



Date: March 19, 2019

To: Sen. Lew Frederick, Co-Chair
Rep. Susan McLain Co-Chair
Ways and Means Education Subcommittee

From: Colt Gill, Deputy Superintendent of Public Instruction

RE: ODE Ways and Means Presentation Follow Up – March 11, 2019

On March 11, 2019, the Oregon Department of Education (ODE) continued its budget presentation to the Ways and Means Subcommittee on Education. During the presentation, there were several questions posed by committee members to Cindy Hunt and Rick Crager regarding their presentation on ODE's Agency Operations. Below are a list of those questions and follow up responses.

1. On Slide 279, why does the investment of \$500K of General Fund for 1 position to investigate risk and review civil rights complaints equal the same amount for 3 positions to support federal Charter School grants, payroll functions, and recruitment activities? (Rep. Drazan)

The one position (0.92 FTE) to investigate risk and review civil right complaints is proposed in the Governor's Recommended Budget under Policy Option Package 104 – Protect the Civil Rights of Students. The estimated budget for this work is \$521,137 in which \$182,279 is for position cost, \$250,000 is for professional service cost for investigation and transcription services, \$52,000 is to pay for Department of Justice legal fees, and \$36,858 is for standard service and supplies cost for the staff (general office expenses and travel).

The three positions (2.76FTE) to support federal Charter School grants, and address workload related to payroll functions and recruitment activities is proposed in the Governor's Recommended Budget under Policy Option Package 113 – Adequate Levels of Business Services. The estimated budget for this portion of the package is \$519,606. Two of the positions (1.84 FTE) are in the Human Resources Unit and have a budgeted cost of \$298,991 (\$290,491 for the personal service cost, and \$8,500 for basic office expenses). The third position (0.92 FTE) is in the Director's Office and has a budgeted cost \$220,615 (\$191,247 for the personal service cost and \$29,368 for general offices expenses and travel).

As demonstrated above, the primary difference in the two separate strategies is that Policy Package 104 includes \$302,000 of additional services and supplies cost related to legal cost associated with contracting and DOJ legal fees.

2. On Slide 294, which FTE from the Office of Teaching, Learning and Assessment are supported with Measure 98 Fund? (Rep. Drazan)

The 2017 Legislature approved a total of 10.50 FTE to be funded from Measure 98. Of these positions, 8.00 FTE are included in the Office of Teaching, Learning, and Assessment for direct program management oversight, and accountability; 1.50 FTE are included in the Office of Finance and Information Technology to cover indirect business services support; and 1.00 FTE is included in the Office of the Director for Policy and Administration.

The current Legislative Approved Budget includes the administration of \$170 million for the High School Success Grant funded through the passage of Measure 98. The slides for the High School Success Grant presentation are included below.



HighSchoolSuccess
Slides.pdf

3. On Slide 299, please elaborate more on shifting the funds from the Network of Quality Teaching and Learning to General Fund (Rep. McLain)

The Network of Quality Teaching and Learning (NQTL) provides funding in the 2017-19 Legislatively Approved Budget to support 15 positions and 12.74 FTE. There are 6.60 FTE assigned to oversee the grant programs funded through NQTL, as well as 1.00 FTE that provides operational and policy support to the office. There is an additional 3.65 FTE funded to oversee the Office of Equity, Diversity, and Inclusion and the programs and initiatives in which it administers, and 1.49 FTE to provide legislative support, strategic planning, administration, and communication for the agency.

The 2019-21 Governor's Recommended Budget proposes to maintain the school improvement, low performing schools, and district turnaround grants currently funded by NQTL. Through policy package 106 and 115, the funding for 3.60 FTE is shifted from NQTL to General Fund. The budget also proposes to maintain the 3.65 FTE of staffing within the Office of Equity, Diversity, and Inclusion through policy package 115 by shifting this cost to available General Fund in ODE's Current Service Level budget. Lastly, to maintain adequate levels of support for operational and policy support to the office and overall agency communication, strategic planning, and legislative policy support, the Governor's Budget also recommends maintaining

the 2.49 FTE in these areas by also shifting cost to General Fund within the Current Service Level.

With the proposed transfer of NQTL funds to the Educator Advancement Fund, 3.00 FTE will either be eliminated or replaced with positions under the new funding model. These positions are specific to Mentoring Programs, School District Collaboration Grants, and Leadership Training Grants and is highlighted in Policy Package 090. The table below provides a summary of actions to FTE currently supported with NQTL.

Agency Operations Funded with NQTL	CSL	106	115	090
School Improvement Unit Management	1.00		(1.00)	
Mentoring Programs	1.00			(1.00)
School District Collaboration Grants	1.50			(1.50)
Leadership Training Grants	0.50			(0.50)
School Improvement/Low Performing Schools/Turnaround Grants	2.60	(2.60)		
Office of Equity, Diversity, and Inclusion	3.65		(3.65)	
Operations and Policy Analysis and Support	1.00		(1.00)	
Legislative and Strategic Policy	0.49		(0.49)	
Communications	1.00		(1.00)	
Total	12.74	(2.60)	(7.14)	(3.00)

4. On Slide 307, you mentioned the agency budget, not including the State School Fund, grew 76 percent. What is the baseline for this and did the number of student serve grow proportionately? (Rep. Drazan)

The purpose of Slide 307 is to demonstrate how much the Oregon Department of Education has changed and expanded since the Legislatively Approved Budget that ended on June 30, 2013, while at the same time, the level of business services has not grown at a pace to keep up. Since 2013, ODE has expanded to add the programs and responsibilities of both the Early Learning Division (ELD) and the Youth Development Division (YDD). In addition, there have been numerous strategic investments added to Grant-In-Aid focused specifically on supporting K-12 students. During this same time, the number of staff have grown by 189 positions to help meet these responsibilities, yet business services has grown by only 6 net positions.

To identify the budget growth since 2013, the 2011-13 Legislatively Approved Budget is used as the starting point. As of June 30, 2013, the budget was \$1.68 billion, which was prior to the addition of the ELD and YDD. After subtracting capital financing and debt service, the 2019-21 Current Service Level is \$2.96 billion. This represents a total ODE budget growth of 76 percent since 2013.

In establishing the growth in the number of children, youth, and students served by ODE under the same baseline assumptions, the number of students and children served through K-12 and

Oregon Pre-Kindergarten (OPK) in 2013 is compared to the estimated number of student, children, and youth today. Based on the final 2012-13 population count for K-12 and OPK, there were 570,895 children and youth served (K-12 – 563,714 and OPK – 7,181). Today there are 581,730 served in K-12, and 39,722 served by both the Early Learning Division (which now includes OPK) and Youth Development Division. In total, this equals an estimated 621,452 children, youth, and students, which represents a 6.8 percent growth since 2013.

The budget growth in all of ODE's programs and operations (not including State School Fund) includes an inflationary growth that represents the estimated increase in the cost of providing pre-existing services. However, with the exception of the Early Intervention/Early Childhood Special Education Program and some of the federal pass through programs, the budget growth does not factor in student growth. ODE's 76 percent budget growth is primarily driven by the addition of the ELD and YDD, as well as increased investment designed to address the unmet needs of children, youth, and student populations, particularly those that have been historically underserved. The major contributors include: investments to improve high school success (Measure 98); investments for English Language Learners, Native American Students, and African American Students; investments for increasing Career and Technical Education learning opportunities; investments to address aging school facilities and infrastructure; and investments specifically targeted towards improving educator effectiveness.

If you have any additional questions or need follow up to the responses provided above, please let me know.