

# Education System Overview

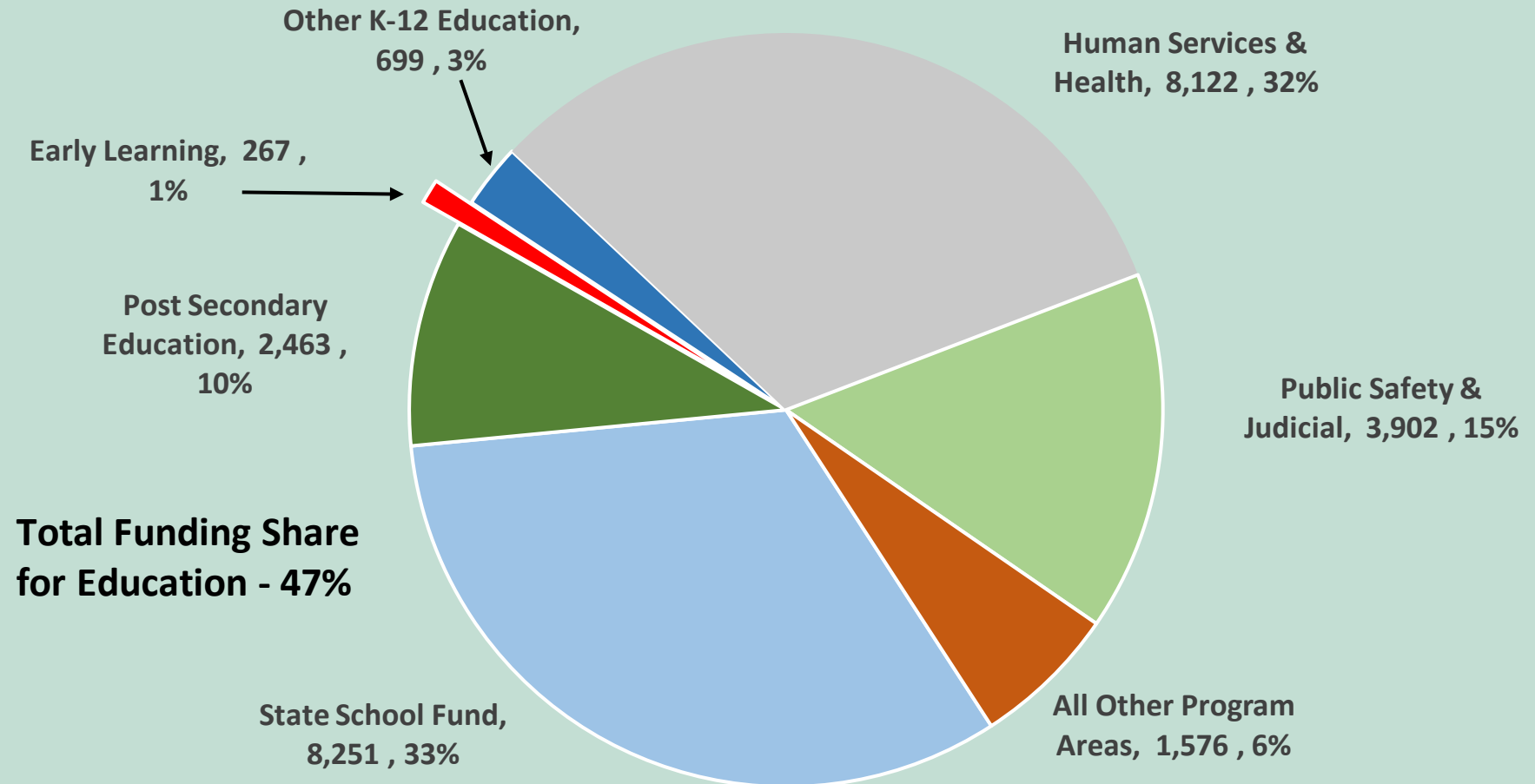
**Presentation to the Education Subcommittee  
Joint Committee on Ways and Means**

