

OSBA Legislative Highlights



the Promise
OF OREGON

April 17, 2015

Next Steps: Revenue and spending discussion should occur now

While the Legislature has approved the State School Fund (SSF) appropriation for the 2015-17 biennium at \$7.255 billion, many who voted in favor of this as “a first step” or “floor level” discussions will ultimately turn to where additional funds may come from to raise the amount in the SSF.

Although a “trigger” was created to allow 40 percent of any additional revenue produced in the May revenue forecast to go to the SSF, this is unlikely to be enough to get the SSF to the \$7.5 billion level advocated for by OSBA and its education coalition partners. Some experts have estimated the “trigger” tied to the May revenue forecast may only produce between \$25 and \$40 million into the SSF, still well below the \$7.5 billion needed for schools.

Many in the Legislature who have advocated for a higher number for public schools, colleges and universities, community colleges and other vital state services have begun the discussion on raising revenue to meet the many needs across Oregon. There are numerous bills in the Legislature that would raise revenue in a variety of manners. Several refer a measure to the voters of Oregon to implement a sales tax, others increase tax rates on corporations and “high income earners” (generally defined as \$125,000 for individual tax filers, or \$250,000 on joint tax filers). Other measures attempt to eliminate what are known as “tax expenditures” to drive more funds into the state’s general fund. Tax expenditures are tax credits, tax exemptions, preferential tax rates and other tax deferrals that exempt all or part of a taxpayer’s income from taxes. The most common of these is the mortgage interest tax deduction for personal income tax filers. Some modify the “two-percent kicker” and return those funds to either the SSF or the general fund. Many, if not most, of these measures require a super-majority of members of both legislative chambers in order to be passed. In addition, many of these measures are also referred to the voters of Oregon at the November 2016 election.

So what does all this mean going forward in the 2015 legislative session for revenue or kicker reform? There will be continued debate on all these issues throughout the rest of the 2015 session and OSBA will be working with others to discuss whether it makes sense to return over \$350 million in the form of “kicker return” when we are significantly underfunding our public school system. It

appears this debate uses our schoolchildren as political pawns in an ongoing power struggle at the Capitol, instead of conducting a serious discussion about Oregon’s funding priorities and revenue needs going forward. Under the current system, K-12 schools are pitted against the other state general fund programs like higher education, crime and corrections and human services for allocation of limited resources.

OSBA believes that state-level policy makers need to come together, in the very near future, and have earnest dialogues about Oregon’s funding priorities, funding those programs and services that provide Oregonians with the quality of services, and generating the necessary revenue to fund these programs. Clearly, the continuation of the status quo is not working, putting at risk the ability of school boards and school districts to provide a sustainable, high-quality educational program to students – now and in the future.

Absent this level of discussion and debate, it appears there will be ballot measures on the general election ballot for November 2016 that would change the taxes for corporations and “high-income earners.” A group called Our Oregon has filed several ballot measures with the Secretary of State’s office that would raise revenue by increasing the annual minimum tax for corporations with sales in Oregon of more than \$25 million and increasing the tax rate on personal taxable income over \$125,000 for single filers and \$250,000 for joint filers. Some of the measures would dedicate the new revenues to public schools and other state programs. These measures appear to be in place should the Legislature not act this session on revenue reform. If these measures qualify for the ballot, the OSBA Board of Directors will review them in light of OSBA’s adopted legislative priorities and policies and discussions with our membership to determine if OSBA will support these measures. While these ballot measures may have merit and raise some additional revenue, this approach still does not allow for deeper dialogues on spending priorities and a long-term stable revenue solution.

OSBA strongly believes and encourages our elected leaders to step forward now and discuss Oregon’s revenue needs and general fund spending priorities. Our students’ future demands these serious discussions occur now. We need to fulfill The Promise of Oregon – the promise of a world-class education for every Oregon student – and end the political status quo.

