

OSBA Legislative Highlights



the Promise
OF OREGON

March 24, 2017

Bill would change transfer process for assets like Elliott State Forest

[Senate Bill 847](#) would set up a land transfer account that would allow selling underperforming state trust lands to a tribe, federal agency or another state agency. Money from the transfer would go into the Common School Fund.

Currently, trust lands, such as the Elliott State Forest, are held in the Common School Fund and managed by the Department of State Lands. Assets are managed to create revenue for the Common School Fund. Twice a year payments are made to the Department of Education and dispersed to school districts through the state school funding formula.

The land transfer idea is modeled after one in Washington state, which has operated a state trust land transfer program since 1989. The Washington Department of Natural Resources reviews a list of proposed transfer properties with other state agencies and first submits an informational package to the Board of Natural Resources and then to the governor's office for submittal to the Legislature. The Legislature reviews the proposal, identifies a list of properties to transfer and sets a funding level.

SB 847 would give the Oregon Department of State lands a tool for managing problem assets. This bill is not intended to impact the Elliott forest, which is on track to be sold for \$220 million and transferred out of the Common School Fund. However, under this bill the Legislature would have to approve the funds for any future transfers of land.

The bill was heard earlier this week in the Senate Environment and Natural Resources Committee, chaired by Sen. Michael Dembrow (D-Portland).

- *Lori Sattenspiel*
Interim director of legislative services
lsattenspiel@osba.org



*The sale or transfer of the Elliott State Forest would not be affected by Senate Bill 847, but it would create a mechanism for handling similar situations in the future.
(Photo by Gordon Oliver)*

Bill proponent calls Oregon's '40-40-20' goal a 'charade game'

Oregon's "40-40-20" goal for students received harsh criticism Wednesday before the House Committee on Education.

"I am here today because the emperor has no clothes," testified Rep. Paul Evans (D-Monmouth). "What I'm talking about is that we have continued to say that things exist when they don't. ... I'm here today because I refuse to play the charade game any longer. 40-40-20 is aspirational, not operational, at least not right now."

Evans is the main legislative proponent of [House Bill 2587](#), which would modify Oregon's 40-40-20 goals to instead be based around students' aspirations and to require that students be provided with a well-rounded education and sufficient instructional time to meet their educational goals.

In 2011, the Legislature passed [Senate Bill 253](#), which set the goal that by the year 2025, 40 percent of Oregonians would have a baccalaureate degree or higher, 40 percent would have an associate's degree or certificate in a skilled occupation, and the remaining 20 percent without a postsecondary credential would have at least a high school diploma or its equivalent credential.

Wednesday's hearing generated testimony from a variety of legislators and education stakeholders.

Evans testified that he thought the 40-40-20 goal adopted in 2011 was laudable but that the Legislature’s continued underfunding of education meant the goals were not realistic.

A range of education stakeholders – including Sen. Jeff Kruse (R- Roseburg), the Oregon Education Association and the Oregon School Employees Association – support the measure.

“The arbitrary 40-40-20 statute ... exceeds the expectation of all experts on what the workforce needs of the year 2025 will be,” testified Laurie Wimmer of the OEA. It “is almost cruel to set these students up for a future of debt and unemployment.”

Other legislators and education stakeholders testified against the bill, including Rep. Jeff Reardon (D-Portland), Rep. Mark Johnson (R-Hood River) and Sen. Mark Hass (D-Beaverton).

“I am sure the 40-40-20 goal has had a positive impact on Oregon’s higher education system, students

and economic outlook,” testified Hass. “I am equally sure repealing the 40-40-20 goals, as HB 2587 would, will cause much of Oregon’s progress in higher education to stagnate or worse.”

Stakeholders from higher education and advocates for business – including the Oregon Business Council, the Oregon Business Association and Associated Industries of Oregon – joined legislators in opposition to the bill. The Higher Education Coordinating Commission also testified to strong concerns with HB 2587.

The future of the bill is unclear. Responses from committee members were mixed; some legislators seemed to be in favor of the measure and others opposed. No hearings have been scheduled. OSBA will continue to monitor the bill.

