



May 31, 2013

K-12 budget heads to full House and Senate for approval

On May 31, the Joint Committee on Ways and Means gave final approval to **Senate Bill 5519**, the budget bill for the State School Fund (SSF). The bill includes an appropriation of just over \$6.55 billion in cash for the State School Fund (\$6.24 billion in General Fund, \$314.5 million in Lottery Funds and \$400,826 in Other Funds).

Earlier this session, **Senate Bill 822** was passed into law and is expected to save school districts and education service districts about \$200 million in Public Employees Retirement System (PERS) costs during the 2013-15 biennium. During the debate on the SSF budget, many legislators emphasized that the K-12 budget has the “buying power” of \$6.75 billion when combined with the cash invested through SB 5519. Together, these two bills increase the overall budget for K-12 by about \$1 billion for the 2013-15 biennium.

There were several changes to current expenditures within the State School Fund (often referred to as “carve-outs”). In addition, amendments were added to **House Bill 2506** (a bill that creates a task force on school funding and calls for recommendations on changing the SSF) that also changed the funding formula. In sum:

- Local option equalization grants are funded out of the SSF in the amount of \$3.5 million (SB 5519). This has previously been a General Fund appropriation.
- The Regional Educational Services Account and the Office of Regional Education Services are eliminated and the approximately \$24 million that would have gone into this account are put back into the SSF. (HB 2506)
- The Facilities Grant is reduced from \$25 million to \$20 million (HB 2506). This \$5 million is used to fund part of the proposed Quality Teaching and Learning Network created by **House Bill 3233**. The proposed Network was put forward by Governor Kitzhaber and the Oregon Education Investment Board (OEIB).
- An additional \$28 million is redirected from SSF distributions to fund the Quality Teaching and Learning Network created by HB 3233. School districts and ESDs are each reduced by \$14 million. Coupled with the Facilities Grant dollars, the Network is funded at \$33 million for the biennium. Originally, Governor Kitzhaber and the

OEIB had requested up to \$120 million for this endeavor.

The full House and Senate are expected to vote on the budget next week. Contact Legislative Specialist Morgan Allen at mallen@osba.org for more information.

View SB 5519:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=5519&c=50&key=SB%2055190&ptadd=:%20SB%205519%20Details>

View SB 822:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=822&c=50&key=SB%2008220&ptadd=:%20SB%200822%20Details>

View HB 2506:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=2506&c=50&key=HB%2025060&ptadd=:%20HB%202506%20Details>

View HB 3233:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=3233&c=50&key=HB%2032330&ptadd=:%20HB%203233%20Details>

OSBA proposals move forward: mandate relief and open enrollment fixes

On May 28, the Senate Education and Workforce Development Committee voted 5-0 to send **House Bill 3075** to a full vote of the chamber. Sponsored by State Representative Jeff Barker (D-Aloha), the bill makes several important changes to current mandates on school districts and education service districts, including:

- Currently, achievement compact advisory committees must report to the school board by February 1. Final compacts must be submitted annually to the Oregon Education Investment Board by July 1. HB 3075 would change those dates to May 1 and October 15 respectively. The change to these dates allows school boards and district staff to make fully informed decisions about goal setting with the most recent student data available. If passed, it would apply immediately to 2013-14 achievement compacts.
- Currently, districts are required to annually report on “the physical capacity” of their schools to provide physical education. HB 3075 will require

that school districts only submit this report when they have actual changes to their facilities due to construction, remodeling or demolition.

- Oregon statute requires that school districts maintain a physical, paper copy of the district's personnel policies in the business office and library of every school in the district. HB 3075 deletes this requirement and instead allows the policies to be made available to employees or the public by other means, such as posting on the internet or printing a copy on demand.

At the request of OSBA and other education groups (including the Confederation of School Administrators and the Oregon Education Association), the committee added an amendment to the bill to make four adjustments to the open enrollment law passed during the 2011 Legislative Session. They include:

1. Currently, a district utilizing the open enrollment law may choose to only accept students from specific school districts, cities or even neighborhoods. The amendment prohibits school districts from setting geographic limitations on student enrollment; this was an oversight by the Legislature when the law was passed.
2. Current law makes students who transfer under open enrollment permanent resident students of the enrolling district. The student retains the option of leaving at his/her discretion and enrolling in the school district where he/she maintains residence. The amendment prohibits districts from asking or encouraging students to leave and return to their home district if they are facing disciplinary issues.
3. School bus miles traveled outside of the school district to bus open enrollment students to and from school would be ineligible for reimbursement if there are only open enrollment students on the bus. No other bus routes or reimbursements would be impacted by this change.
4. State School Fund dollars (monies intended to support the classroom) would be prohibited from being spent to promote open enrollment outside of the school district's boundary; this includes, but is not limited to, spending on television, radio, direct mail, signage or billboards, or on online direct marketing efforts. This would not impact any materials not directly related to open enrollment or any traditional public information practices or campaigns of school districts.

Contact Morgan Allen at mallen@osba.org for more information.

View HB 3075:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=3075&c=50&key=HB%2030750&ptadd=:%20HB%203075%20Details>

OSBA Bill Spotlight: Governor's opposition halts proposed board member on OEIB

On May 21, the Senate Education and Workforce Development Committee held a public hearing on **House Bill 2640**, which had previously passed the House on a 48-8 vote.

The final version of the bill combined two proposals: **House Bill 2538**, sponsored by Hood River County School Board member and State Representative Mark Johnson (R-Hood River), which added one board position to the Oregon Education Investment Board (OEIB) to be filled by a school board member, with the original proposal in the bill to add a position to the OEIB that must be filled by a PTA member.

Currently, the OEIB is made up of 12 members appointed by the governor and confirmed by the Senate; the governor serves as chair. The board includes members who are teachers, superintendents, union leaders, business leaders, professors, academics and representatives of social service non-profits; there is not a sitting school board member or parent representative.

Rep. Johnson told the committee that K-12 boards are on the front lines of education reform and school board members have a unique perspective on what is workable. He noted that school boards are responsible for a host of new responsibilities, such as achievement compacts, and without a school board member on the OEIB, their on-the-ground experiences are missing from policy deliberations.

OSBA Executive Director Betsy Miller-Jones told the committee that OSBA and school board members enjoy a positive and productive working relationship with the OEIB and are optimistic about much of the work being undertaken. But, she noted that "...being able to come to the table and share your thoughts, opinions and concerns is not the same as having a seat at the table and a vote. Right now there is a glaring omission from the board...The OEIB does not include a member who serves on a locally elected school board."

Education Policy Advisor Ben Cannon told the committee that Governor Kitzhaber had "deep concerns and reservations" about the bill and that he prefers the concept of a "stakeholder neutral" board that does not guarantee slots for specific stakeholders. The governor's opposition to the bill convinced some committee members that the legislation should not move to a full vote of the Senate; a vote was not held before the deadline for committee action.

Moving forward, OSBA is committed to ensuring that the voice and vote of parents and school board members is heard by the OEIB and will continue to press for these stakeholder groups to be given a vote on the matters before the board. We will bring the bill back in 2014.

If you have questions about the bill, or would like to add your voice in support of the legislation, contact Morgan Allen at mallen@osba.org.

View HB 2640:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=2640&c=50&key=HB%2026400&ptadd=:%20HB%202640%20Details>

View HB 2538:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=2538&c=50&key=HB%2025380&ptadd=:%20HB%202538%20Details>

Questions about legislative issues?

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