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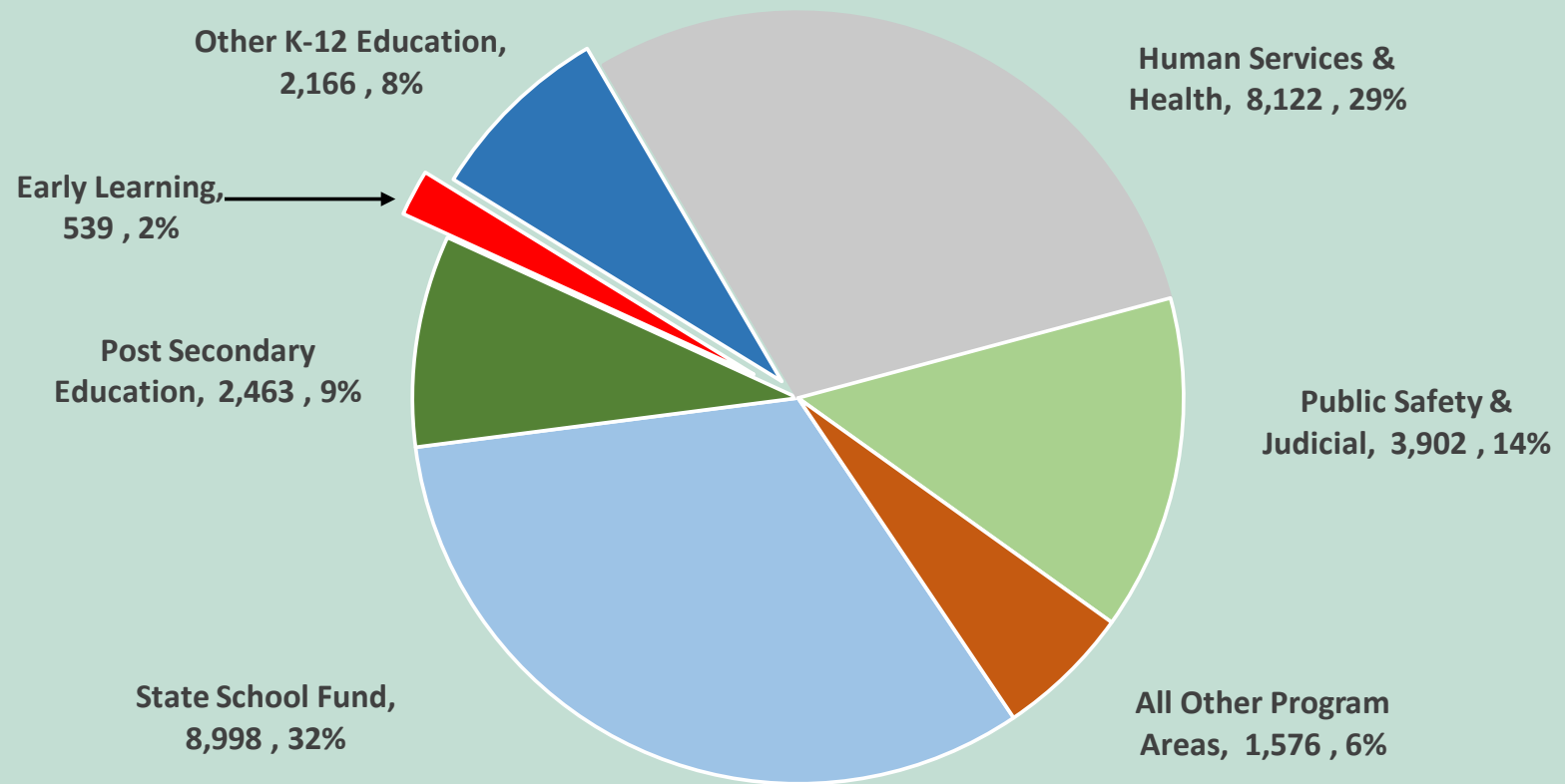
**Legislative Fiscal Office  
February 17, 2021**

