



Ways and Means co-chairs release budget

The co-chairs of the Joint Ways and Means Committee on Tuesday released a *proposed \$14.65 billion budget* for the 2011-13 biennium. The co-chairs' proposal is a key milestone in the legislative budget process and was released in March for only the second time in the last decade; it was not released until May 18 in the 2009 session.

The co-chairs' budget proposal calls for funding K-12 education at \$5.7 billion for the next two years, an increase of \$142.7 million over the Governor's Recommended Budget, but \$1 billion short of schools' costs to operate at current levels according to the state School Revenue Forecast Committee. The co-chairs' proposal starts with a base of \$5.577 billion and adds \$100 million from the Education Stability Fund (ESF) and \$23 million from the Common School Fund. For the current biennium, the K-12 budget is \$5.736 billion. "We must budget within available resources. We have agreed to set aside prudent reserves to deal with an uncertain economy," said House co-chair Dennis Richardson (R-Central Point).

Unlike the governor's proposal, which was frontloaded in a 52/48 percent split, 50 percent of the appropriation would be allocated in each year of the biennium.

"We still have a long way to go. The cuts are too deep – schools will see layoffs and cut days. We must find ways to address the critical services Oregonians depend on," said House co-chair Peter Buckley (D-Ashland). The co-chairs indicated that an additional \$56 million might be appropriated to schools in 2012, depending on economic conditions at the March 2012 revenue forecast.

Under the co-chairs' proposal, money from the ESF can only be allocated to school districts for reducing class sizes and preserving school days in the 2011-12 school year, and cannot be distributed to ESDs. School districts would be expected to freeze administrative salaries and be required to submit proposals in order to receive the ESF funds, with subsequent expenditure reporting required.

In OSBA's *March 30 Legislative Webinar*, Senate co-chair Richard Devlin (D-Tualatin) said revenues are just not available to support many programs and added, "The basic amount of school funding is not adequate to maintain what we would consider the basic, important programs in K-12."

"The co-chairs' budget of \$5.7 billion

for K-12 is not adequate and it holds \$444 million in reserves, which is simply too much to stash away at a time of such deep cuts," said Rep. Dave Hunt, House Democratic Leader. "We need to find the right balance to protect Oregonians from cuts while maintaining a sensible amount of reserves." Other educational entities, including community colleges, the Oregon University System and the Oregon Department of Education, would receive \$1.66 billion under the proposal.

OSBA and our education partners are urging legislators to go to the \$400-750 million in reserves to augment the co-chairs' budget proposal, and wait until the best forecast if necessary to provide the best budget possible for Oregon's students.

The co-chairs' budget will next be considered by Ways and Means subcommittees. Public hearings are anticipated at the subcommittee and full committee levels. Once the full committee approves a final proposal, it goes to the House and then to the Senate for debate and approval.

Budget Advocacy Alert

Tell your legislators about your schools' budget! Use the "Budget Scenarios Template" at www.oasbo.com to talk with state legislators about your district's budget scenarios at various funding levels being discussed in the Legislature. You can get the information required from your business official/superintendent to fill in your district's specific budget information on the template provided. Contact Lori Sattenspiel, lsattenspiel@osba.org, if you have questions.

Legislative update webinar online

Over 100 Oregon education leaders tuned in on March 30 to the *legislative update webinar* with OSBA's legislative staff and guest, Senator Richard Devlin (D-Tualatin). You can [view a recording](#) of the session or read a summary online (www.osba.org – link from the home page). A number of questions submitted by participants

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Gov's ed plan heads to Senate Ed

Governor Kitzhaber this week invited OSBA and others to engage in a discussion of his plan for an Oregon Education Investment Board (OEIB) that consolidates funding and governance of public education in an integrated early childhood through K-12 and post-secondary education and training system. Kitzhaber's proposal will be heard on April 5 in the Senate Education Committee as amendments to [Senate Bill 909](#).

