ability to track and turn reimbursements timely to the school districts.

There is a need and expectation that all processes performed by Financial Services are accomplished with adequate controls in place. The addition of an Accountant 2 position will permit the unit to provide proper segregation of duties and continue to create an effective internal control system. This position will also allow more flexibility within the team to allow appropriate monitoring and mission critical functions. Expected duties of the new position are:

- Complying with laws and regulations which includes, but is not limited to, federal and state laws and regulatory requirements, the administrative guidelines and accounting policies issued by the Department of Administrative Services, directives issued by the Secretary of State and State Treasurer, and the agency's own policies and procedures;
- Reviewing accounts payable transactions; and
- Regularly reviewing accounting reports.

If the request for the position is denied, the unit will continue to have difficulties in keeping up with workload, maintaining effective internal controls, and there will be a need to incur overtime in order to meet state and federal regulatory expectations.

Budget Services:

During the 2011-13 biennium, ODE provided fiscal oversight to about 14 General Fund grant programs, and a total of 28 grant programs, including large federal grants with multiple provisions. In the 2017-19 biennium, the number of grants has just about doubled to 50 total grant programs, including 35 General Fund programs.

Each of these grant programs issue awards to multiple grantees, and federal programs have multiple grant awards within the larger grant (ESSA, IDEA). The volume of work related to grant monitoring activities has doubled, while the work is somewhat more complex.

Each biennium, multiple grant programs can be added, and although no one grant program requires an additional full-time budget analyst, as these programs add up the workload requires more and more from each analyst. Consequently, some workload drops off just because of sheer volume. It has been difficult to provide timely budget-to-actuals reporting to all programs and to provide program staff with advice on how to make slight changes that could have positive impacts on their bottom line without the need to delay hiring or other critical functions.

The duties for ODE budget analysts also include processing journal vouchers to shift expenditures from one grant year to another during year-end and grant closeout. This becomes critically important to avoid overspending or leaving federal money on the table that can be used to fund agency operations and school district grants. Analysts process about 16,000 lines of adjustments each year in grant close. This is a tremendous workload on top of the day to day operations. We have been able to manage this workload through overtime and job rotations thus far. However, this requires the availability of competent and available staff during peak times that know how the department operates.

Virtually the entire budget section has turned over in the last year, in part due to the volume of workload expected from each analyst. We need to be able to provide our office staff accurate, timely information with which to make decisions, and to be available to provide information to them for requests they get from customers, stakeholder, the Governor's Office, and Legislators. As management, we need to provide our staff with reasonable workloads so that they can do their jobs with integrity and thoroughness.

Since 2011-13, budget staff have grown by 3 positions, but of those 3 positions, 1.50 FTE were transferred from other areas of the agency and are dedicated to our electronic grants management system (EGMS). The EGMS system is about 10 years old, built in a legacy program, and is depended upon to track our grants and process grant payments. The system allows grantees to electronically place claims, and once approved by the grant manager, it is processed as an interface file to SFMA for payments processing. Because the system is so old, it requires a lot of monitoring, manual intervention and technical assistance to school districts and other claimants. The 2 positions that are assigned to fiscal grant monitoring are keeping up with day-to-day tasks, but aren't able to be strategic in assisting customers, both inside and outside the agency.

One additional staff person assigned to the grant unit would allow the unit to provide better consultation and advice to our customers, and would be able to provide some streamlining to the grant process itself, assisting the procurement unit with getting final, legal grant agreements completed. An example of this: our lead fiscal grant analyst was able to research the requirements for federal pass through awards. She found that as long as the state is not adding any additional requirements to the conditions of the grant, the document provided within the EGMS system could meet legal sufficiency as long as there were an electronic agreement that the grantee understands the requirements of the grant and its purpose. We were able to work with EGMS programmers to develop the required

language and review button within the system to meet these requirements. This saved the procurement staff months of work trying to get signed grant agreements on federal pass-through funding, which would have put them even further behind.

We are asking for three additional budget analyst positions: two that will perform budget support for offices, and one that will work within the grants section of the budget unit. All three of these positions are at the Fiscal Analyst 2 level.

Procurement Services:

The procurement unit processes on average, about 3,000 legal documents for grants and/or contracts and 1,000 purchase orders each year. They work with DOJ on legal sufficiency and making sure documents are signed by all parties prior to distribution of funds. On top of that, the unit reviews each payment against contracts to ensure they are consistent with the terms of the contract. They provide assistance to all offices and staff within the agency on statements of work for contracts and requests for proposal (RFP) or requests for information (RFI). They guide staff in what is necessary to purchase goods or procure services by the State of Oregon.

Statutory requirements are very stringent upon state agencies when it comes to providing a fair playing field in the area of procurement. In addition, the procurement unit manages the procurement and maintenance of lease agreements for the agency, including those for 8 field offices of the Office of Child Care. The procurement unit today has one position more than it had in 2011-13. In the current biennium, we had to bring in one additional limited-duration position and two half-time retirees to assist with workload. Currently, each procurement analyst has an average of 60 assignments, depending on the complicated nature involved in a particular assignment. This is in addition to consultation services that are provided to offices on a daily basis.

With the above stated increase in grants over the past several biennia, it has put a strain on the staff of the Procurement Section. In addition to the sheer volume of workload from contracts and purchases, a process issue was identified in the 2017-19 biennium that put a severe strain on staff. The agency's grant process was set up many years ago, and mimicked the process of State School Fund distributions in that we awarded grants and sent out the funding, but did not necessarily have a contractual grant agreement signed by all parties.

When this was first discovered in late 2015-17, changes were begun, and plans made to scale up changes to the process to require signed grant agreements from every grant or sub-grant that is awarded. Getting this process set up and going through Department of Justice review for every grant award has been time consuming and costly, and has slowed down the grant process drastically. Our customer service approval has plummeted, both internally and externally as we try to get better systems in place.

It is a requirement that all documents over \$150,000 have DOJ review for legal sufficiency. We are moving forward in an effort to be in compliance with all statutory requirements concerning grants and contracts. While the statutory requirements for grant agreements is

not as prescribed as contracts, there is still an expectation that grants be reviewed for legal sufficiency to mitigate risk to the State. In an effort to streamline the process as much as possible, the agency is working with DOJ to approve templates for specific grants that can be used to speed up the process – both on the agency side and the DOJ review side.

In addition, we have been working with ESDs to help streamline payments within the process to avoid lengthy delays in getting payments processed on grants and contracts. And, we're working with DOJ in the next year to develop master grant agreements that use approved templates that can speed up the process further. Even with these process enhancements, the amount of workload required for procurement staff is insufficient to process documents timely and provide the kind of customer service that is expected of an agency of our size.

Based on numbers from the Electronic Grants Management System (EGMS) and the Contract Management System (CMS), the department annually processes about 4,400 grants, subgrants and contracts that all require legal sufficiency. In addition, we process about 1,000 purchase orders annually. The procurement unit has a base of 8 positions, including a manager and 7 procurement staff. One procurement assistant handles all of the purchase order activities, leaving the manager and 6 staff to process 4,400 legal documents and process an estimated 20 to 25 requests for information (RFI) or requests for proposals (RFP) that are not tracked in the system. The RFIs and RFPs can be very time consuming, depending on the complexity of the request.