OSBA Action Alert: Ways and Means field hearings continue – continue the push for higher funding

On April 7, the Oregon Senate passed House Bill 5017A, funding K-12 education at \$7.255 billion for the 2015-17 biennium. Over the next roughly 90 days, OSBA will work with the Legislature to increase this funding level. **We need your continued advocacy!**

The Oregon Legislature’s Joint Committee on Ways and Means will continue its field hearings across Oregon. We urge you to advocate on behalf of Oregon’s schoolchildren:

1. **Attend a hearing in your area and testify** on the recently passed 2015-17 K-12 budget (HB 5017A, funded at \$7.255 billion), which is inadequate if schools are to meet the state 40-20-20 goal. For the vast majority of school districts, this is a cuts budget, and we need to urge the Legislature and governor to keep The Promise of Oregon by investing additional resources in schools as promised.
2. In concert with your superintendent, please also **communicate with your legislators, local media, staff and parents** each week throughout your budget process about what \$7.255 billion means for students in your district. Share any staff, days or program cuts you are considering. Compare your anticipated 2015-16 staffing and program levels to pre-recession levels. Discuss how you would use the additional funding provided by a state school fund budget of \$7.5 billion (or more). The Confederation of Oregon School Administrators (COSA) is coordinating superintendents’ efforts.

3. **Work with your ESDs to develop collective messages** describing the impact of a \$7.255 billion budget in your regions, as well as what you could accomplish with \$7.5 billion or more. The Oregon Association of Education Service Districts (OAESD) is coordinating this effort.

Thank you in advance for your advocacy on behalf of our students!

Questions? Contact Executive Director Betsy Miller-Jones (bmillerjones@osba.org) or Deputy Executive Director Jim Green (jgreen@osba.org).

Ways and Means Committee hearing sites and times can be found at: www.osba.org/News%20Center/Announcements/2015-04-09_LH_ActionAlert_SSF_FieldHearings.aspx

View HB 5017A: www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=15&t=&r=&q=5017&c=50&key=HB%2050170&ptad=:%20HB%205017%20Details



Show your support for fully funding Oregon’s public schools - Sign the petition!

<http://promiseoregon.org/petition>

WAYS AND MEANS PUBLIC HEARINGS: REMAINING SITES AND TIMES

Date	Time	City	Location
Tuesday, April 21	7:00-8:30 p.m.	Portland	Portland Community College Rock Creek Campus
Thursday, April 23	6:30-8:00 p.m.	Springfield	Springfield City Hall
Friday, April 24	5:30-7:00 p.m.	Klamath Falls	Oregon Institute of Technology
Saturday, April 25	12:30-2:00 p.m.	Grants Pass	Grants Pass High School – Performing Arts Center Lecture Hall

All hearings will be open to the public and members of the press.

Career and Technical Education bill gets momentum in committee

The House Education Committee held a public hearing on **House Bill 3166** this week. The bill was brought by the Baker City School District and, as drafted, would establish standards to allow certain persons to teach non-core courses.

The Baker City School District has three programs it is using in its Career and Technical Education (CTE) programs that have been very successful. Superintendent Walt Wegener testified before the committee explaining the three programs: a brownfield restoration, an agriculture program and a house restoration project. The three projects were developed for students in conjunction with community interests. The programs have been very successful and require expansion in order to meet the needs of the 300 students who have already signed up for one of these projects in the coming school year.

Wegener outlined one of the project's processes, citing the need for industry specialists to come in to "team teach," sharing their industry expertise on these projects. Specifically, Wegener described how team teaching would work. "Our middle school students are renovating a house this year, and the shop teacher oversees the project. We need an industry expert to come in to oversee the framing or other specifics to the renovations. The team approach ensures the accuracy and oversight required for student engagement, education and safety," Wegener told the committee.

The committee showed much interest in the CTE program, the process and the specific projects. Committee members followed up with several questions related to student (classroom) management, student protections and accountability measures. Wegener responded, "The team approach as well as the 'Community Accreditation Committee' will ensure the right 'expert' is involved in the team teaching. The Community Accreditation Committee will oversee the selection process that will add experts to the teaching team, monitor the progress of each project and complete an evaluation of the projects, including stated outcomes. A final report will be given to the school board."

After discussion, the committee agreed the program outlined in the bill could move forward as a pilot program, and the bill should be amended to reflect the program as a pilot.

The bill is scheduled for a work session today. Contact Lori Sattenspiel (lsattenspiel@osba.org) for information.

View HB 3166:

www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=15&t=&r=&q=3166&c=50&key=HB_31660&ptadd=:HB_3166_Details

Student Information Privacy bill advances

Senate Bill 187, the Oregon Student Information Privacy Act, was heard in a second Senate policy committee this week. The bill was first heard in the Senate Education Committee earlier in the month, receiving widespread support. In its original form, SB 187 established a task force that would make recommendations regarding the privacy of students using educational software.

