MEASURE NUMBER:SB 318STATUS: A-EngrossedSUBJECT:School Improvement Fund uses and performance outcomesGOVERNMENT UNIT AFFECTED:Oregon Department of Education; Local Education AgenciesPREPARED BY:Adrienne SextonREVIEWED BY:Daron HillDATE:February 6, 2007

EXPENDITURES: See Comments. <u>2007-2009</u>

<u>2009-2011</u>

POSITIONS / FTE: See Comments.

EFFECTIVE DATE: July 1, 2007

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure would specifically allow grants from the School Improvement Fund (Fund) to be used for a number of program enhancements, including quality prekindergarten and full-day kindergarten programs, class size reduction with an emphasis on kindergarten through grade 3, teacher mentoring and retention, improving student achievement gaps, and vocational education and literacy efforts. The Oregon Department of Education (ODE) would evaluate whether grant recipients were meeting district or program goals for increasing student achievement and performance targets.

ODE would also set up a new program of monetary rewards for those districts and programs that show progress beyond the standard expectations. The measure is silent on how the monetary rewards program would be structured, but it allows the department to set aside Fund moneys for the monetary rewards, and then determine the total amount available for grants.

Two issues relate to this measure's fiscal effect. The Fund was de-funded in the 2002 Third Special Session. HB 5021 (2007 Session) proposes a \$10 million General Fund appropriation to the Fund for grants to increase student achievement and implement new Oregon high school diploma requirements, and a \$50 million General Fund appropriation for grants to increase school achievement. If both SB 318 and HB 5021 are enacted, ODE has no staffing in place to administer grants, evaluate district and program progress toward goals, establish and implement a monetary rewards program, and develop an annual report. Based on the program scope in SB 318, ODE anticipates requiring three positions for program success: one full-time Research Analyst 4; one Administrative Specialist 1 (.25 FTE), and one Principal Executive Manager E (.25 FTE). A nominal amount of Information Systems Specialist 7 time would also be needed. If all positions were hired on the effective date of the measure, the 2007-09 biennial total Personal Services and Services and Supplies would be approximately \$243,000 General Fund. The 2009-11 biennium expenditures would be approximately \$234,000, assuming continued appropriations to the Fund to maintain the program level.