

# OSBA Legislative Highlights



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OF OREGON

May 19, 2017

## Oregon revenue forecast offers hard numbers for budget wrangling

The Office of Economic Analysis released its next-to-last Oregon revenue forecast for 2015-17 on May 16, predicting income will exceed projections made in 2015 by 2.4 percent and the state will have to return \$407.8 million to taxpayers.

"The Legislature will have some tough choices to make given the recent forecast with the expected personal kicker," said Lori Sattenspiel, OSBA interim director of legislative services. "Education needs to be a priority for the Legislature. No matter the final budget, they must make a minimum investment of \$8.4 billion in K-12 education just to avoid losing ground."

The forecast contained a few slices of good news for schools.

Corporate tax collections have also been above forecast, likely triggering a corporate kicker. Because of a 2012 measure, that kicker would send approximately \$76 million to the State School Fund. Projections for the next biennium are up as well, putting the projected shortfall to maintain current services at \$1.4 billion.

Democrats immediately responded to the economic news.

"Today's positive economic and revenue forecast cannot hide the fact that Oregon has a long-term, structural budget imbalance," said House Speaker Tina Kotek (D-Portland). "We need to chart a different path forward for our state. By reducing the cost of delivering services and reforming business taxes, we can stabilize Oregon's budget, make strategic investments in education, and strengthen our economy in the long term."

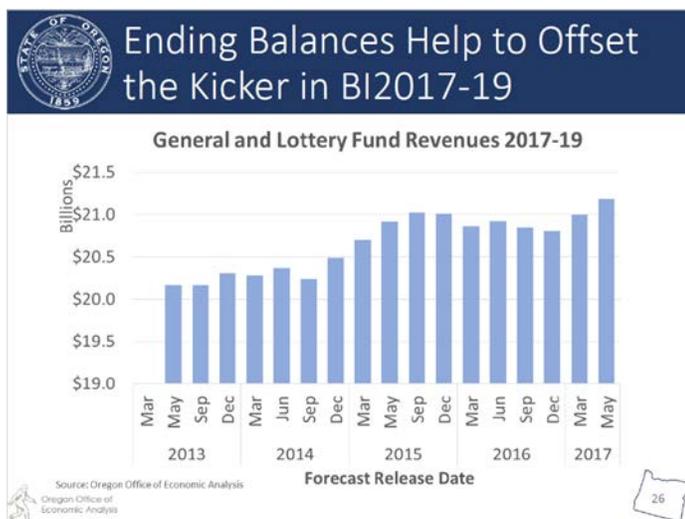
Sen. Mark Hass (D-Beaverton) said the revenue outlook does not change what he has characterized as the need for changes to the state's tax system, a sentiment echoed by Senate Majority Leader Ginny Burdick (D-Portland).

Republicans on the other hand were relatively quiet, with no immediate press releases. House Minority Leader Mike McLane (R-Powell Butte) called the forecast "more evidence that Oregon needs to tighten its belt and get serious about the unsustainable rate of spending in Salem."

The forecast sets up a political slugfest as the Legislature begins debating agency budgets. For schools, anything less than an \$8.4 billion budget will trigger cuts for many districts. Those cuts will come by reducing staff, cutting days or cutting programs.

Advocacy for a K-12 budget number of \$8.4 billion is essential. Please continue to [email or call your legislator](#) about the need for adequate funding and what less than \$8.4 billion would do in your district.

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The Office of Economic Analysis released Oregon's economic and revenue forecast May 16 along with a slide show on key data. View the whole document at: [www.oregon.gov/das/OEA/Pages/forecastcorev.aspx](http://www.oregon.gov/das/OEA/Pages/forecastcorev.aspx)

## Superintendents praise bonding programs

[Senate Bill 5505](#) is the legislative mechanism for authorizing billions of dollars in bonds for projects in the next biennium. Two highly popular K-12 bond programs would get \$280 million of that: \$160 million for seismic upgrades for schools and \$120 million for an infrastructure bond-matching program.

Sen. Fred Girod (R-Stayton), surveying the full hearing for the May 12 meeting of the Joint Ways and Means Capital Construction Subcommittee, promised swift action.

"You're looking at the fastest gavel in the Senate," Girod said before strictly limiting testimony time.

Testimony was entirely in support.

The investments over the past two years made by the bond programs “have begun to make a serious dent in the facilities needs of our K-12 schools and have made an immeasurably positive impact across the state for students and local communities,” said Morgan Allen, deputy director of policy and advocacy for the Confederation of Oregon School Administrators. “But there is still a significant need for further investments.”

A panel of school superintendents gave specific examples of the programs’ effects at the district level. Jim Schlachter, superintendent of the Gresham-Barlow School District, praised the impact of the bond-matching program in his district.

“The November 2016 school bond passed with 51 percent of the votes,” he testified, attributing the narrow passage directly to the \$8 million state match the district stood to receive on the \$291 million bond. “That is profound local return on a state investment.”

Gerry Washburn, Roseburg Public Schools superintendent, testified about the bond matching program’s benefits for his district.

Roseburg Public Schools have received five seismic grants to date, totaling \$6.9 million, Washburn said. Those grant funds have been used to repair and upgrade roofs, gyms and other school facilities statewide. Those improvements, he said, “reflect better understanding of risks than when the buildings were originally constructed.” He said the grants allowed the district to make crucial seismic upgrades that “would not have happened without this grant opportunity.”

OSBA attended the hearing in support of the programs but did not testify because of time constraints. OSBA will continue to lobby in support of the bill.

