



February 18, 2011

## March revenue forecast released

On Tuesday, February 15, the state's economic and revenue forecast was released. There was good news for the current budget cycle – funds available for the 2009-11 biennium were essentially flat, dipping \$1.5 million out of a \$13.6 billion budget. For the upcoming 2011-13 biennium, the Oregon Quarterly Revenue Forecast projected a drop of about \$109 million in available general fund and lottery resources.

In the short term, legislators continue to grapple with how to balance a budget with a \$3.5 billion budget shortfall for the 2011-13 biennium. As for Oregon's long-term budget outlook, state economists indicated that the worst of Oregon's recession has passed and our state is moving into economic recovery. While unemployment is still hovering around 10.6 percent, revenue projections for future biennia are beginning to improve but still fall short of pre-recession expectations. Economists also predicted that there would not be a personal or corporate "kicker" rebate in 2011.

In response to the latest economic news, Governor Kitzhaber issued a statement that included the following comments: "Today's revenue forecast is consistent with the analysis we used in creating my budget. The worst is over, but Oregon's recovery will take time. Nothing in this forecast changes the rising cost of health care or corrections, and no improvement in state revenue will be adequate to pay for our current system of education. Now is the right time to integrate and streamline state services like health care and education to deliver better outcomes and reduce costs..."

State economists presented the forecast to a joint meeting of the House Revenue Committee and Senate Finance and Revenue Committee at the state Capitol. To read the complete forecast, go to: [http://oregon.gov/DAS/OEA/economic.shtml#Most\\_Recent\\_Forecast](http://oregon.gov/DAS/OEA/economic.shtml#Most_Recent_Forecast).

## Governor creates Education Investment Team; OSBA offers assistance

Governor Kitzhaber has, by executive order ([governor.oregon.gov/Gov/docs/executive\\_orders/eo\\_1102.pdf](http://governor.oregon.gov/Gov/docs/executive_orders/eo_1102.pdf)), created a new Oregon Education Investment Team. The Team's goal is "creating a more integrated, efficient and accountable education system – from early childhood through K-12 and post-secondary education," according to his office. The Team will develop strategies to create a seamless, zero to 20 education system, with the goal of ensuring that children enter school ready and able to learn, teachers have the support and resources to teach, and high school graduates are prepared to pursue college and careers.

It must develop specific concepts to achieve a comprehensive redesign of Oregon's public education budgeting and governance system. The Education Investment Team will be comprised of twelve members and chaired by the governor. It will also appoint workgroups on several topics.

In a letter to the governor, OSBA Executive Director Kevin McCann praised the creation of the Education Investment

**Stand for Children: Make All Oregon Schools Great!**

Rally to protect Oregon's future! Meet on the Capitol steps in Salem, Monday, February 21, noon-1pm. For information: [www.stand.org/or/rally](http://www.stand.org/or/rally).

Team: "The appointment of this team, to be chaired by you, carries the potential to make positive shifts in how our K-12 education system is designed, all with a focus on student success. We believe that local school board participation is critical for the success of this effort," he wrote. "School board members share the experience and leadership that comes from supporting a local school system. They also provide a voice for everyday Oregonians whose taxes finance the education of Oregon's half million children in our public schools." See the video of Kevin McCann's remarks: [www.osba.org/News%20Center/Announcements/2011-02-18\\_Response\\_to\\_Governor.aspx](http://www.osba.org/News%20Center/Announcements/2011-02-18_Response_to_Governor.aspx).

## Online education bill heard

This week, the House Education Committee heard **House Bill 2301**, one of several online education-related bills. **HB 2301** creates a new section of law that would govern comprehensive online education. This bill is a product of the 2009 Online Learning Task Force and the work of the State Board of Education. Co-chair of the House Education Committee, Representative Sara Gelser (D-Corvallis), reviewed the main parts of the bill:

- Online education will be available to all students in the K-12 school districts.
- Up to 3 percent of a district's students could attend an online school outside of their district without the home district's consent.
- Districts that operate an online school can do so, but cannot enroll more than 20

*Continued*

## OSBA/COSA Legislative Day

### Join us Monday, February 21

It's not too late to decide to attend! School board members and administrators from around the state will gather Monday for the OSBA/COSA Legislative Day. Nancy Golden, Governor Kitzhaber's Education Advisor, will address the group in the morning session. Attendees will hear the latest on education-related issues, including the budget scenario. Sen-

ator Richard Devlin, the Ways and Means Committee co-chair, will speak to the group during lunch and share his thoughts about Oregon's budget challenges for the upcoming biennium.