Kitzhaber's plan first establishes OEIB, then immediately charges the Board with developing plans for consideration in the 2012 legislative session, including:

- **Developing an outcome-based budget** that makes strategic investments across the entire public education system.
- **Streamlining and connecting** early childhood services to the K-12 system, and the K-12 system to post-secondary education programs.
- **Consolidating early childhood programs** by reconfiguring Oregon's disparate early learning-related programs.
- **Improving K-12 education outcomes** with tools developed by K-12 design teams.
- **Coordinating higher education institutions** with a consolidated finance model and budget.
- **Measuring results** with an integrated, statewide, child-based data system to track expenditures and return on investment for education-related programs from zero-to-20.

The plan calls for consolidating the State Board of Education and Board of Higher Education functions into the OEIB by July 1, 2012. The OEIB would appoint a Chief Education Investment Officer to oversee an Early Childhood Director, Department of Education Director, Community Colleges and Workforce Development Commissioner and Oregon Student Assistance Commission Director. A K-12 Coordinating Commission would convene design teams to recommend ways to improve K-12 education outcomes in a number of areas, including pathways for teachers, administrator/teacher assessment, proficiency-based learning, shifting state funding

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ESD “reform” bill to Ways and Means

So-called reforms of education service districts are being vigorously debated this session. The Senate Finance and Revenue Committee sent [Senate Bill 250](#) to the Joint Ways and Means committee this week on a 3-1 vote. The bill would restructure Oregon’s ESD system and makes four major changes to the funding and governance of ESDs:

- Allows school districts to opt out of their ESD and take their prorated share of state school fund payments. Component districts in the Willamette ESD, Union County and Baker County can opt out beginning in 2012. All other districts can opt out beginning in 2014.
- ESD share of the state school fund is reduced to 3.56 percent from the current 4.75 percent.
- Elected ESD boards are replaced with boards comprised of component school district superintendents. ESD budget committees would be comprised of component school board members.

- Creates a state level ESD administrator housed at ODE.

Allowing school districts to “opt-out” of their ESD and decreasing the ESD share of the state school fund continue to dominate discussions. Some legislators favor unilateral “opt-out” as proposed by SB 250 while others would prefer requiring a majority of component school districts approve any “opt-out.”

Gov. Kitzhaber’s recommended budget zeroes out the ESD share of the state school fund, while the recently released Ways and Means co-chairs’ budget restores ESD funding but does not allow ESDs to share in money released from the Education Stability Fund. No real consensus has emerged in the Legislature. OSBA will oppose governance changes that strip ESD board members of their elected status. We will also continue to advocate for equity of services, resources and access for all students in Oregon and oppose legislation that upsets the balance.

Special ed “burden of proof” bill heard

On March 23 the House Education Committee heard [House Bill 2296](#), which would shift the “burden of proof” in complaints related to Individuals with Disabilities Education Act (IDEA) to the school district in all cases. Currently in Oregon, the parent or guardian of a special education student must prove their claim that the school district is not providing a free, appropriate education to the student through their Individualized Education Program (IEP).

Federal law requires due process hearings to resolve IDEA disputes, but does not specifically state which party bears the “burden

of proof.” In a 2005 case, *Shaffer v. Weast*, the U.S. Supreme Court ruled that the standard legal default rule that the plaintiff bear the burden of proving their claim should apply. However, the court did not rule on whether a state could pass a law to override this rule. Several states have passed laws placing the “burden of proof” on the school district at various levels.

OSBA Legislative and Public Affairs Specialist Morgan Allen testified in opposition to the bill, highlighting concerns of creating a more litigious environment in special education. Contact mallen@osba.org.

Governor’s plan – Continued

from enrollment-based to performance-based models, and improving access to open enrollment.

Kitzhaber supports a number of bills this session to move his plan forward, including making the state superintendency an appointed position and requiring full-day kindergarten. He also wants the legislature to encourage school district consolidation, support virtual school options to enhance offerings to students, and decrease the cost of services currently provided by education service districts. For more information on the governor’s plan, go to <http://governor.oregon.gov/Gov/priorities/education.shtml>.

Webinar – Continued

were covered and OSBA staff are posting answers to all the questions received. Topics included the Ways and Means co-chairs’ budget proposal, three key mandate relief bills, consolidation/ESD reforms, charter schools and the Governor’s Education Investment Team.

Another Legislative Update Webinar is scheduled for May 18. The webinar is free, but you must register to participate, www.osba.org/Calendar/Events/Webinar_legupdate-May-2011.

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