Based on the above numbers, the average caseload per procurement officer is about 675 contracts/grants per year. Per year, assuming 6.50 FTE to do this work, the average ratio is about 1 staff to 675 procurement actions. If you assume an average contract takes about 4.5 hours (1.5 hours for development an hour for legal, an hour for negotiation, half hour for processing), it would mean each contract person could effectively process about 350 contracts a year. Obviously, some would take more time, and others less. With those numbers, we would need about 12 staff to be productive and efficient.

As we move forward, the office is working on some efficiency measures, including an electronic procurement system (Oregon Buys) that is expected to have a positive impact on workload going forward, and streamlining as many templates as possible for both contracts and grant agreements.

To address all of the workload concerns, OFA is requesting two additional procurement officers (Contract & Procurement Specialist 2).

School Finance:

The School Finance unit is the section responsible for administration and maintenance of the school fund distribution model. Part of the responsibility of the unit is to review financials of all school districts for federal A-133 audit compliance. With the passage of the federal "super circular" dealing with financial compliance, the work of reviewing district financials has become more complex.

This request is for a reclass for one position from a Program Analyst 2 to a Program Analyst 3 to recognize the complexity of the work being performed.

<p style="text-align: center;">TOTAL POLICY OPTION REQUEST - \$1.7 MILLION <i>DEPARTMENT OPERATIONS: \$1.7M</i> <i>GRANT-IN-AID: \$0.0M</i></p>
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Strategy 4 – Invest in Providing Adequate Levels of Information Support Services to Meet the Need of Current Operation and Program Needs

Since the 2011-13 biennium, the staffing for the Information Technology Office has decreased by 7.8 percent. During that same period of time, the number of total staffing has grown nearly 43 percent. To compound this, during this same growth period, the number of field sites for the agency has gone from just the Public Services Building, to two main offices in Salem, along with seven additional satellite offices throughout the state. Each of these satellite offices require a level of support to ensure information technology needs are met for both the individual staff, as well the actual facility itself. As a result, much of the staff support needs to periodically be onsite which increases overall time for travel. These services are provided primarily by Information Technology Support and Operations Team and includes providing internal help desk support responsible primarily for Tier 1 (general support typically handled by phone or remote assistance) and Tier 2 (support that requires more intensive onsite analysis and troubleshooting); administering internal controls and monitoring to ensure a high and reliable network system; and providing appropriate and responsive analysis, investigation, and troubleshooting related to any agency specific security issues.

Along with the increased need to provide services, the Information Technology Office has also been impacted by the significant growth in budget and agency programs. With the growth in budget at nearly 80 percent since 2011 and the number of grant programs doubling during the same time, the increased need for technology solutions and efficiencies has rapidly accelerated. This has put increased pressure on the Application Development Team to provide both new and modified information technology solutions that meets the needs of the business and any applicable rules, regulations, and/or requirements. These large investments of resources not only require IT application to create efficient and effective solutions and management practices, but they also require project management to provide oversight to both IT and business solutions.

At the same time the Information Technology Office has been hit with the additional workload from budget, programs, and staffing demands, it has also taken on the responsibility of responding to a complaint from the Office of Civil Rights (OCR) related to the accessibility of the agency's website. As a result of this complaint, the OCR and ODE reached an agreement to make its website compliance within 18 months. The agency is in the process of remediation and is confident it will meet the requirements of the

agreement. However, part of the agreement provides assurance of a policy and infrastructure be put in place for ongoing oversight and controls to ensure that all future material added to the agency website meets the accessibility standards of OCR. This is not a function the agency is currently staffed to support and in order to ensure ongoing accessibility, this will need to be a responsibility built into the infrastructure.

To address the workload issues of the Information Technology Team in information technology support and operation, application development and project management, and accessibility, ODE is requesting \$2.0 million in funding for 12 positions (11.44 FTE). Of these 12 positions, 5 have been hired in the 2017-19 biennium as temporary limited-duration positions to address the most immediate workload needs. The current positions have been funded through a combination of reductions and shifts in purchase of information technology hardware/software, as well as identified vacancy savings. The request for positions is as follows:

- Information Operations and Support Services – 6 Positions (5.68 FTE).

This request includes 2 positions that are currently hired as temporary limited-duration to meet current workload need.

Of the six position requests, four will be mobilized for help desk and field support. As mentioned above, the agency has added one additional main office and seven field offices since 2013. In total, these new facilities house approximately 130 staff. ODE was never provided with additional IT support to help address the technology needs of these offices. Exacerbating the issue is the continued growth in the other agency offices and programs since 2011. To effectively address this issue, the staffing for IT help desk and field support must be expanded. There are currently only 4 technicians at ODE responsible for all agency staff, including the field offices. Each of these technicians must deal with both Tier I and Tier II support, which sometimes requires travel to field offices. To effectively manage the current workload, ODE is proposing a team of three ISS2 that would strictly manage all Tier I support and customer response. In addition, a field support staff would be added to primarily focus on the field office Tier II needs. This would leave the existing three staff remaining to focus their support on Tier II issues as well as other potential Tier III issues for the remaining parts of ODE.

The other 2 positions requested will be mobilized to meet current network and security workload demands, including providing a proactive response to some of the deficiencies and gaps identified by the Secretary of State's (SOS) audit on ODE's information security practices. One of factors that has contributed to this workload demand was the transfer of two of ODE's positions to the Office of State Chief Information Officer to be mobilized as an enterprise for all agencies related to IT security. While ODE supports the centralization of those efforts at OSCIO, there was still a fair amount of work that wasn't transferred and the agency was left to try and identify solutions. To mitigate this, ODE has hired one temporary limited-duration position to manage the current workload for 2017-19. The need for this position will continue moving forward, so ODE is requesting this

position to become permanent, as well as add an additional position to focus and respond to areas and responsibilities identified by the SOS that expose the agency to IT security risk.

- Application Development and Project Management – 5 Positions (4.84 FTE).

This request includes 1 position that is a currently budgeted as a limited duration position assigned to quality assurance for applications development, and 2 positions that are currently hired as temporary limited-duration to meet the current project management needs.

ODE is requesting to transition its current limited-duration ISS3 as permanent to maintain its ability to conduct quality assurance testing on all new or modified applications prior to putting them into production. Without this position, ODE would fall further behind in meeting application development needs due to increased time of existing staff to conduct quality assurance. The Application Development Team is also in need of an additional Business Analyst to keep up with the current and projected application development needs of the Department. This would increase the current number of Business Analysts from 6 to 7.

ODE is requesting to double its existing staff of Project Managers from 3 to 6. While some of the projects assigned include information technology solutions (child nutrition certification program, report card replacement, IDEA data manager), there are also a great deal of business and program related projects that involve implementing key policy initiatives (vision screening, Medicaid reimbursement, Measure 98, grant and contract management efficiency project, chronic absenteeism, early indicator and intervention systems, ESSA). ODE has already had to hire two of these position as temporary limited-duration to manage the current workload. However, there are still projects that are stalled or struggling due to lack of project management resources to provide. ODE believes it needs a total of six to effectively meet the agency's collective needs.

- Accessibility – 1 Position (0.92 FTE)

This request creates a position dedicated to ensuring that all material provided by the ODE on its external website is accessible and meets the expectation and requirements of accessibility defined by the Office of Civil Right. ODE is in the process of remediating all areas identified as inaccessible; however, to ensure the website continues to meet the appropriate requirements it requires an embedded position to: develop accessible technology capabilities; provide training and support for accessible technology, evaluate products and services for accountability, and provide an agency wide coordinator on accessibility to ensure best practices and compliance. This position will work between both the Information Technology Team and the Communication Team to ensure agency wide coordination.

