

EXECUTIVE ORDER NO. EO - 99 - 15

GOVERNOR'S PROCESS FOR FORECASTING K-12 SCHOOL FUNDING

WHEREAS, funding for K-12 schools now comprises almost half the State General Fund budget; and

WHEREAS, the primary source of revenue for K-12 schools is the State General Fund; and

WHEREAS, the State's calculation of a "current service level" budget for K-12 schools has not and cannot be developed at the level of detail as for other state programs; and

WHEREAS, K-12 schools require additional and more timely information on reasonable assumptions of a current service level budget to assist them in planning for their annual budgets;

THEREFORE IT IS HEREBY ORDERED AND DIRECTED:

1. The Oregon Department of Administrative Services (DAS) shall annually forecast a statewide allowable growth factor of general operating revenue per ADM_w that can be reasonably expected for each of the next three fiscal years by K-12 education districts. That forecast will consider:
 - a. Projected changes in the cost of personal services, other services, supplies and capital outlay; and
 - b. Forecasted local revenues as provided by the Oregon Department of Administrative Services, Legislative Fiscal Officer, Legislative Revenue Officer and Department of Revenue.
2. The Oregon Department of Administrative Services shall annually provide this forecast in conjunction with the December 1 Oregon Economic and Revenue Forecast.
3. With the agreement of the Superintendent of Public Instruction, the Oregon Department of Education will calculate, based upon current law, the distribution of those revenues and shall provide K-12 education districts with those forecasts annually in January of each year.
4. K-12 education districts should use these forecast revenues in the formulation of their budgets and other considerations for expenditure levels, including collective bargaining, contractual commitments, and program changes.

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5. The State Board of Education will provide, in rule, procedures for K-12 education districts to report conditions that do not allow them to operate within the forecast revenue.

6. The Department of Administrative Services will form a "School Revenue Forecast Committee" to review the statewide average ADM_w forecasts. This committee shall consist of representatives from the Oregon Department of Education, the Legislative Fiscal Office, the Legislative Revenue Office, K-12 stakeholders from school districts, labor unions and the Legislature. This committee will meet in the fall prior to each annual forecast. Notwithstanding the requirement to provide the allowable growth factor in conjunction with the December 1 Oregon Economic and Revenue Forecast, the first allowable growth factor forecast will be provided subsequent to the convening of the School Revenue Forecast Committee.

Done at Salem, Oregon this 28 day of October, 1999.

/S/

John A. Kitzhaver, M.D.

Governor

ATTEST:

/S/

Phil Keisling

Secretary of State