After advocacy training sessions, attendees will meet with their legislators to share education priorities and information about their school districts. Call the OSBA office at 800-578-6722 to register.

## Online education – *Continued*

- percent of the students from outside the district.
- The State Board of Education will certify three statewide vendors with whom an individual school district could contract for services that the district would like to offer to its students.
  - Funding for students attending an online school would be 80 percent of the average daily membership, weighted (ADMw).
- HB 2301** received a public hearing; no further action has been scheduled.

## Senators brief leadership group

OSBA's Leadership Oregon class met today, Feb. 18, with Senator Suzanne Bonamici (D-Beaverton) and Senator Ted Ferrioli (R-John Day) as part of their advocacy training. Bonamici spoke about her priorities for public education and her experiences as a member of the Senate Education Committee and while serving on OSBA's 10-Year Charter Review Committee.

Both Bonamici and Ferrioli addressed some of the stark realities of the state budget. They stressed the important role school board members and other education advocates play in explaining district concerns to legislators and that board members need to talk to representatives from across the state so the concerns of small and large districts are heard by all. They also underscored the need for communication with communities to counter misconceptions about public education, such as the idea that there is a lot of waste in administration and consolidation of services always saves money.

## Key bills for the week of Feb. 21

Following are key bills scheduled for hearings next week at the Capitol:

### HOUSE EDUCATION COMMITTEE

#### Monday, February 21

1:00 P.M., Hearing Room E

#### **HB 2300** – *First Public Hearing*

Prescribes required qualifications for Deputy Superintendent of Public Instruction.

#### **HB 2308** – *First Public Hearing*

Provides for election of certain members of State Board of Education.

#### **HB 2934** – *First Public Hearing*

Designates Governor as Superintendent of Public Instruction.

#### **HB 3096** – *First Public Hearing*

Designates Governor as Superintendent of Public Instruction.

#### Wednesday, February 23

1:00 P.M., Hearing Room E

#### **HB 2304** – *First Public Hearing*

Specifies when school district must, or education service district may, provide self-contained special education classroom instruction.

#### **HB 2305** – *First Public Hearing*

Specifies preference for integrating into school district children who are receiving special education.

#### **HB 2437** – *First Public Hearing*

Revises method of calculating transportation grant from State School Fund distributions.

#### Friday, February 25

1:00 P.M., Hearing Room E

#### **HB 2310** – *First Public Hearing*

Allows component school district of ed-

ucation service district to contract with public or private entity for provision of services if school district determines that service needs of school district are not being met by local service plan.

#### **HB 3200** – *First Public Hearing*

Provides for distribution to component school district of prorated amounts received by education service district if component school district chooses to not receive services from education service district.

#### **HB 2298** – *First Public Hearing*

Allows component school district of education service district to enter into contract with public or private entity if school district determines that service needs of school district are not being met by local service plan.

### SENATE FINANCE AND REVENUE COMMITTEE

#### Monday, February 21

1:00 P.M., Hearing Room A

**SJR 26** – Proposes revision of Oregon Constitution. (kicker reform)

Tune into these hearings by going to [www.leg.state.or.us/listn](http://www.leg.state.or.us/listn).

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Kevin McCann, executive director  
Tricia Yates, associate executive director of legislative and public affairs, editor  
Morgan Allen and Lori Sattenspiel, legislative and public affairs specialists  
Jenny Fedler, legislative and public affairs assistant  
Judy Bennett & Diane Efsseaff, design & production  
Dan Peterson, printing manager