All positions are requested to be funded with 50 percent General Fund and 50 percent Other Funds.

<p>TOTAL POLICY OPTION REQUEST - \$2.0 MILLION DEPARTMENT OPERATIONS: \$2.0M GRANT-IN-AID: \$0.0M</p>
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Staffing Impact: 26 positions (24.48 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – Administrative Rules and Internal Auditing</i>						
2111001	Deputy Superintendent	GLAM	OAS C0870 AP	OAR Coordinator	General Fund	0.92
2111006	Deputy Superintendent	AUD	OAS C5617 AP	Internal Auditor	General Fund	0.92
<i>Strategy 2 – Federal Charter School Program Coordination</i>						
2111005	Deputy Superintendent	CS	OAS C0862 AP	Federal Charter School Coordinator	Federal Funds	1.00
<i>Strategy 3 – Adequate Levels of Business Services Staffing</i>						
2112511	Finance & Administration	EMP	MMN X0212 AP	Payroll Clerk	General/Other 50/50	0.92
2112512	Finance & Administration	EMP	MMN X1320 AP	HR Analyst 1	General/Other 50/50	0.92
2112561	Finance & Administration	BUD	OAS C1244 AP	Budget Analyst – ELD	General/Other 50/50	0.92
2112562	Finance & Administration	BUD	OAS C1244 AP	Budget Analyst - OTLA	General/Other 50/50	0.92
2112563	Finance & Administration	BUD	OAS C1244 AP	Fiscal Grants Analyst	General/Other 50/50	0.92
2112521	Finance & Administration	FIN	OAS C0212 AP	Accounting Tech – Vision Screening	General/Other 50/50	1.00
2112522	Finance & Administration	FIN	OAS C1216 AP	Accountant 2	General/Other 50/50	0.92
2112532	Finance & Administration	PROC	OAS C0437 AP	Procurement Officer (PCS 2)	General/Other 50/50	0.92
2112533	Finance & Administration	PROC	OAS C0438 AP	Procurement Officer (PCS 3)	General/Other 50/50	0.92
0006001	Finance & Administration	SF	OAS C0862 AP	Reclass from PA2 to PA3	General Fund	
2112501	Finance & Administration	OFA	OAS C0872 AP	OFA Directed Projects	General/Other 50/50	0.92
<i>Strategy 4 – Adequate Levels of Information Support Services Staffing</i>						
2111501	Information Services	INFRA	OAS C1487 IP	IT Security – Incident Mgmt.	General/Other 50/50	1.00

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
2111502	Information Services	INFRA	OAS C1488 IP	IT Security – Policy, e-discovery, audit response	General/Other 50/50	0.92
2111503	Information Services	APPDV	OAS C0856 AP	Project Manager 3	General/Other 50/50	1.00
2111504	Information Services	APPDV	OAS C0856 AP	Project Manager 3	General/Other 50/50	1.00
2111505	Information Services	APPDV	OAS C0856 AP	Project Manager 3	General/Other 50/50	0.92
2111506	Information Services	APPDV	OAS C1485 IP	Business Sys Analyst – Data Collections/Requirements	General/Other 50/50	0.92
2111509	Information Services	ADMIN	OAS C1483 IP	Quality Assurance	General/Other 50/50	1.00
2111511	Information Services	HELP	OAS C1482 IP	Tier One Help Desk Support	General/Other 50/50	0.92
2111512	Information Services	HELP	OAS C1482 IP	Tier One Help Desk Support	General/Other 50/50	0.92
2111513	Information Services	HELP	OAS C1482 IP	Tier One Help Desk Support	General/Other 50/50	0.92
2111515	Information Services	HELP	OAS C1483 IP	ELD Field Support	General/Other 50/50	1.00
2111519	Deputy Superintendent	COMM	OAS C0872 AP	Accessibility Coordination	General/Other 50/50	0.92

Quantifying Results:

Strategy 1 – Minimize Agency Risk Through Coordination of Agency Administrative Rules and Expansion of Internal Auditing

ODE will ensure 100% compliance with ORS 183.405 requiring the agency to review all administrative rules within 5 years of adoption, by the end of the 2019-21 biennium.

For the 2019-21 biennium, the Department of Education will improve agency accountability and business processes by increasing the number of internal audits conducted each biennium by seven. These audits will be in alignment with our agency risk assessment and allow us to further identify and address areas of risk for the agency.

Strategy 2 – Continue Staffing for Federal Charter School Grant Program

By September 30, 2020, the Department of Education will increase the number of students accessing high quality public charter schools by twenty-five percent (25%) by awarding \$4,000,000 in federal Charter School Program Grant funds to eligible Oregon sub-grantees.

Strategy 3 – Provide Adequate Business Services Staffing and Support to Meet the Need of Current Operation and Program Needs

Improve internal customer service satisfaction by 20% in 24 months, using baseline survey in spring 2019 as base, and comparing results in spring 2022.

Strategy 4 – Invest in Providing Adequate Levels of information Support Services to Meet the Need of Current Operation and Program Needs Improve internal customer service satisfaction by 20% in 24 months, using baseline survey in spring 2019 as base, and comparing results in spring 2022.

Revenue Source*:

	General Fund	Other Funds	Federal Funds	Total Funds
Operations				
Personal Services	\$2,314,384	\$1,813,660	\$190,500	\$4,318,544
Services and Supplies	150,968	48,584	41,011	240,563
Special Payments				
Total Request	\$2,465,352	\$1,862,244	\$231,511	\$4,559,107

This package is included in the Governor’s Balanced Budget as modified:

Partial funding is approved for strategies 2, 3 and 4 as follows:

- *Strategy 2 is funded with federal Charter School grants, as requested (1 position/1.00 FTE);*
- *Strategy 3 is approved using federal indirect revenues instead of General Fund (8 positions/7.74 FTE);*
- *Strategy 4 is approved using federal indirect revenues instead of General Fund (4 positions/3.84 FTE); and,*
- *Position 00000298 is shifted from Other Funds to General Fund.*

Net approved: 13 positions, 12.58FTE, \$2.4m Total Funds

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 2 – Federal Charter School Program Coordination</i>						
2111005	Deputy Superintendent	CS	OAS C0862 AP	Federal Charter School Coordinator	Federal Funds	1.00

Strategy 3 – Adequate Levels of Business Services Staffing

2112511	Finance & Administration	EMP	MMN X0212 AP	Payroll Clerk	General/Other 50/50	0.92
2112512	Finance & Administration	EMP	MMN X1320 AP	HR Analyst 1	General/Other 50/50	0.92
2112561	Finance & Administration	BUD	OAS C1244 AP	Budget Analyst – ELD	General/Other 50/50	0.92
2112562	Finance & Administration	BUD	OAS C1244 AP	Budget Analyst - OTLA	General/Other 50/50	0.92
2112501	Finance & Administration	OFA	OAS C0872 AP	OFA Directed Projects	General/Other 50/50	0.92
2112522	Finance & Administration	FIN	OAS C1216 AP	Accountant 2	General/Other 50/50	0.92
2112532	Finance & Administration	PROC	OAS C0437 AP	Procurement Officer (PCS 2)	General/Other 50/50	0.92

