

# OSBA Legislative Highlights



*the Promise*  
OF OREGON

**May 15, 2015**

## May forecast up – schools to receive \$105.8 million more in 2015-17

New state revenue projections released this week indicate that K-12 schools will receive an extra \$105.8 million in 2015-17, thanks to stronger-than-expected job growth and income tax collections.

“Oregon’s economy is experiencing full-throttle growth today,” the Legislative Revenue Office reported in an executive summary of the May revenue forecast.

The forecast shows an increase in net General Fund revenue of \$264.5 million from the previous forecast in March. Under a promise made by the Legislature when it appropriated \$7.25 billion to the State School Fund earlier this session, schools will receive 40 percent of any increased revenue. Through that formula, schools would get \$7.36 billion in 2015-17.

The forecast also indicates that the state’s “kicker” will return \$477.5 million to taxpayers, probably as a tax credit.

While the new revenue for schools is encouraging, Betsy Miller-Jones, OSBA’s executive director, warned that any funding amount under \$7.5 billion will likely lead to districts facing cuts.

“Under this forecast Oregon’s economy appears to be recovering from the Great Recession of 2008, providing some additional resources for schools,” Miller-Jones said. “But districts are telling us that many will be looking at cuts in the next school year.

“That translates to fewer school days, increased class sizes or reduced programs. Allowing such cuts to take effect while returning over \$470 million through the kicker law does not make sense. We have to find a way to reach that \$7.5 billion figure for the State School Fund.”

The kicker law, locked into Oregon’s Constitution, states that if tax collections – not including corporate income taxes – go 2 percent over projections made at the beginning of the two-year budget cycle, all of the extra is returned to taxpayers. While this used to be in the form of a “kicker check,” the Legislature has changed it to appear as a tax credit on future tax returns. Estimates show that the average taxpayer in Oregon would receive about a \$284 tax credit at this level. This amount may fluctuate between now and August, when the actual calculation is made.

The May revenue forecast is generally seen as the last piece of the puzzle for legislators to finish building the

budget for the biennium and begin working toward wrapping up a legislative session. It is anticipated that budget writers will now begin working toward sine die – the end of the session. The leadership has targeted June 26 as an ending date, even though under the Oregon Constitution the session could go until July 11.

Advocacy for schools should not end, however.

“School board members and school employees from across Oregon need to step up their advocacy efforts as the session heads into the home stretch,” said OSBA Deputy Executive Director Jim Green. “We need to ensure that legislators hear that while the additional funding helps, it does not get us all the way.

“Students in Oregon deserve a full school year, lower class sizes and a full range of courses to prepare them for graduation and their lives beyond high school. Underfunding our K-12 system hurts our kids and hurts our economy going forward,” he added. “The Legislature has to do better.”

**Please be sure to reach out to your legislators and encourage them to reach the \$7.5 billion funding level for the State School Fund for 2015-17.**

The full revenue forecast can be seen at [www.oregon.gov/DAS/OEA/pages/economic.aspx#most\\_recent\\_forecast](http://www.oregon.gov/DAS/OEA/pages/economic.aspx#most_recent_forecast)

## House committee approves small high school grant extension

The House Education Committee approved a measure this week that would extend the Small School District Supplement Fund (commonly called the small high school grant) in the State School Fund (SSF) for an additional five years until 2020.

**Senate Bill 667A** in its original form would have made the small high school grant permanent, but under an amendment adopted in the Senate Education Committee earlier this session it is extended for five more years. The amendment was placed into the bill to have the Legislature review whether this grant is still necessary going forward after 2020.

Under the law, the Oregon Department of Education transfers \$2.5 million annually from the SSF to the small high school grant fund. Schools and school districts qualify for this funding if their overall student population is less than 8,500 students and a four-year high school has less than 350 students. If the district operates a two-year high

school, the high school must have less than 267 students to receive these additional dollars.

Tim Sweeney, superintendent of the Coquille School District, testified that his school district has used these funds to bring back a health teacher at the high school.

“This position does much more than teach health, he also helps our juniors and seniors prepare for life beyond high school,” Sweeney said. “He teaches students about managing personal finances, how to fill out college and job applications and how to rent an apartment or purchase a car.

“This position is an essential component of our high school and without the small high school grant to offset a portion of his salary, we would end up laying him off. I cannot begin to express how critical these little pools of money are for small schools. They are our lifeblood and they sustain so many important educational opportunities in rural Oregon.”

OSBA supported the original version of the bill that would have made the grant permanent, to provide stability for these small school districts. But members of the Senate chose not to do so.

“Sometimes in the legislative process compromises are necessary and this was one of those times,” said OSBA Deputy Executive Director Jim Green. “Ultimately, OSBA supports this grant being permanent, but if five years is what we can get now we will take it and continue this discussion in future legislative sessions.”

The bill now heads to the full House for consideration, and, if approved, on to the governor for her signature.

Contact Green at [jgreen@osba.org](mailto:jgreen@osba.org) if you have questions or comments.

To view the bill:

[www.osba.org/Resources/Article/Legislative/BillTracking.aspx?key=SB\\_06670&ptadd=:%20SB\\_06670%20Details](http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?key=SB_06670&ptadd=:%20SB_06670%20Details)

## **Legislative Highlights to be published intermittently**

With the 2015 legislative session working toward adjournment, OSBA will be publishing *Legislative Highlights* on an as-needed basis, as important issues or legislation arise.

If any issues raise questions in the meantime, please feel free to contact Legislative Services at (503) 588-2800 or email:

- Jim Green - [jgreen@osba.org](mailto:jgreen@osba.org)
- Lori Sattenspiel – [lsattenspiel@osba.org](mailto:lsattenspiel@osba.org)
- Morgan Allen – [mallen@osba.org](mailto:mallen@osba.org)

## **In other news**

### **In “Promise” video, Oregonians trace path to success through public schools**

As part of “The Promise of Oregon” campaign, 10 adult Oregonians describe how their public school experiences led to professional successes. Watch the video here:

<http://promiseoregon.org/in-promise-video-oregonians-trace-path-to-success-through-public-schools/>



### **OSBA Annual Convention workshop proposals requested**

Mark your calendars to help celebrate OSBA’s 69th annual convention, Nov. 12-15 at the Portland Marriott Downtown Waterfront Hotel.

OSBA is seeking informative and interesting workshops primarily targeting school board members and superintendents. We are encouraging charter schools, colleges, education service districts, school districts and other organizations to present sessions that showcase successful approaches to educational issues, as well as sessions that demonstrate the advancement of student achievement and promote equity.

To share your successful program, submit your Workshop Proposal by **May 26**; go to:

[www.osba.org/Calendar/Events/Annual\\_Convention-2015.aspx](http://www.osba.org/Calendar/Events/Annual_Convention-2015.aspx)



For more information about OSBA’s 2015 Summer Board Conference and to register:

[www.osba.org/Calendar/Events/Summer\\_board\\_conference-2015.aspx](http://www.osba.org/Calendar/Events/Summer_board_conference-2015.aspx)