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## Clean diesel bill keeps on chugging

Diesel engines are used throughout Oregon and the United States because of their reputation for reliability, durability, power and fuel efficiency. But diesel exhaust is considered a health risk, particularly in urban areas close to highways and major roads. In Oregon, heavy-duty diesel trucks and diesel construction equipment are the largest source of diesel exhaust.

[Senate Bill 1008-A](#) attempts to address the emission issues.

For school districts, the diesel emissions issue affects buses with older diesel engines. In 2007, a bill was passed that requires school buses be:

- Retrofitted with 2007 or later engines by Jan. 1, 2017.
- Replaced with buses manufactured on or after Jan. 1, 2007, by 2025. The replaced buses may not be used for transportation of any type.

The Oregon Department of Education adopted administrative rules that prevent any new buses from entering the state that do not meet the 2007 engine emission standards. The ODE rule also clarified that retrofitting is no longer an option after Jan. 1, 2017. Buses must be replaced.

SB 1008-A would extend the retrofit deadline from Jan. 1, 2017, to 2025 and add grants and loans for diesel engine replacements to the permissible uses of the Clean Diesel Engine Fund. The bill would authorize the state of Oregon to receive funds under the Volkswagen Mitigation Trust Agreement and would specify the allocation of these funds for grants to reduce emissions from diesel engines, which includes resources to replace or retrofit buses.

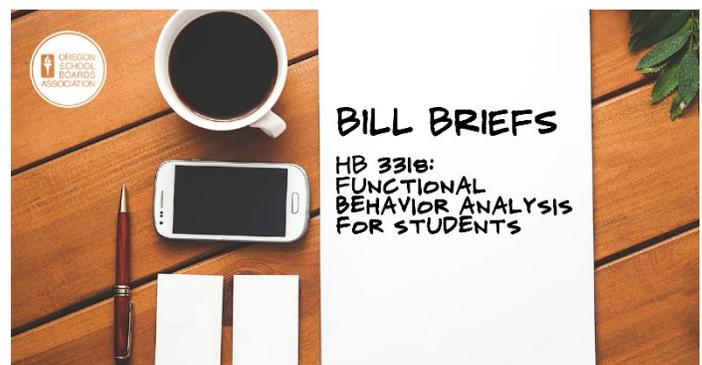
Chris Ellison, Eugene School District transportation director and past president of the Oregon Pupil Transportation Association, testified in support of the amendments.

“The current January 1, 2017, date has resulted in very far-reaching implications for all public and private school districts, organizations and businesses,” he said. “Oregon Pupil Transportation Association firmly believes that school buses must be looked at and supported for the safety and health of our children. The Volkswagen Mitigation Fund is an incredible opportunity and an excellent start for replacing these aging diesel buses.”

Other industry stakeholders who testified on the bill are still working on a few technical details before the bill will be heard again. The bill is expected to move out of committee within two weeks.

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## Bill Briefs



### Functional behavior analysis for students

#### [House Bill 3318](#)

**What it does:** The bill addresses circumstances in which students on IEP or 504 plans injure or harm school staff or put them at risk. The measure is sponsored by the Oregon School Employees Association and would require broader input from school staff in development and implementation of the behavior plans for these students than is currently required under law.

**What's new:** The Senate Education Committee heard the measure Thursday. Many committee members, including Sen. Sara Gelser (D-Corvallis), voiced strong support for the measure. Other groups testifying in support included the Oregon Education Association and Disability Rights Oregon. The Confederation of Oregon School Administrators testified with concerns about the text of the measure and the potential for more paperwork required of special education directors with little benefit for students.

**What's next:** Committee members indicated the bill will likely be scheduled for a work session in the near future. OSBA will monitor the bill.

## The Week Ahead



### May 22

**8:30 a.m.** Joint Ways and Means Education Subcommittee holds informational meeting on Outdoor School presentations.

**11 a.m.** Senate has third reading on:

- Authorizing the formation of children's special districts to levy taxes for services outside school hours ([SB 123-B](#)).
- Expanding types of entities that can get funding for STEM or CTE programs ([HB 2258](#)).
- Allowing limited priority admissions for public charter schools ([HB 3313-A](#))

**3 p.m.** House Education Committee holds work session on:

- Phasing in physical education requirements ([SB 4-A](#)).
- Allowing charter school students to participate in interscholastic activities ([SB 208-A](#)).
- Limiting abbreviated school day programs ([SB 263-A](#)).

**3 p.m.** House Education Committee holds public hearing on:

- Setting policies for use of school facilities by private tutors ([SB 1002-A](#)).

### May 23

**8:30 a.m.** Joint Tax Reform Committee holds informational meeting on business tax reform.

**3 p.m.** House Higher Education and Workforce Development Committee holds work session on:

- Permitting community college faculty to receive pay from private and public resources ([SB 206-A](#)).
- Requiring colleges to provide credit for AP exams ([SB 207-A](#)).

**3 p.m.** Senate Education Committee holds public hearing and possible work session on:

- Providing dental screenings ([HB 3353-A](#) and [HB 3181-A](#)).
- Allowing delayed enrollment in school ([HB 3029-A](#)).
- Waiving some high school diploma requirements for students who are foster children, homeless or runaways ([HB 3267](#)).
- Exempting some students on visas from compulsory school attendance ([HB 3409-A](#)).
- Establishing intent of State Workforce and Talent Development Board ([HB 3437-A](#)).

### May 24

**8:30 a.m.** Joint Ways and Means Education Subcommittee holds informational meeting on:

- Professional development for educators ([SB 182](#)).
- Early Indicator and Intervention System ([SB 183](#)).

### May 26

[Deadline for OSBA Convention proposals.](#)

Items may be added to legislative 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](http://olis.leg.state.or.us/LIZ/Committees/Meeting/List)

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