Strategy 4 – Adequate Levels of Information Support Services Staffing

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
2111503	Information Services	APPDV	OAS C0856 AP	Project Manager 3	General/Other 50/50	1.00
2111509	Information Services	ADMIN	OAS C1483 IP	Quality Assurance	General/Other 50/50	1.00
2111511	Information Services	HELP	OAS C1482 IP	Tier One Help Desk Support	General/Other 50/50	0.92
2111512	Information Services	HELP	OAS C1482 IP	Tier One Help Desk Support	General/Other 50/50	0.92
2111515	Information Services	HELP	OAS C1483 IP	ELD Field Support	General/Other 50/50	1.00

Revenue Source*:

	General Fund	Other Funds	Federal Funds	Total Funds
Operations				
Personal Services	\$350,000	\$1,609,223	\$191,247	\$2,150,470
Services and Supplies		102,606	29,368	131,974
Special Payments				
Total Request	\$350,000	\$1,781,255	\$231,511	\$2,362,766

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 113 - Adequate Levels of Business Services

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	350,000	-	-	-	-	-	350,000
Other Revenues	-	-	63,138	-	-	-	63,138
Federal Funds	-	-	-	231,511	-	-	231,511
Transfer In - Indirect Cost	-	-	1,718,117	-	-	-	1,718,117
Total Revenues	\$350,000	-	\$1,781,255	\$231,511	-	-	\$2,362,766

Transfers Out							
Tsfr To Agriculture, Dept of	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-

Personal Services							
Class/Unclass Sal. and Per Diem	251,832	-	973,484	124,536	-	-	1,349,852
Empl. Rel. Bd. Assessments	61	-	646	61	-	-	768
Public Employees' Retire Cont	42,736	-	165,200	21,134	-	-	229,070
Social Security Taxes	19,265	-	74,473	9,527	-	-	103,265
Unemployment Assessments	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	58	-	613	58	-	-	729
Mass Transit Tax	1,511	-	5,840	-	-	-	7,351
Flexible Benefits	35,184	-	372,364	35,184	-	-	442,732
Reconciliation Adjustment	(647)	-	16,603	747	-	-	16,703
Total Personal Services	\$350,000	-	\$1,609,223	\$191,247	-	-	\$2,150,470

Services & Supplies							
Instate Travel	-	-	-	18,241	-	-	18,241

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 113 - Adequate Levels of Business Services

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Employee Training	-	-	-	932	-	-	932
Office Expenses	-	-	-	967	-	-	967
Telecommunications	-	-	-	1,872	-	-	1,872
Data Processing	-	-	-	7,356	-	-	7,356
Expendable Prop 250 - 5000	-	-	54,022	-	-	-	54,022
IT Expendable Property	-	-	48,584	-	-	-	48,584
Total Services & Supplies	-	-	\$102,606	\$29,368	-	-	\$131,974
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	350,000	-	1,711,829	220,615	-	-	2,282,444
Total Expenditures	\$350,000	-	\$1,711,829	\$220,615	-	-	\$2,282,444
Ending Balance							
Ending Balance	-	-	69,426	10,896	-	-	80,322
Total Ending Balance	-	-	\$69,426	\$10,896	-	-	\$80,322
Total Positions							
Total Positions	-	-	-	-	-	-	13
Total Positions	-	-	-	-	-	-	13

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 113 - Adequate Levels of Business Services

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							12.58
Total FTE	-	-	-	-	-	-	12.58

PACKAGE: 113 - Adequate Levels of Business Se

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0000298	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER	F 1-	1.00-	24.00-	08	10,493.00		251,832- 97,304-			251,832- 97,304-
0000298	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER	F 1	1.00	24.00	08	10,493.00	251,832 97,304				251,832 97,304
2111005	OAS	C0862	AP PROGRAM ANALYST 3	1	1.00	24.00	02	5,189.00			124,536 65,964		124,536 65,964
2111503	OAS	C0856	AP PROJECT MANAGER 3	1	1.00	24.00	02	5,993.00		143,832 70,714			143,832 70,714
2111509	OAS	C1483	IP INFO SYSTEMS SPECIALIST 3	1	1.00	24.00	02	4,134.00		99,216 59,730			99,216 59,730
2111511	OAS	C1482	IP INFO SYSTEMS SPECIALIST 2	1	.92	22.00	02	3,610.00		79,420 51,915			79,420 51,915
2111512	OAS	C1482	IP INFO SYSTEMS SPECIALIST 2	1	.92	22.00	02	3,610.00		79,420 51,915			79,420 51,915
2111515	OAS	C1483	IP INFO SYSTEMS SPECIALIST 3	1	1.00	24.00	02	4,134.00		99,216 59,730			99,216 59,730
2112501	OAS	C0872	AP OPERATIONS & POLICY ANALYST 3	1	.92	22.00	02	5,442.00		119,724 61,837			119,724 61,837
2112511	MMN	X0212	AP ACCOUNTING TECHNICIAN 3	1	.92	22.00	02	3,486.00		76,692 51,243			76,692 51,243
2112512	MMN	X1320	AP HUMAN RESOURCE ANALYST 1	1	1.00	24.00	02	4,219.00		101,256 60,232			101,256 60,232
2112522	OAS	C1216	AP ACCOUNTANT 2	1	.92	22.00	02	3,918.00		86,196 53,582			86,196 53,582
2112532	OAS	C0437	AP PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	02	4,727.00		113,448 63,234			113,448 63,234

PACKAGE: 113 - Adequate Levels of Business Se

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
2112561	OAS	C1244	AP FISCAL ANALYST 2	1	1.00	24.00	02	4,727.00		113,448			113,448
										63,234			63,234
2112562	OAS	C1244	AP FISCAL ANALYST 2	1	1.00	24.00	02	4,727.00		113,448			113,448
										63,234			63,234
TOTAL PICS SALARY									251,832	973,484	124,536		1,349,852
TOTAL PICS OPE									97,304	613,296	65,964		776,564
TOTAL PICS PERSONAL SERVICES =				13	12.60	302.00			349,136	1,586,780	190,500		2,126,416

DEPARTMENT OPERATIONS

Package 114 – Sustainable Resources for Pupil Transportation Programs

Purpose:

This package requests Strategic Investments of \$0.8 million for Grant-In-Aid and 4 Positions/3.68 FTE that provides adequate resources and staffing to address current workload associated with Pupil Transportation and Fingerprinting Unit.

- **Strategy 1** - Investment of \$0.2 million for Grant-In-Aid and 1 Position/0.92 FTE to provide support for an unfunded mandate to provide transportation grants that serve students in foster care.
- **Strategy 2** - Investment of \$0.6 million for 3 Position/2.76 FTE to provide adequate staffing support for Pupil Transportation and Fingerprinting Unit.

The Pupil Transportation unit is understaffed to take on the duties specifically charged concerning school buses and school activity vehicles as required by the Oregon Vehicle Code, ORS 820.100 through 820.190. These duties include, but are not limited to, on-site inspection of all vehicles used for student transportation, audit vehicle maintenance records, and review school district board policies. Because our duty is from the vehicle code, it is not likely well understood to the owner of the school bus or school activity vehicle that ODE is the responsible party for these duties. This means ODE should be holding private schools, charter schools and head start organizations to the same standard that we currently hold school districts. In addition, review and support for school districts should occur once every three years instead of the current practice of inspection once every six years. ODE is currently responsible for about 250 total transportation entities.

In accordance with the Every Student Succeeds Act (ESSA) signed into law in December 2015, students in foster care are required to remain in their school district/school of origin, even when a student's foster home placement is out of the home district. This continues for the duration of the student's placement in foster care. In order to implement this mandate, school districts of origin are required to provide transportation between the student's foster home and the school district/school of origin.

