



January 14, 2011

Budget crisis looms on legislative horizon

A budget crisis looms over the Oregon Legislature with state coffers expected to be down by \$3.5 billion this biennium. Although state resources will be scarce, OSBA and its education coalition partners are committed to advocating vigorously for reinvesting in K-12 education as a way to help turn around the state economy.

In 2009-11, K-12 funding represented 38.8 percent of the state's general fund and lottery budget, down significantly from 44.8 percent in 2003-05. "We are working diligently to convince legislators to reverse this trend," said Kevin McCann, OSBA executive director. "We are advocating to maintain 38.8 percent this biennium and to work over the next several years not only to reach but exceed pre-recession levels and to help at least 90 percent of students achieve standards as described by the Quality Education Model."

In his inaugural address, Governor Kitzhaber argued that Oregon spends too much money fixing problems after they arise—on courts, prisons, foster care and the like—and too little investing in public education to prevent them in the first place.

Education issues keep session lively

In addition to budget matters, other key education issues to watch this session include:

Education Service Districts: Legislative proposals range from requiring annual audits of ESDs to allowing districts to contract out for services with entities other than ESDs to replacing elected ESD board members with superintendents of component districts.

Public Employees Retirement System: PERS is funded by employees, employers and investment returns. The employee contribution is set by law at 6 percent; the other two can change. With investment losses during this recession, PERS had to rely on larger employer contributions to fund the system. As a result, various pieces of legislation have been introduced that would in some way impact the PERS system.

Continued on back

Split House breaks new ground

The Oregon Legislature convened for its 76th regular session this week, but after three days of ceremonial and procedural activities, adjourned until Feb. 1. For the first time in Oregon history, the House of Representatives will be evenly divided between 30 Republicans and 30 Democrats and governed by a power-sharing agreement describing co-speakers, Republican and Democratic committee co-chairs and equal numbers of Republicans and Democrats on each committee. Here's the leadership roster:

Co-speakers: Reps. Bruce Hanna (R-Roseburg) and Arnie Roblan (D-Coos Bay)

House Democratic Leader: Rep. Dave Hunt (D-Clackamas County)

House Republican Leader: Rep. Kevin Cameron (R-Salem)

House Education Committee co-chairs: Reps. Sara Gelser (D-Corvallis) and Matt Wingard (R-Wilsonville)

Joint Ways and Means Committee co-chairs: Reps. Peter Buckley (D-Ashland) and Dennis Richardson (R-Central Point)

Joint Ways and Means Education Subcommittee co-chairs: Reps. Betty Komp (D-Woodburn) and Sherrie Sprenger (R-Scio)

In the Senate, Democrats retained a 16-14 majority. This year's Senate leaders are:

Senate President: Sen. Peter Courtney (D-Salem)

Senate Majority Leader: Sen. Diane Rosenbaum (D-Portland)

Senate Republican Leader: Sen. Ted Ferrioli (R-John Day)

Senate Education and Workforce Development Committee chair: Sen. Mark Hass (D-Beaverton)

Senate Education and Workforce Development Committee vice chair: Sen. Frank Morse (R-Albany)

Joint Ways and Means Committee co-chair: Sen. Richard Devlin (D-Tualatin)

Joint Ways and Means Education Subcommittee co-chair: Sen. Rod Monroe (D-Portland)

Visit <http://www.leg.state.or.us/comm> for a detailed list of committees and members.

Kitzhaber: Time to rebuild Oregon's house

John Kitzhaber took the oath of office for an unprecedented third term as governor Monday, sharing his vision for overcoming the challenge of a \$3.5 billion state budget shortfall and remaking the way public services are delivered and funded over the next decade.

This must be the "legislative session when we stop kicking the can down the road and start reshaping Oregon's state government," Governor Kitzhaber asserted in his inaugural address. Describing three broad steps to face down Oregon's challenges, the Governor said the first step is defining the goal or destination. His vision for Oregon includes increased access to early childhood education, a strong system of K-12 schools, increasing numbers of high school graduates prepared for post-secondary education, and family wage jobs with per capita

incomes above the national average. He said his second step is to "change the focus...from cutting budgets and raising taxes to...growing the economy and redesigning how we deliver public services." Finally, he said he will plan budgets and decide how to deliver services with the long term in mind, emphasizing this "transformational change" will need to continue over the next eight to 10 years.

Last week, Governor Kitzhaber named several key staff appointments, notably Springfield Schools Superintendent Nancy Golden to serve as his education policy advisor. We expect the Governor to release key aspects of his budget proposal on Jan. 14 and a detailed budget around Feb. 1 when the Legislature convenes again. OSBA will share budget information as it becomes available.

For more information on the governor's priorities, see:

- "Rebuilding Oregon's House": <http://www.johnkitzhaber.com/media/uploads/RebuildingOregonsHouse.pdf>
- Details on Governor Kitzhaber's plan for public education: <http://governor.oregon.gov/Gov/priorities/education.shtml>
- Gubernatorial staff appointments: <http://transition.johnkitzhaber.com/2011/01/06/governor-elect-kitzhaber-announces-governors-offic/>



Legislative Highlights

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Special Education: When there is a dispute between a parent/guardian and a school district regarding special education services, either party can request a due process hearing to resolve the dispute. Current Oregon law requires the party requesting a special education due process hearing to prove the claim. In most cases, this is the parent or guardian of a special education student. Legislation is pending this session to shift the burden of proof and require districts to prove that special education decisions are appropriate even when parents request the hearing.

State Education Governance: Bills are drafted to change the office of state superintendent of public instruction from an elected position to a gubernatorial appointment and to make other state education governance changes.

Full-day kindergarten: Legislators will discuss full-day kindergarten implementation, including timelines and funding.

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1. Go to: <http://www.twitter.com/OSBALegislative>
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For more about OSBA on Twitter, go to www.osba.org and click on Connect.

Priorities guide OSBA legislative work

OSBA's legislative work this session will be guided by the legislative policies and priorities voted on by OSBA members.

In December 2010, OSBA members approved specific policies and priorities for the 2011 session. These member-approved priorities relate to student achievement, shared accountability and funding and define OSBA's proactive legislative objectives. The member-approved policies relate to finance, programs, personnel, governance and operations and guide OSBA's responses to legislative issues as they arise.

A Legislative Policy Committee elected by OSBA members drafted the policies and priorities which were then scrutinized by OSBA members via online surveys and group discussions before the final vote last month. Visit www.osba.org/LPC for details.

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Advocate for public education

Join OSBA and COSA in Salem on Monday, Feb. 21, and advocate for reinvestment in public education to support student achievement. OSBA and COSA legislative staff members will equip you with everything you need to be an effective advocate and then you will meet with your legislators to discuss education priorities.

"We give you the training and toolkit to make the most of your time with legislators," said Tricia Yates, OSBA associate executive director of legislative and public affairs.

The day full of activity will begin at 7:30 a.m. in the Grand Ballroom at 187 High St. NE and end at 3 p.m. This year, the agenda is streamlined to fit in one day and save you time and money. Cost is just \$50 per person (compared to \$125 in 2009) and includes breakfast and lunch.

More details and online registration are at www.osba.org/legday.

Did you know?

In 2009-11, K-12's allocation of general fund and lottery dollars was \$5.735 billion. Estimated roll-up costs, or costs to continue current programs in 2011-13, is \$6.7 billion.

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