2017 Legislative Session Review

Agenda

• Welcome and Introductions
• 2017 Legislative Session Review
  • Revenue & Cost Control
  • Education Budget
  • Education Policy Bills
• Look Ahead
• Questions, Answers, & Discussion

OSBA Legislative Team

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2017 Legislative Review

Image of 1936 winning submission for capitol design contest, courtesy of:
http://www.oregon.gov/osl/GRES/Capitol_Anniversary/Pages/Competition.aspx

OSBA Pre-2017 Legislative Session

• OSBA Policies and Priorities
  • Prioritize cost containment
  • Advocate for stable and adequate school funding
  • Support student achievement
  • Oppose new mandates
  • Preserve local control

• OSBA State Funding Survey
  • Early 2017, distributed to legislators in March

Revenue and Cost Control

• Major theme of 2017 session: revenue reform and cost control
• Revenue reform major priority of Democrats in both chambers
• Democrats needed some Republican support to reach required “super-majority”
• Republicans required cost control be part of any discussion about revenue
Cost Control: Modest Success

- Aspirational discussions throughout session
- Collective bargaining changes
- Healthcare cost capping
- PEBB/OEBB merger
- PERS cost containment/control
- No will for major overhaul
- Modest changes contained in SB 1067

Revenue Reform: Ambitious Plans... Not Enough Votes

- Proposed Commercial Activity Tax
  - Tax on all business activity
  - Very similar to draft plan endorsed by OSBA members ahead of 2016 elections/2017 session
  - Final version had tiered rate by sector from 0.25% for wholesale/warehousing to 0.70% for services
  - Agriculture almost entirely exempted
- Not enough support from legislators, no bill ever actually put to a vote

Revenue Reform: what did happen

- Hospital provider tax
- Repeal of some tax credits/exemptions
- Enough new revenue generated to close 2017-19 budget gap (~$1.4B), but no long-term fix to chronic funding problems
School Funding

• 2017-19 State School Fund (SSF)
  • Legislature (LFO) initial CSL: $7.8 Billion
  • Governor’s proposed budget: $8.05 Billion
  • Final SSF allocation: $8.2 Billion
  • Additional allocations not included in $8.2B
    • $170 million for BM 98 grants (~55% funded)
    • ~$200 million in bond capacity for capital construction matching & seismic upgrades

State School Fund Allocation ($B)
Select Education Policy Bills
- SB 4: Physical Education minutes
- SB 13: Native American curriculum
- SB 182: Mentoring/Educator Advancement
- SB 263: Abbreviated days
- SB 327: Recreational Immunity
- HB 2246: BM 98 update
- HB 3313: Limited charter priority adm.

Select “dead” policy bills
- HB 2651: Class size mandatory bargaining
- HB 3087: Paid family leave
- SB 294: Contracting out
- SB 297: CTE/STEM council overhaul
- SB 915: Charter minimum pass-through
- SB 1002: Tutor access to facilities
Look Ahead

- Continued push for revenue reform
- Revenue reform will require cost control
- Other policy areas looming:
  - Housing
  - Healthcare
- Tax increases could be referred in January
- Ballot measure campaigns beginning already for 2018 election

Q & A

We’re here to help

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