Oregon Senate Bill 20, effective July 1, 2017, addresses this transportation requirement and directs the Oregon Department of Education (ODE), the Department of Human Services (DHS), and school districts to collaborate to ensure that the transportation requirement is implemented. To support this requirement, ODE and DHS have entered into an agreement to allow ODE to access federal funding provided to DHS that is available to help pay for the school district of origin transportation costs. To implement this new program, ODE has hired a temporary worker to develop and implement the process to reimburse school districts for transportation costs that are not available through the State School Fund Transportation Grant program.

TOTAL POLICY OPTION REQUEST - \$0.8 MILLION

DEPARTMENT OPERATIONS: \$0.8M

GRANT-IN-AID: \$0.0M

How Achieved:

Strategy 1 – Pupil Transportation Grant Administration

ODE has determined that to continue to fulfill the requirements of SB 20 (2017), one permanent, full-time position is required to adequately staff and administer the transportation reimbursement program effectively. This includes distribution of funds to reimburse school districts for transporting students outside of district boundaries, securing funds from DHS, and ensuring that district reimbursement requests meet the requirements of state and federal rules. ODE does not have permanent staff to manage this program, and hired a temporary worker to develop and implement this new program in 2017-19.

Without funding for this position, ODE will not be able to continue to manage this program adequately, which could result in students in foster care not provided with the required transportation to keep them in their school of origin, putting federal funds at risk. The position will:

- Assist in supporting school districts in SB 20 administration and implementation
- Improve assistance with program management of Foster Child transportation.
- Evaluate delivery methods of reimbursement for DHS/ODE funds for those utilizing Foster Child transportation.
- Expand Foster Child transportation program communication to support school districts and stakeholders.

TOTAL POLICY OPTION REQUEST - \$0.17 MILLION

DEPARTMENT OPERATIONS: \$0.17M

GRANT-IN-AID: \$0.0M

Strategy 2 – Pupil Transportation Fee Increase

This request requires a change to ORS 820.110 to charge fees for work related to issuing certificates for school bus drivers and school activity vehicle drivers. In addition, ORS 820.100 needs to be amended showing that motor carriers can be charged for approval to operate as school activity vehicles in the state. Changes to the statute would generate funding to help with the cost of administration of this program. To pay for the three positions needed to do existing work at the level required, the program would also need additional General Fund support to cover the portion over and above new fee revenues.

The need for enhancement to the pupil transportation and fingerprinting program through additional staff is necessary to meet the programs statutory obligations. By establishing the requirement to issue a license or certificate for the ability to operate school buses and school activity vehicles and establishing fees for this service, the program can generate some funding to assist in the costs of new staff. Additionally, ODE needs to update driver-training curriculum to meet federal rules, develop/implement the Supervisor Certificate Program, and increase the frequency of on-site school bus inspections.

As required by statute, ODE is charged with the duty to “adopt and enforce” standards related to school buses, school activity vehicles, and the drivers of those vehicles. Without additional revenues, ODE is limited in its ability to maintain appropriate oversight and support to school districts and associated stakeholders. School districts may be affected in the following ways:

- If school districts choose to pay the fee required on behalf of the drivers to be certified, there could be a financial impact to the district. Otherwise, it would be paid for by the driver who is being certified as a school bus or school activity vehicle driver.
- If drivers are not willing to purchase certifications, the school district may be impacted through a smaller pool of potential school bus drivers.
- By increased oversight of the district due to inspections, they are more likely to be penalized for potential non-compliance findings. If non-compliance issues are discovered more timely, it will create a safer environment for students who are being transported.

TOTAL POLICY OPTION REQUEST - \$0.66 MILLION
DEPARTMENT OPERATIONS: \$0.66M
GRANT-IN-AID: \$0.0M

Staffing Impact: Total 4 positions (3.68 FTE)

Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 1 – Staff Foster Care Transportation Grants Oversight</i>						
2113311	Student Services	PT	OAS C0108 AP	Foster Care Transportation Grants	General Fund	0.92
Position Number	Office	Unit	Position Class	Working Title	Fund Source	FTE
<i>Strategy 2 – Staff Pupil Transportation & Fingerprinting through New Fees</i>						
2113309	Student Services	PT	OAS C0860 AP	Program Analyst 1	Other Funds	0.92
2113310	Student Services	PT	OAS C0872 AP	Ops & Policy Analyst 3	Other Funds	0.92
2113312	Student Services	PT	MMN X0873 AP	Ops & Policy Analyst 4	Other Funds	0.92

Quantifying Results:

Strategy 1 – Pupil Transportation Grant Administration

By June 30, 2021, 100% of districts reporting students in foster care on the State Report Card will access the reimbursement system if transporting students outside of boundaries, and will receive correct reimbursement that meets all federal/state rules within 30 days of submission.

Strategy 2 – Pupil Transportation Fee Increase

By the end of 2021-23, all Oregon school buses are actively inspected for compliance no less than once every 12 months.

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	\$126,273	\$535,157		\$661,430
Services and Supplies	46,914	126,812		173,726
Special Payments				
Total Request	<hr/> \$173,187	<hr/> \$661,969		<hr/> \$835,156

This package is not included in the Governor's Balanced Budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 114 - Sustain Resources for Pupil Transport Progs

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 114 - Sustain Resources for Pupil Transport Progs

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

DEPARTMENT OPERATIONS

Package 115 – Position Cleanup

Purpose:

This package requests strategic fund shifts to better align funding with programs and backfill revenue shortages (Measure 98, Network of Quality Teaching & Learning, Physical Education, and Child Nutrition Program) \$0.4 million Total Funds and (0.60) FTE.

- **Strategy 1** – Fund shift certain Network of Quality Teaching & Learning (NQTL) positions from Other Funds to General Fund. Makes Dyslexia position full-time using Federal Funds; net \$72,699 Total Funds, plus 0.25 FTE
- **Strategy 2** - Fund shift positions from Measure 98 General Fund to Other Funds using the High School Graduation and College and Career Readiness Fund; net \$0 Total Funds.
- **Strategy 3** - Investment of \$0.4 million to backfill and offset \$0.4 million reduction in Master Tobacco Settlement Account (MTSA) funding from DAS identified after CSL reconciliation; \$423,387 million Total Funds.
- **Strategy 4** – Realignment of Child Nutrition positions; reclasses 3.50 FTE from Admin Spec 1 to Program Analyst 1; abolishes 1 position (0.85 FTE); splits one position into two to accommodate reclass on shared position (each at 0.50 FTE); net (\$95,082) Federal Funds and (0.85 FTE).

The overall cost of the proposed changes in this package save \$0.8 million General Fund.

TOTAL POLICY OPTION REQUEST - \$0.4 MILLION
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<i>DEPARTMENT OPERATIONS: <\$0.1M</i>
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<i>GRANT-IN-AID: \$0.4M</i>

How Achieved:

Strategy 1 – Fund shift certain Network of Quality Teaching & Learning (NQTL) positions from Other Funds to General Fund

In preparation of the repeal of the Network of Quality Teaching and Learning and implementation of the Educator Advance Council (EAC) (Senate Bill 182 - 2017) and associated Education Advancement Fund (EAF) that takes effect on June 30, 2019, the department reviewed positions funded through the Network of Quality Teaching & Learning Fund to begin to determine if the workload on these positions is consistent with work that would move forward to the EAC.