- Richard Donovan
Legislative specialist
rdonovan@osba.org

OREGON'S “40-40-20” GOAL

40%
OF OREGONIANS
WILL HAVE A
BACHELOR’S DEGREE
OR HIGHER

40%
OF OREGONIANS WILL
HAVE AN ASSOCIATE’S
DEGREE OR SKILLED
OCCUPATION CERTIFICATE

20%
WHO DON’T HAVE A
HIGHER EDUCATION DEGREE
WILL HAVE AT LEAST A
HIGH SCHOOL DIPLOMA

Paid family leave bill presents financial, logistical problems

A packed hearing room heard testimony Thursday by a variety of workers who faced situations that paid time off could have made more bearable. [House Bill 3087](#), before the House Committee on Early Childhood and Family Supports, would create a paid family leave for them.

OSBA Interim Director of Legislative Services Lori Sattenspiel pointed out the problems this could cause.

“This bill, while generous and confusing, imposes a substantial financial burden on school districts, creating considerable staffing challenges that threaten the ability to provide quality education to the 550,000-plus students in Oregon’s education system,” she said.

The bill would create the Family and Medical Leave Insurance Benefit program, to be operated by the Department of Consumer and Business Services. A Family and Medical Leave Insurance Fund would be created and funded by employee and employer taxes through payroll deductions. Employees’ share of the contributions into the fund could not exceed 0.5 percent of

wages, and then it would be matched by the employer. The proposal would permit an employee up to 12 weeks of family and medical leave benefits per benefit year, for an ever-expandable list of reasons, and an additional six weeks of parental leave benefits after 90 days of employment.

The problem, stated Sattenspiel, would be “managing the current leave system for school district employees and having another leave system overlaid.”

“The bill replicates the Oregon Family Leave Act and creates a mechanism for paying employees while they are out on OFLA leave,” she testified. “Yet the bill makes a number of changes that will have pretty dramatic impacts to school districts and will require the district to track multiple leave requirements, while dealing with staffing challenges this bill would create.”

Rough estimates for the fiscal hit to school districts was calculated at \$160 million in the first year of the biennium and approximately \$170 million in the second year. Other fiscal aspects of the bill, including administration and oversight of the new benefit, were not calculated.

“At a time when K-12 again is facing significant budget cuts – with a budget number of \$8.02 billion, districts are beginning their budgeting process now – this bill would continue to devastate our mission to educate students,” Sattenspiel testified.

- *Lori Sattenspiel*
Interim director of legislative services
lsattenspiel@osba.org

School board experience prompts transit money bill

Rep. Caddy McKeown (D-Coos Bay) said the impetus for [House Bill 2693](#) came from her time as a school board member.

The House Education Committee took testimony Wednesday on HB 2693-A, which would allow for additional transportation reimbursements. McKeown described having to consider a number of questions during tight budget times.

“What is the appropriate use of transit for students, particularly in relation to instructional time?” McKeown asked, and how did that relate to the desire to “give school districts some latitude” in student transportation.

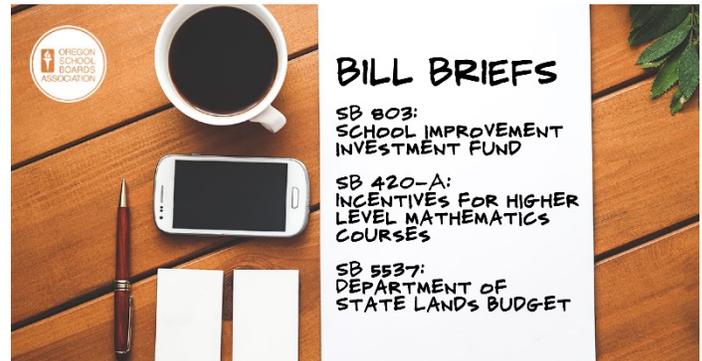
HB 2693-A attempts to answer those questions. Currently, districts are reimbursed for transportation costs at 70 percent to 90 percent, depending mainly on the geography of the district. The bill would create a \$5 million fund that would be used to reimburse, at a 50 percent rate, districts that purchase transit passes for high school students.

“This program, I’m not going to call it a pilot because I think it will stand the test of time,” McKeown said, “but I’d like to set some money aside for school districts to begin to use immediately and see how it works out.”