A work group of industry representatives and stakeholders has been working together and agreed to amend the bill in the Senate Education Committee, based on the recently passed California law, the Student Online Privacy and Information Protection Act (SOPIPA). The amended bill received approval from the Senate Education Committee and was forwarded to the Senate Judiciary Committee.

SB 187A would prohibit online educational sites, services and applications from compiling, sharing or disclosing student personal information for any purpose other than for school purposes. The bill also prohibits use of the student information from facilitating marketing or advertising to students. It places a duty on educational online operators to have reasonable security measures and to delete student information upon request by the school.

The bill seeks to provide a balance between protecting students and giving companies room to develop online services and applications for school purposes, using unidentified aggregated data to analyze educational products for improvements.

The Oregon School Boards Association submitted testimony in support of the legislation, stating the need for "added protections for school districts entering into contracts as well as guidance for vendors to ensure data collected is used appropriately."

The Oregon Department of Education submitted testimony in support saying, "each district specifies certain privacy provisions within the contracts they sign with vendors, and each contract must comply with the federal Family Education Rights to Privacy Act (FERPA). However, there are gaps within existing practices. What can a vendor do with data once the nature of the contract has been fulfilled? The bill addresses those gaps that exist and provides an additional layer of protection for students and districts. This allows school districts to continue to access the tools they need from the vendor community to positively impact education."

The Senate Judiciary Committee passed the bill out and on to the full Senate for a vote next week. Contact Lori Sattenspiel (lsattenspiel@osba.org) for more information.

View SB 187:

www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=15&t=&r=&q=187&c=50&key=SB_01870&ptadd=:SB_187_Details

Secure Rural Schools legislation gets two-year extension

On April 14, the United States Senate gave final approval to legislation that will extend federal payments to Oregon's timber counties for two years. Thanks to the leadership of Rep. Greg Walden and Rep. Peter DeFazio in the House and Sen. Ron Wyden in the Senate, timber-dependent counties will receive close to \$185 million over the next two years.

The Oregon Department of Education has not yet issued estimates of how much of the money will go to local schools, but based on recent payments, OSBA expects between \$10 and \$15 million per year to go to school aid. The Secure Rural Schools and Community Self-Determination Act (SRSCA) provides assistance to rural counties and schools affected by the decline in revenue from timber harvests on national forest lands.

In 1908, Congress specified that 25 percent of revenue generated from national forests be shared with timber-producing counties to provide public services such as K-12 schools and roads. Since 1986, these revenues have dropped significantly. In response, Congress passed the SRSCA in 2000 to ensure support for vital public services.

In 2007, the House and Senate reauthorized the law for one year and in 2008 the Emergency Economic Stabilization Act reauthorized payments on a declining scale for four years (2008-2011). Sen. Ron Wyden was a key author of this legislation and Oregon's Congressional delegation continues to look for a long-term solution after several one-year extensions. The latest two-year extension now awaits President Obama's signature.

The SRSCA provided more than \$200 million to 33 Oregon counties in the 2010 federal fiscal year. Services funded included public schools, roads, public libraries and law enforcement. SRSCA payments made to local school districts are considered local revenue under Oregon's state school funding formula. But if the payments are not renewed, it has a net loss impact on almost every school district in the state. Oregon's school funding system attempts to equalize payments to school districts. When school districts have less local revenue, the funding formula uses state dollars to equalize payments. This is not a dollar-for-dollar replacement, so the loss of county payments is felt proportionately across most school districts in Oregon.

Each year, a delegation of OSBA members attends the National School Boards Association's Advocacy Institute in Washington, D.C., and meets with Oregon's Congressional delegation about issues of critical interest for K-12. These county timber payments are always at the top of each meeting agenda. OSBA thanks our members of Congress for their persistent support for these critical payments. Contact Morgan Allen (mallen@osba.org) for more information.

Questions about legislative issues?

Contact the OSBA Legislative Services Team:
800-578-6722 or 503-588-2800

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Contact your legislator

Find your legislators' contact information on the Oregon Legislature's website:

www.oregonlegislature.gov/FindYourLegislator/leg-districts.html

Enter your address, or click on your district on the map, then:

- For Representatives – click the House tab
- For Senators – click the Senate tab

To contact your legislator by phone, call the Capitol Switchboard at 1-800-332-2313.