An evaluation was done of current staff that are providing support to and advancement of programs that are funded through the NQTL. In the agency's 2019-21 current service level, the following programs are funded using the NQTL fund:

Department Operations - Program Support to Network of Quality Teaching & Learning

Total Dept. Operations Budget (NQTL) \$5,171,663

Grants-in-Aid Funded with Network of Quality Teaching & Learning

Trauma Informed Practices (Pilot Program administered by CEEdO)	1,038,000
Dyslexia Training Grants	1,972,200
School & District Collaboration Grants	14,013,000
Mentoring Grants	11,937,000
Leadership Training/Effective Teacher Prep Grants	2,595,000
School & District Turnaround Grants	2,076,000
Low Performing Schools Grants	<u>2,595,000</u>
Total Grant in Aid Budget	36,226,200

Total NQTL Current Service Level (2019-21) \$41,397,863

ODE Management reviewed the positions that are providing management, oversight and support to these programs, and compared the position numbers to those that were approved with the passage of the originating bill (HB 3233 – 2013) and applied subsequent changes made to these positions.

The result identified some misalignment between the original positions that were approved for NQTL and those that are currently doing the work. As happens when there are staff turnovers after the initial startup of programs, work is reassigned to existing staff in an effort to keep the work going without interruption. Often times, that work just remains with the new position assigned without moving the employee to the actual NQTL position that was funded to conduct the work.

To correct these misalignments, ODE is putting forth a plan to make adjustments to positions. Some positions were fund shifted from General Fund and Federal Funds to Other Funds (using NQTL), while others were shifted from Other and Federal Funds to General Fund.

The net impact of these shifts resulted in a net change of less than \$0.1 million, with an increase to General Fund of \$1.7 million and a decrease to Other and Federal Funds of (\$1.6) million. While some positions were shifted between NQTL-OF and General Fund, it

is to be noted that Services & Supplies funding was not shifted. The limitation for Services & Supplies for NQTL is still appropriate for the program needs, and is not dependent on specific position numbers.

While the adjustments to positions is a start, the department anticipates additional policy discussions around the use of NQTL/EAF during the fall with the Governor's Recommended Budget, and again during the 2019 Legislative Session. Those discussions will determine how the planned use of EAF may affect ODE programs outlined above, and whether those programs will continue with the EAC/EAF.

TOTAL POLICY OPTION REQUEST - \$0.1 MILLION

DEPARTMENT OPERATIONS: \$0.1M

GRANT-IN-AID: \$0.0M

Strategy 2 – Fund shift positions from Measure 98 General Fund to Other Funds using the High School Graduation and College and Career Readiness Fund.

Positions that were approved for the High School Graduation and College and Career Readiness Act of 2016 were approved in the 2017-19 budget using General Fund to finance them. Further examination of the statutes that govern the act indicate that General Fund appropriations would be transferred to the High School Graduation and College and Career Readiness (HSGCCR) Fund and expended as Other Funds for distributions to school districts and ESDs to fulfill the intent of the Act.

This package seeks to realign the positions included in base with the fund that has been established, and shifts these positions from General Fund to Other Funds. This action creates a net reduction of \$1,692 Total Funds – reduces General Fund by \$2,462,201 and increases Other Funds limitation by \$2,460,509. The package also realigns the staff positions that are doing the actual HSGCCR.

TOTAL POLICY OPTION REQUEST - \$0.0 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.0M

Strategy 3 – Backfill Master Tobacco Settlement Funds with General Fund for Revenue Reduction to Physical Education Program

The agency was notified by DAS that there is a reduction in the expected revenue from the Master Tobacco Settlement Fund that supports the Physical Education program. This reduction results in a \$0.4 million reduction to the 2019-21 current service level (CSL) for the Physical Education program, which is adjusted in package 070 (revenue shortfalls). The revenue reduction was not identified until after the current service level budget was finalized and audited.

This package requests \$0.4 million General Fund backfill to ensure the program's current service level for 2019-21 is maintained.

TOTAL POLICY OPTION REQUEST - \$0.4 MILLION

DEPARTMENT OPERATIONS: \$0.0M

GRANT-IN-AID: \$0.4M

Strategy 4 – Realignment of Child Nutrition positions; reclasses 3.50 FTE from Admin Spec 1 to Program Analyst 1; abolishes 1 position (0.85 FTE); splits one position into two to accommodate reclass on shared position (each at 0.50 FTE); net (\$95,082) Total Funds and (0.85 FTE). The Child Nutrition Program put forth a permanent finance plan for 2017-19 to reclassify several Administrative Specialist 1 positions to Program Analyst 1 positions. These positions were given higher level work to alleviate the workload of Child Nutrition Specialists to increase the amount of time to do site visits and monitoring of programs.

These positions reclasses were reviewed by ODE's Human Resource Office and the Chief Human Resource Office and found to be appropriate classifications for the work assigned. These are permanent work assignments. If the positions were not reclassified upward, Child Nutrition Specialists would be required to resume these duties, and we would likely need to hire additional Child Nutrition Specialists to perform the increases in site visits and monitoring that these reclasses have freed current positions to do.

One of the positions that was reclassified is a full-time, permanent Administrative Specialist - a position that is shared by two part-time staff. Only one of the staff was reclassified, leaving the other appropriately doing the work of an Administrative Specialist 1. For that reason, we reduced the months on position 0000102 and established a new position at half time at the higher Program Analyst 1 level.

Position 0000233 is abolished to fund the requested changes. We also identified a small adjustment in position 1712562 that was funded at 20.5 months, and increased the position to a full 1.00 FTE.

At the CFO analyst's request, we are including the permanent finance plan spreadsheet as part of this package that estimates costs at top step of the before and after classifications to ensure that these position adjustments do not increase the long-term cost of these changes.

TOTAL POLICY OPTION REQUEST – (\$0.1) MILLION

DEPARTMENT OPERATIONS: (\$0.1)M

GRANT-IN-AID: \$0.0M

Staffing Impact: 0 positions (0.60 FTE)