No further hearings have been scheduled for the bill; OSBA will continue to monitor it. If the bill moves out of the education committee, it will go to the Joint Committee on Ways and Means for discussion of funding.

- *Richard Donovan*
Legislative specialist
rdonovan@osba.org

Bill Briefs



School improvement investment fund

Senate Bill 803

What it does: This bill would create a \$300 million fund from which the Oregon Department of Education could give grants to school districts for “strategic investments.” These investments could be from a long list in the bill including, but not limited to, family service coordinators, education intervention programs, special education programs, dropout prevention strategies in high school and life skills. The \$300 million would be an allocation from of the State School Fund.

What’s new: The Senate Education Committee heard the bill March 21.

What’s next: OSBA supports the concept but cannot support a \$300 million allocation from the State School Fund unless that allocation is above the estimated \$8.4 billion required to maintain the current service level in districts for the upcoming biennium. OSBA will monitor the bill’s progress.

Incentives for higher level mathematics courses

Senate Bill 420-A

What it does: SB 420 was amended by the Senate Committee on Education. The bill, now “420-A,” would do two things: Direct the Higher Education Coordinating Commission to establish rules for reimbursing students who are Oregon residents for tuition expenses incurred for upper-division mathematics courses at a public university and create the Task Force on Creating Incentives for Mathematics Teaching in Oregon to study means by which Oregon can increase the number of mathematics teachers in K-12 education.

What's new: The amended version of the bill passed out of the Senate Education committee on March 21 with a "Do Pass" recommendation.

What's next: The bill will go to the Joint Committee on Ways and Means for potential consideration and funding. No new hearing has been scheduled.

Department of State Lands budget

Senate Bill 5537

What it does: Senate Bill 5537 is the budget bill for the Department of State Lands. The department handles a variety of topics, including the Common School Fund property and aquatic resource management, and has a business and operations support component. Goals for the department include managing the Common School Fund real property, serving as a trustee for unclaimed property and for estates with no will and no known heirs, protecting Oregon's waters through Oregon's removal-fill permits and wetlands conservation laws, and providing leadership and administrative oversight for the South Slough National Estuarine Research Reserve.

What's new: The Ways and Means Subcommittee on Natural Resources heard the bill March 23. OSBA testified in support of the bill.

What's next: OSBA will monitor the bill's progress.

The Week Ahead



March 27, 3 p.m. House Education Committee holds informational meeting on Sherwood High coding program; public hearing on establishing Accomplished Teaching Program ([HB 2763](#)) and allowing districts to seek funding for K-20 partnerships ([HB 3138](#)); possible work session on raising compulsory school age to 7 ([HB 3029](#)) and setting requirements for guidance counselors ([HB 2530](#)); and work session on requiring guidance counseling coursework for administrative license ([HB 2529](#)).

March 28, 3 p.m. Senate Education Committee holds public hearing on assistance with school nursing service requirements ([SB 111](#)) and screening for Irlen syndrome ([SB 142](#)); and work session on auditing summative assessments in public schools ([SB 351](#)).

March 29, 3 p.m. House Education Committee holds informational meeting on Measure 98; and public hearing on communicating backpack safety ([SJR 6](#)), funding education first ([HJR 28](#)) and presenting schools with apprenticeship information ([HB 3340](#)).

March 30, 3 p.m. Senate Education Committee holds public hearing on establishing CTE-STEM Investment Council ([SB 297](#)), screening for dyslexia ([SB 1003](#)), approving educator preparation programs ([SB 221](#)) and allowing counties to use county school finds ([SB 1004](#)); and work session on opting out of OEBS ([SB 387](#)).

March 30, 3 p.m. House Higher Education and Workforce Development Committee holds public hearing on enabling community colleges to offer degree in coordination with training programs ([HB 3335](#)) and requiring community colleges to report workforce development spending ([HB 3003](#)).

Items may be added to committee agendas during the week. The Oregon Legislature keeps an updated page of committee agendas at:

olis.leg.state.or.us/LIZ/Committees/Meeting/List

- Jake Arnold

Communications and news specialist

jarnold@osba.org