# General Education Funding

**Total State Budget  
2021-23 Current Service Level  
General Fund and Lottery Funds  
\$25,280 Million**

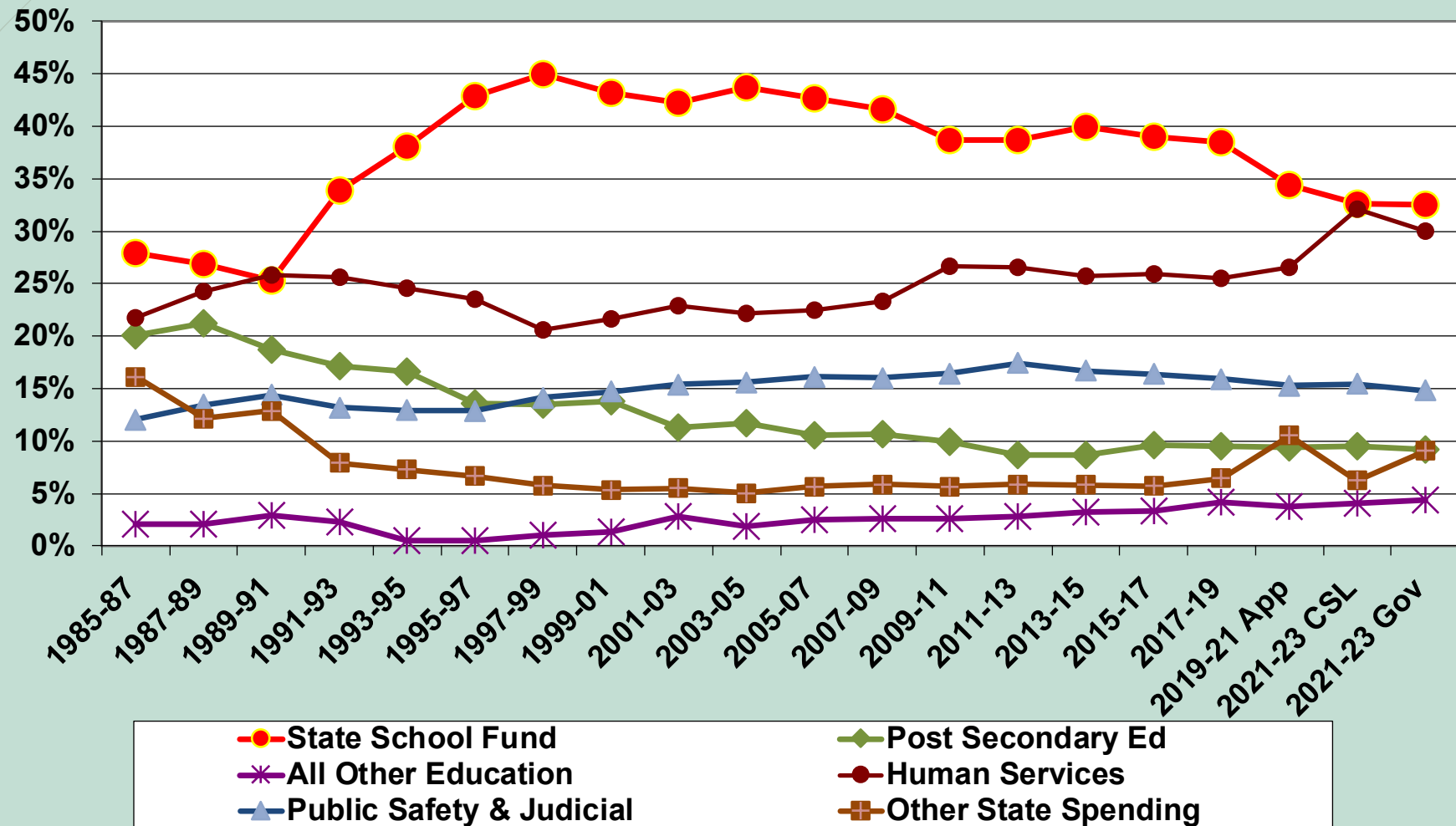


**Total State Budget  
2021-23 Current Service Level  
General, Lottery, Student Success & Marijuana Funds  
\$27,765 Million**

