

SUBCOMMITTEE RECOMMENDATION

HB 5047

Joint Committee on Student Success Budget Bill

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HB 5047 is the budget bill for the work of the Joint Committee on Student Success.

The Education Subcommittee recommends a budget of \$9.5 million General Fund and \$909.5 million Other Funds for programs and staff for the Department of Education, the Department of Revenue, and the Department of Justice. The Other Funds resources for this bill are from the new commercial activities tax included as part of HB 3427. The same bill establishes the Fund for Student Success.

A total of \$643 million of these new revenues are transferred to the State School Fund: \$423 million to backfill the lost resources to the General Fund from the tax changes in HB 3427; a \$20 million increase in the funding for the High Cost Disabilities Account; and \$200 million for general distribution to districts. The amount remaining after this transfer, and a transfer to the Department of Revenue, is divided into three accounts.

- 1) The **Student Investment Account** funds over \$472 million in non-competitive grants to districts and eligible charter schools for increasing instructional time, addressing students' health and safety needs, reducing class size, and broadening curricular options.
- 2) The **Early Learning Account** will fund over \$170 million in new programs or expansions of current programs. These programs include Early Child Special Education, Oregon Pre-Kindergarten, Early Head Start, Oregon Promise, and Relief Nurseries. A new Early Childhood Equity Fund is created to address the early learning needs of families of traditionally underserved populations.

3) The **Statewide Education Initiative Account** provides \$265 million of funding for programs or services including the Ballot Measure 98 High School Success grants, the school breakfast and lunch program, a new Re-engagement program connecting high school dropouts with academic services, equity education initiatives, and summer learning. This account also funds the staff and contracted services necessary to implement and administer the programs funded by the Student Investment Account and the Statewide Education Initiatives Account. Overall, 72 positions in the Department of Education are authorized.

The Department of Revenue receives \$3.9 million General Fund to develop and implement the new commercial activities tax and to provide resources for 38 new permanent and limited durations positions.

The Department of Justice receives \$464,086 Other Funds for the legal costs associated with the work of the Department of Revenue.

The Education Subcommittee recommends HB 5047 be amended by the –3 amendment and be reported out do pass, as amended.