Position Number	Office	Action	Unit	Position Class	Working Title	Fund Source	FTE
<i>Fund Shift Measure 98 positions from General Fund to Other Funds (High School Graduation & College/Career Readiness Fund.</i>							
1713066	Student Services	Fund Shift GF to OF (M98)	REG	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1713068	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1713069	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1713073	Teaching & Learning	Fund Shift GF to OF (M98)	DYS	OAS C2301 AP	Educ. Specialist 2	Other Funds / Federal Funds	0.25
1911087	Deputy Supt.	Fund Shift GF to OF (M98)	ODS	OAS C0872 AP	Ops. & Policy Analyst 3	Other Funds	
1912580	Finance & Admin.	Fund Shift GF to OF (M98)	OFA	OAS C0438 AP	Proc. & Contract Spec 2	Other Funds	
1912581	Finance & Admin.	Fund Shift GF to OF (M98)	OFA	OAS C1244 AP	Fiscal Analyst 2	Other Funds	
1913070	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1913073	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C1118 AP	Research Analyst 4	Other Funds	
1913074	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	MMN X0873 AP	Ops. & Policy Analyst 4	Other Funds	
1913176	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C0108 AP	Admin. Specialist 2	Other Funds	
1913177	Teaching & Learning	Fund Shift GF to OF (M98)	DOGM	OAS C0108 AP	Admin. Specialist 2	Other Funds	
Position Number	Office	Action	Unit	Position Class	Working Title	Fund Source	FTE
<i>Fund Shift NQTL positions between Other Funds and General Fund to align workload</i>							
0000145	Teaching & Learning	Fund Shift FF to OF-NQTL	DSE	OAS C2301 AP	Educ. Specialist 2	Other Funds / Federal Funds	
0000194	Teaching & Learning	Fund Shift FF to OF-NQTL	DSE	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1517522	Teaching & Learning	Fund Shift GF to OF-NQTL	DSE	OAS C2301 AP	Educ. Specialist 2	Other Funds	
1517526	Deputy Supt.	Fund Shift OF-NQTL to GF	ODS	MMN X0873 AP	Ops. & Policy Analyst 4	General Fund	
1517527	Finance & Admin.	Fund Shift OF-NQTL to GF	OFA	MMN X1320 AP	HR Analyst 1	General Fund	
1517528	Teaching & Learning	Fund Shift OF-NQTL to GF	SIS	MMS X7010 EP	PEM / F	General Fund	
1517529	Equity, Diversity, Incl.	Fund Shift OF-NQTL to GF	EDI	MESN Z7014 EP	PEM / H	General Fund	
1517530	Teaching & Learning	Fund Shift OF-NQTL to GF	DSE	OAS C2301 AP	Educ. Specialist 2	General Fund / Other Funds	
1517531	Equity, Diversity, Incl.	Fund Shift OF-NQTL to GF	EDI	MMS X7010 EP	General Fund / Other Funds	General Fund / Other Funds	
1517534	Equity, Diversity, Incl.	Fund Shift OF-NQTL to GF	EDI	OAS C0118 AP	Exec Support Spec. 2	General Fund / Other Funds	
1517536	Teaching & Learning	Fund Shift OF-NQTL to GF	DOGM	OAS C1487 IP	Info. Sys. Spec. 7	General Fund	
1517538	Teaching & Learning	Fund Shift OF-NQTL to GF	SIS	OAS C0863 AP	Program Analyst 4	General Fund	
1517539	Deputy Supt.	Fund Shift OF-NQTL to GF	ODS	MMN X0873 AP	Ops. & Policy Analyst 4	General Fund	
1517561	Deputy Supt.	Fund Shift OF-NQTL to GF	ODS	OAS C0863 AP	Program Analyst 4	General Fund	

Child Nutrition Program Permanent Finance Package

1713001	Student Services	Reclass AS1 to PA1	CNP	OAS C0860 AP	Program Analyst 1	Federal Funds	
1517202	Student Services	Reclass AS1 to PA1	CNP	OAS C0860 AP	Program Analyst 1	Federal Funds	
0000287	Student Services	Reclass AS1 to PA1	CNP	OAS C0860 AP	Program Analyst 1	Other Funds / Federal Funds	
0000102	Student Services	Reclass AS1 to PA1	CNP	OAS C0860 AP	Program Analyst 1	Federal Funds	
0000233	Student Services	Abolish for financing	CNP	OAS C0107 AP	Admin Specialist 1	Federal Funds	(1.00)
1712562	Finance & Admin.	Increase FTE by 3.5 months	OFA	OAS C0108 AP	Admin. Spec. 2	General Fund / Other Funds	0.15
0000096	Student Services	Split position to create 1913302	CNP	OAS C0118 AP	Exec Support Spec. 2	Federal Funds	(0.50)
1913302	Student Services	New position from splitting FTE 0000096	CNP	OAS C0860 AP	Program Analyst 1	Federal Funds	0.50

Revenue Source*:

Operations	General Fund	Other Funds	Federal Funds	Total Funds
Personal Services	(\$791,463)	\$929,238	(\$160,158)	(\$22,383)
Services and Supplies				
Special Payments				
Total Request	(\$791,463)	\$929,238	(\$160,158)	(\$22,383)

SABRS PFP Submission Form

		Permanent Finance Oregon Department of Education							(Agency Name)		Agency Number: 11-Jul-18					
		Phone: 503-947-5847								Agency Plan Number: POP 115, PFP		(required)				
Action	Repr. Class No. & Pay/Rg Opts	X if Vacant	Class Title	Position Number	Type	Salary Range	Top Step	# of Mos.	Biennial Cost	Detail Cross Ref (DCR)	GF %	\$	OF %	\$	FF %	\$
REQUEST SECTION:																
Establish	OAS C0860 AP		Prog Analyst 1	1913302	PF	23	5,442	12.00	65,304	100-30-03-00002		-		-	100.00%	65,304
								0.50								
Reclass ↑																
To	OAS C0860 AP		Prog Analyst 1	1713001	PF	23	5,442	24.00	130,608	100-30-03-00002		-		-	100.00%	130,608
From	OAS C0107 AP		Admin Spec 1	1713001	PF	17	4,096	24.00	98,304	100-30-03-00002	0.00%	-		-	100.00%	98,304
							Total Cost	1,346	0.00	32,304		-		-		32,304
Reclass ↑																
To	OAS C0860 AP		Prog Analyst 1	1517202	PF	23	5,442	24.00	130,608	100-30-03-00002		-		-	100.00%	130,608
From	OAS C0107 AP		Admin Spec 1	1517202	PF	17	4,096	24.00	98,304	100-30-03-00002	0.00%	-		-	100.00%	98,304
							Total Cost	1,346	0.00	32,304		-		-		32,304
Reclass ↑																
To	OAS C0860 AP		Prog Analyst 1	0000287	PF	23	5,442	24.00	130,608	100-30-03-00002		-	60.00%	78,365	40.00%	52,243
From	OAS C0107 AP		Admin Spec 1	0000287	PF	17	4,096	24.00	98,304	100-30-03-00002	0.00%	-	100.00%	98,304		-
							Total Cost	1,346	0.00	32,304		-		(19,939)		52,243
Reclass ↑																
To	OAS C0860 AP		Prog Analyst 1	0000096	PF	23	5,442	24.00	130,608	100-30-03-00002		-		-	100.00%	130,608
From	OAS C0107 AP		Admin Spec 1	0000096	PF	17	4,096	24.00	98,304	100-30-03-00002	0.00%	-		-	100.00%	98,304
							Total Cost	1,346	0.00	32,304		-		-		32,304
Increase Months																
To	OAS C0108 AP		AS2	1712562	PF	19	4,727	24.00	113,448	100-25-05-00000	43.65%	49,520	56.35%	63,928		-
From	OAS C0108 AP		AS2	1712562	PP	19	4,727	20.50	96,904	100-25-05-00000	51.10%	49,518	48.90%	47,386		-
							Total Cost	-	0.15	16,545		2		16,542		-
Total Request Section												2	(3,397)	214,459		
FINANCING SECTION																
Abolish	OAS C5950 AP	X	Child Nutrition Sp	0000233	PF	28	6,905	24.00	165,720	100-30-03-00002	0.00%	-	0.00%	-	100.00%	165,720
																-1.00
Reduce Months																
To	OAS C0118 AP		Admin Spec 1	0000102	PP	17	4,096	12.00	49,152			-		-	100.00%	49,152
From	OAS C0118 AP		Admin Spec 1	0000102	pf	17	4,096	24.00	98,304			-		-	100.00%	98,304
							Total Savings	0.50	49,152			-		-		49,152
Total Financing Section												-	-	214,872		
Total Request												2	(3,397)	214,459		
Total Financing												-	-	214,872		
Balance from Prior Actions												34	41	348		
Balance for Future Actions												31	3,438	761		

This package is included in the Governor's Balanced Budget as requested.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 115 - Program Cleanup