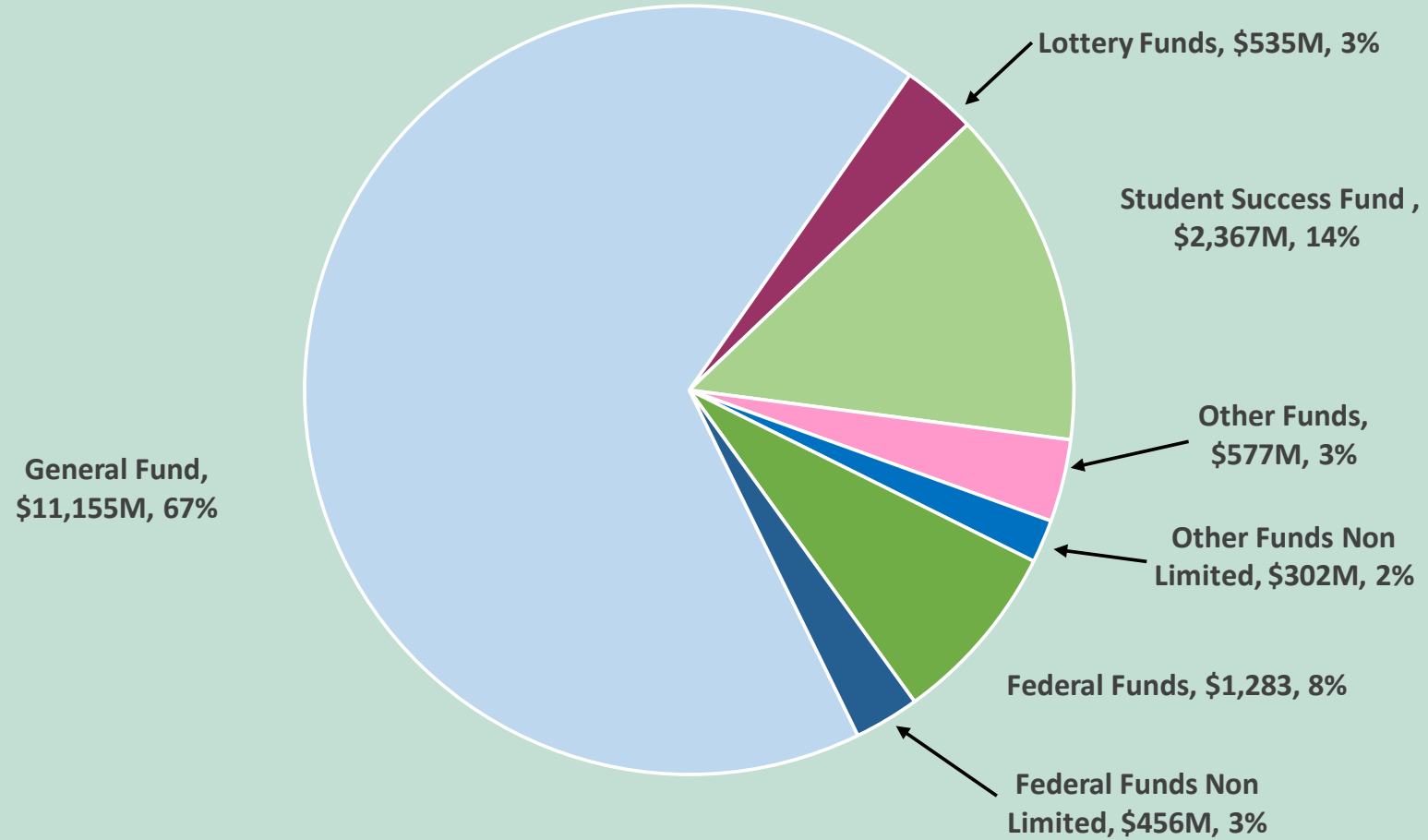


## General and Lottery Funds by Spending Area as % of