

OSBA Legislative Highlights



the Promise
OF OREGON



March 3, 2017

Budget puts many missions of Oregon education on display

The Joint Ways and Means Education Subcommittee began its work on the education budget with an overview of the Oregon Department of Education this week.



Salam Noor

Salam Noor, deputy superintendent of public instruction, began the hearings, and testimony will likely stretch through next week.

Noor and representatives from ODE will lay out for the committee, co-chaired by Sen. Rod Monroe (D-Gresham) and Rep. Barbara Smith-Warner (D-Portland), the agency's internal structure. Highlights include the Early Learning Division and its programs, K-12 education services involving the State School Fund and

the major programs within the budget, and Youth Development programs.

ODE works to fulfill the pledge to all Oregon's children and families to build a seamless system of education and support from cradle to career. The department works in collaboration with school districts, education service districts, early learning hubs, nonprofit and community-based organizations, and other state and local governments to deliver services and supports.

[Senate Bill 5516](#) covers ODE programs and operations. [Senate Bill 5517](#) funds the State School Fund for the 2017-19 biennium.

The subcommittee meets daily at 8:30 am. Once the overview is completed, there will be two days of public testimony, expected sometime during the week of March 13.

- *Lori Sattenspiel*
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Legislature ponders use for excess in PERS contingency fund

The Senate Workforce Committee held an informational hearing this week regarding the Public Employees Retirement System and the Contingency Reserve Fund. Executive Director Steven Rodeman gave

an overview to the committee explaining what a contingency reserve is, the reason for the fund and its past uses.

The fund was created for several uses. If a jurisdiction (i.e., school district) is insolvent, the reserves could be used to pay liabilities. There is also a "catch all" that allows the PERS Board broad discretion in allocating these funds. For example, the PERS Board used the Contingency Reserve Fund to restore payments to PERS members after the Oregon Supreme Court in the Moro case struck down cuts in cost-of-living adjustments.

The Contingency Reserve Fund receives an allocation when investment returns are more than the assumed rate, currently 7.5 percent. The fund receives a portion of the excess during the PERS Board annual crediting process. In 2016, earnings on the PERS fund did not exceed the assumed earnings rate so the board could not make an allocation. The reserves have grown, though, and the PERS Board has asked stakeholders to give recommendations for how the excess in the Contingency Reserve Fund should be used.

Funds held in the contingency reserve are not factored into the system valuation for use to pay liabilities (i.e., benefits). The PERS rates for employers are set for the next biennium based on the system valuation done at the end of odd-numbered years.

Rodeman said at the March 28, 2016, PERS Board meeting that the board had adopted a funding level for the contingency reserve of 0.25 percent of the system's



The Senate Workforce Committee, led by Sen. Kathleen Taylor (D-Milwaukie), took testimony Wednesday on the Public Employees Retirement System Contingency Reserve Fund. (Photo by Jake Arnold, OSBA)

accrued liability. With the Dec. 31, 2015, system valuation, the contingency reserve is now considered overfunded by \$345.8 million.

Rodeman explained how excess funds have been used in the past:

- Redistribute the excess funding proportionally to those accounts and reserves whose earnings are used to fund the contingency reserve.
- Credit the excess funding to an existing reserve or account (e.g., the benefits-in-force reserve to support future benefit payments).
- Retain the excess funding in the contingency reserve and allow future charges against the reserve or growth in the system's accrued liability.
- Apply the excess funding toward other purposes, as this reserve can be used to provide for any contingency that the PERS Board determines appropriate.

OSBA is interested in possibly retaining excess funding in the contingency reserve to help offset the difference when the PERS system does not meet the assumed rate. This would bring down the employer rate.

OSBA will submit a formal recommendation next week, before the March 15 deadline.

- *Lori Sattenspiel*

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Teacher Standards and Practices Commission wants to add staff



Monica Beane

The budget for the [Teacher Standards and Practices Commission](#) contains two new hiring requests since the last biennium: an additional customer service employee to respond to phone calls and an additional employee to implement database upgrades.

As an “other funds” agency, TSPC relies solely on revenue from licensure fees. TSPC requires permission from the Legislature to spend money that is already in the existing budget, unlike other agencies that typically ask for more funds for a budget.

The Joint Ways and Means Education Subcommittee took testimony Monday on [House Bill 5038](#), which represents the agency budget for the 2017-19 biennium. OSBA submitted written testimony in support of TSPC and HB 5038.

“It is unusual for OSBA to submit testimony on an agency budget bill,” wrote Richard Donovan, OSBA legislative specialist. “However, we support HB 5038 in

recognition of the good work done by the TSPC since Dr. Monica Beane became TSPC executive director in June of 2016.”

OSBA had previously been critical of the agency's performance.

“Since Dr. Beane joined the TSPC, (OSBA) concerns ... have largely been addressed,” Donovan wrote. “We support the good work of the TSPC, look forward to continued improvement in the future, and recommend your support for HB 5038.”

- *Richard Donovan*

Legislative specialist

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Speak up for public education

The [OSBA and COSA Legislative Day](#) gives you the opportunity to advocate for reinvestment in public education to support student achievement. Receive training and then meet with your legislators in Salem to discuss education priorities.

When: March 13, 2017, 8:00 a.m. - 5:00 p.m.