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(791,463)	-	-	-	-	-	(791,463)
Other Revenues	-	-	(512,067)	-	-	-	(512,067)
Federal Funds	-	-	-	(234,550)	-	-	(234,550)
Transfer In - Indirect Cost	-	-	241,824	-	-	-	241,824
Transfer from General Fund	-	-	-	-	-	-	-
Total Revenues	(\$791,463)	-	(\$270,243)	(\$234,550)	-	-	(\$1,296,256)
Personal Services							
Class/Unclass Sal. and Per Diem	(499,911)	-	611,090	(129,141)	-	-	(17,962)
Empl. Rel. Bd. Assessments	(294)	-	294	-	-	-	-
Public Employees' Retire Cont	(84,835)	-	103,701	(21,914)	-	-	(3,048)
Social Security Taxes	(39,110)	-	47,615	(9,878)	-	-	(1,373)
Worker's Comp. Assess. (WCD)	(281)	-	281	-	-	-	-
Mass Transit Tax	2,590	-	(2,590)	-	-	-	-
Flexible Benefits	(169,622)	-	168,847	775	-	-	-
Total Personal Services	(\$791,463)	-	\$929,238	(\$160,158)	-	-	(\$22,383)
Total Expenditures							
Total Expenditures	(791,463)	-	929,238	(160,158)	-	-	(22,383)
Total Expenditures	(\$791,463)	-	\$929,238	(\$160,158)	-	-	(\$22,383)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Education, Dept of
Pkg: 115 - Program Cleanup

Cross Reference Name: Department Operations
Cross Reference Number: 58100-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(1,199,481)	(74,392)	-	-	(1,273,873)
Total Ending Balance	-	-	(\$1,199,481)	(\$74,392)	-	-	(\$1,273,873)
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							(0.60)
Total FTE	-	-	-	-	-	-	(0.60)

PACKAGE: 115 - Program Cleanup

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE	
0000096	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST	1	1-	1.00-	24.00-	09	4,096.00		98,304-	59,505-	98,304-	59,505-
0000096	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST	1	1	.50	12.00	09	4,096.00		49,152	47,404	49,152	47,404
0000102	OAS	C0107	AP ADMINISTRATIVE SPECIALIST	1	1-	1.00-	24.00-	07	3,737.00		89,688-	57,384-	89,688-	57,384-
0000102	OAS	C0860	AP PROGRAM ANALYST	1	1	1.00	24.00	02	3,918.00		94,032	58,454	94,032	58,454
0000145	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09	8,769.00	84,182-	126,274-	34,847-	210,456-	87,117-
0000145	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09	8,769.00	105,228	105,228	43,559	210,456	87,117
0000194	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09	8,769.00	105,228-	105,228-	43,559-	210,456-	87,117-
0000194	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09	8,769.00	210,456	87,117		210,456	87,117
0000233	OAS	C5950	AP CHILD NUTRITION SPECLST	1	1-	1.00-	24.00-	02	4,950.00		118,800-	64,551-	118,800-	64,551-
0000287	OAS	C0107	AP ADMINISTRATIVE SPECIALIST	1	1-	1.00-	24.00-	07	3,737.00	89,688-	57,384-		89,688-	57,384-
0000287	OAS	C0860	AP PROGRAM ANALYST	1	1	1.00	24.00	02	3,918.00	56,419	37,613	35,072	94,032	58,454
1517202	OAS	C0107	AP ADMINISTRATIVE SPECIALIST	1	1-	1.00-	24.00-	09	4,096.00		98,304-	59,505-	98,304-	59,505-
1517202	OAS	C0860	AP PROGRAM ANALYST	1	1	1.00	24.00	04	4,295.00		103,080	60,682	103,080	60,682

PACKAGE: 115 - Program Cleanup

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1517522	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09 8,769.00	42,091- 17,424-	168,365- 69,693-			210,456- 87,117-
1517522	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09 8,769.00		210,456 87,117			210,456 87,117
1517526	MMN	X0873	AP OPERATIONS & POLICY ANALYST	4	1-	1.00-	24.00-	08 8,740.00		209,760- 86,946-			209,760- 86,946-
1517526	MMN	X0873	AP OPERATIONS & POLICY ANALYST	4	1	1.00	24.00	08 8,740.00	209,760 86,946				209,760 86,946
1517527	MMN	X1320	AP HUMAN RESOURCE ANALYST	1	1-	1.00-	24.00-	07 5,382.00	64,584- 33,551-	64,584- 33,553-			129,168- 67,104-
1517527	MMN	X1320	AP HUMAN RESOURCE ANALYST	1	1	1.00	24.00	07 5,382.00	129,168 67,104				129,168 67,104
1517528	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER	F	1-	1.00-	24.00-	09 11,013.00		264,312- 100,377-			264,312- 100,377-
1517528	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER	F	1	1.00	24.00	09 11,013.00	264,312 100,377				264,312 100,377
1517529	MESNZ	7014	EP PRINCIPAL EXECUTIVE/MANAGER	H	1-	1.00-	24.00-	09 13,544.00	243,792- 83,898-	81,264- 27,967-			325,056- 111,865-
1517529	MESNZ	7014	EP PRINCIPAL EXECUTIVE/MANAGER	H	1	1.00	24.00	09 13,544.00	325,056 111,865				325,056 111,865
1517530	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1-	1.00-	24.00-	09 8,769.00		210,456- 87,117-			210,456- 87,117-
1517530	OAS	C2301	AP EDUCATION PROGRAM SPECIALIST	2	1	1.00	24.00	09 8,769.00	105,228 43,558	105,228 43,559			210,456 87,117
1517531	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER	F	1-	1.00-	24.00-	09 11,013.00	158,587- 60,226-	105,725- 40,151-			264,312- 100,377-

PACKAGE: 115 - Program Cleanup

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1517531	MMS	X7010	EP PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	09	11,013.00	224,665 85,320	39,647 15,057			264,312 100,377
1517534	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST 1	1-	1.00-	24.00-	09	4,096.00		98,304- 59,505-			98,304- 59,505-
1517534	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	09	4,096.00	73,728 44,628	24,576 14,877			98,304 59,505
1517536	OAS	C1487	IP INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	09	8,176.00	137,357- 58,530-	58,867- 25,083-			196,224- 83,613-
1517536	OAS	C1487	IP INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	09	8,176.00	196,224 83,613				196,224 83,613
1517538	OAS	C0863	AP PROGRAM ANALYST 4	1-	1.00-	24.00-	04	6,280.00		150,720- 72,410-			150,720- 72,410-
1517538	OAS	C0863	AP PROGRAM ANALYST 4	1	1.00	24.00	04	6,280.00	150,720 72,410				150,720 72,410
1517539	MMN	X0873	AP OPERATIONS & POLICY ANALYST 4	1-	1.00-	24.00-	08	8,740.00	106,978- 44,343-	102,782- 42,603-			209,760- 86,946-
1517539	MMN	X0873	AP OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	08	8,740.00	209,760 86,946				209,760 86,946
1517561	OAS	C0863	AP PROGRAM ANALYST 4	1-	1.00-	24.00-	09	7,977.00		191,448- 82,438-			191,448- 82,438-
1517561	OAS	C0863	AP PROGRAM ANALYST 4	1	1.00	24.00	09	7,977.00	191,448 82,438				191,448 82,438
1712562	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	1-	.85-	20.50-	06	4,096.00	42,908- 28,604-	41,060- 27,372-			83,968- 55,976-
1712562	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	06	4,096.00	44,237 26,777	54,067 32,728			98,304 59,505