Total Spending

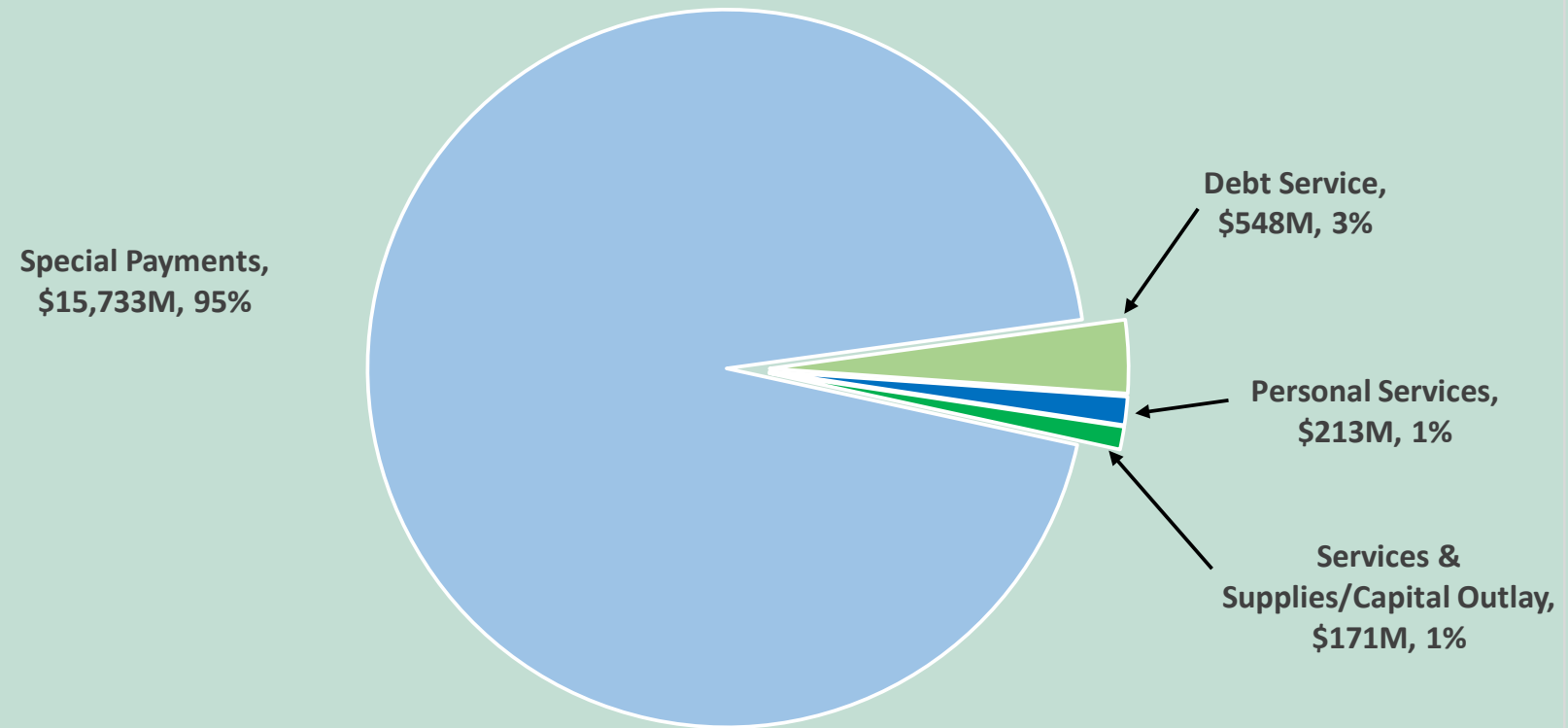
*Includes Stimulus Funds That Replaced GF*