Where: [Willamette Heritage Center](#)

(Mission Mill Museum), Spinning Room

[Register now!](#)

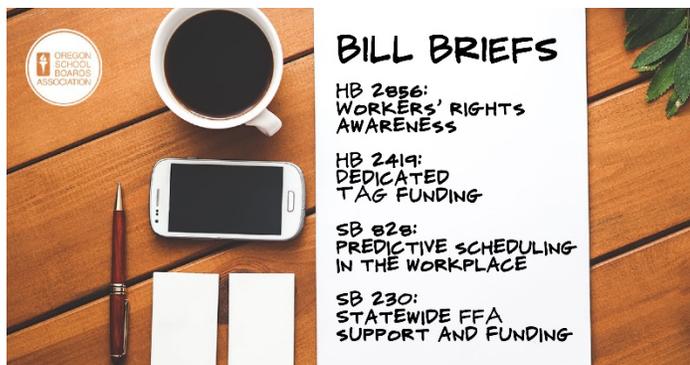
Schedule an appointment with your legislator

Make sure to contact your local legislators and request an appointment with them. It is important that you schedule your appointment for after 11:00 a.m. on March 13 (if possible).

- [Find your legislators' contact information](#)
- [Agenda and hotel/transportation information](#)



Bill Briefs



Workers' rights awareness

[House Bill: 2856](#)

What it does: On the surface, the bill would create a program through the Bureau of Labor and Industries that promotes education about employee rights and provide technical assistance. The bill also creates punitive measures, however, including penalties for employers who are noncompliant on recently passed laws, such as sick time and wage theft.

What's new: The bill was heard Feb. 27 in the House Business and Labor Committee.

What's next: OSBA opposes the bill because of impacts to school districts and will continue to meet with legislators to discuss concerns.

Dedicated TAG funding

[House Bill: 2419](#)

What it does: The bill would require a per-student expenditure for instruction of Talented and Gifted students. The expenditure, of either \$250 or \$300 depending on the size of the TAG program, would come directly from the State School Fund, effectively creating a new "carve out" from that fund.

What's new: The bill was heard Feb. 27 in the House Education Committee.

What's next: If it is voted out of the Education Committee, then it will go to the House Committee on Revenue because it changes a distribution formula. OSBA will monitor the bill's progress.

Predictive scheduling in the workplace

[Senate Bill 828](#)

What it does: The bill would require employers to pay employees for a minimum time of on-call duty and give workers the right to express a preference for their work hours. Absent a bona fide business reason, certain large employers would be required to grant an employee's scheduling request if it is based on a serious health condition of the employee, the employee's caregiving responsibilities for a family member, an additional employment commitment of the employee, changes in the employee's access to the workplace due to changes in the employee's transportation or housing arrangements, or the employee's participation in a career-related educational or training program.

What's new: The bill was heard Feb. 27 before the Senate Workforce Committee.

What's next: OSBA opposes the bill and will meet again with the sponsors and other legislators about the bill.

Statewide FFA support and funding

[Senate Bill: 230](#)

What it does: The bill would require the Oregon Department of Education to broadly support Future Farmers of America programs statewide. These supports would include registering students in agricultural education courses with the national FFA organization, requiring ODE to provide financial support for leadership development and training, and appropriating \$1.8 million from the General Fund to ODE for the Oregon FFA Association to pay for student registration. The bill would also require ODE to establish two grant programs: an incentive program to support public school agriculture and science programs, and a program for funding extended duty contracts for school district personnel to manage agricultural programs during the summer. The bill would permit funding for the grant programs to be drawn from the High School Graduation and College and Career Readiness Fund established by Ballot Measure 98 (2016).

What's new: The bill was heard March 2 in the Senate Education Committee.

What's next: If it is voted out of the Education committee, then it will go to the Joint Committee on Ways and Means because of the appropriation in the bill. OSBA will monitor the bill's progress.

The Week Ahead



March 3, 6 p.m. Members of the Joint Ways and Means Committee attend budget-focused town hall at Officers Mess Hall of Port of Tillamook Bay.

March 6, 8:30 a.m. Joint Ways and Means Education Subcommittee holds public hearing on the Department of Education ([SB 5516](#)) and the State School Fund ([SB 5517](#)).

March 6, 3 p.m. House Education Committee holds public hearing on clarifying student residency ([HB 2413](#)), studying virtual public charter schools ([HB 2720](#)) and improving agriculture courses ([HB 2382](#)).

(continued)

March 6, 3 p.m. Senate Workforce Committee holds public hearing on changes to PERS ([SB 200](#), [SB 214](#), [SB 464](#), [SB 791](#) and [SB 811](#)).

March 7, 8:30 a.m. Joint Ways and Means Education Subcommittee holds public hearing on the Department of Education ([SB 5516](#)) and the State School Fund ([SB 5517](#)).

March 7, 3 p.m. Senate Education Committee holds public hearing on allowing charter school athletes to compete on district teams ([SB 208](#) and [SB 536](#)) and holds work session on waiving fees for instructional materials ([HB 2257](#)).

March 8-10 State English Learners Alliance Conference in Eugene: www.cosa.k12.or.us/events/2017-state-english-learners-alliance-conference

March 8, 8:30 a.m. Joint Ways and Means Education Subcommittee holds public hearing on the Department of Education ([SB 5516](#)) and the State School Fund ([SB 5517](#)).

March 9, 8:30 a.m. Joint Ways and Means Education Subcommittee holds public hearing on the Department of Education ([SB 5516](#)) and the State School Fund ([SB 5517](#)).

March 9, 3 p.m. House Higher Education and Workforce Development Committee holds public hearing on allowing students without diplomas to attend community college ([HB 2439](#)) and revising types of programs considered accelerated college credit ([HB 2313](#)).

March 9, 3 p.m. Senate Education Committee holds public hearing on exception to providing benefit plans ([SB 387](#)) and studying incentives for math education ([SB 420](#)) and work session on requiring credits for advanced placement exams ([SB 207](#)).

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

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