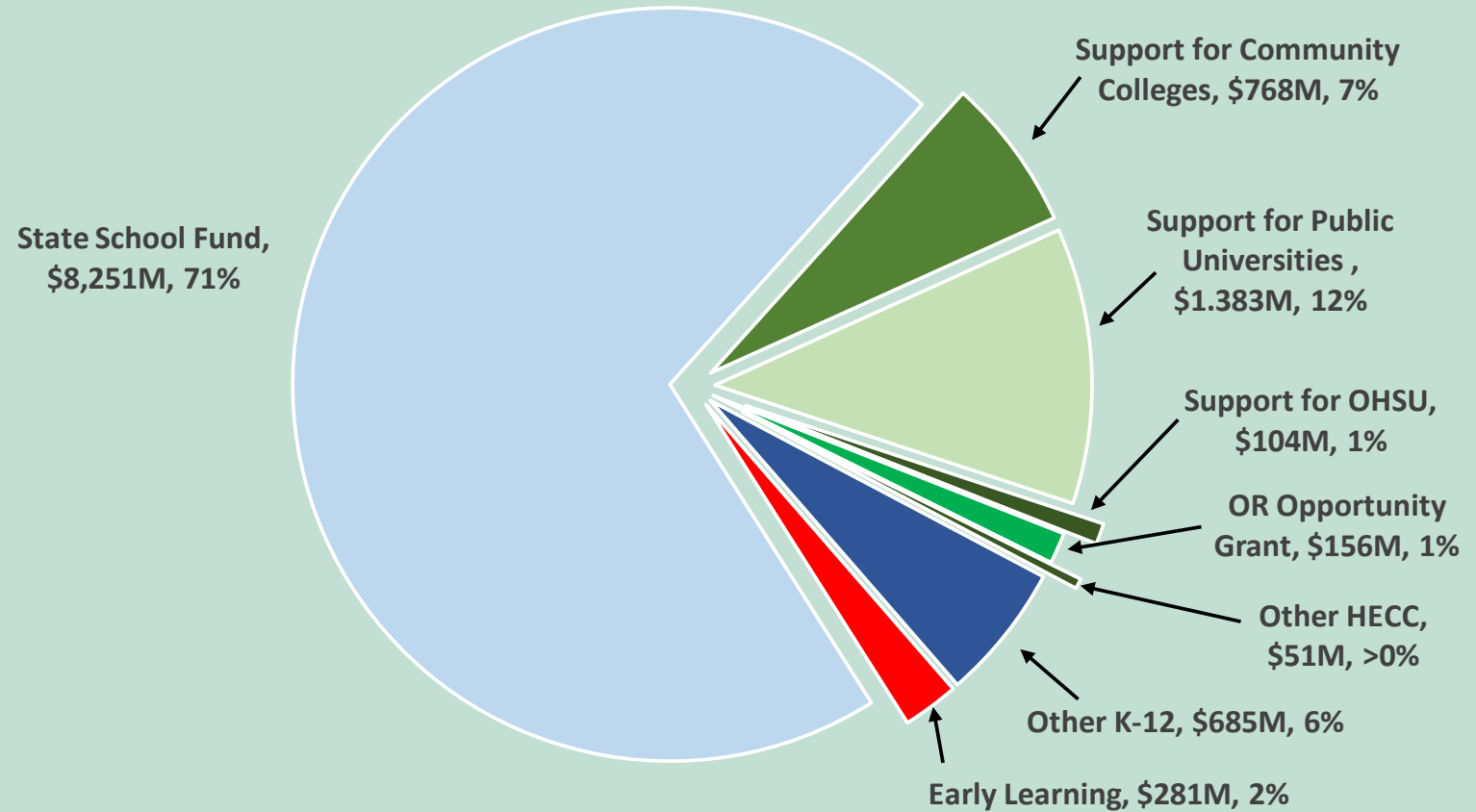
**Education Program Area  
2021-23 Current Service Level  
Total Funds = \$16,665 Million**



**Education Program Area by Category**  
**2021-23 Current Service Level**  
**Total Funds = \$16,665 Million**

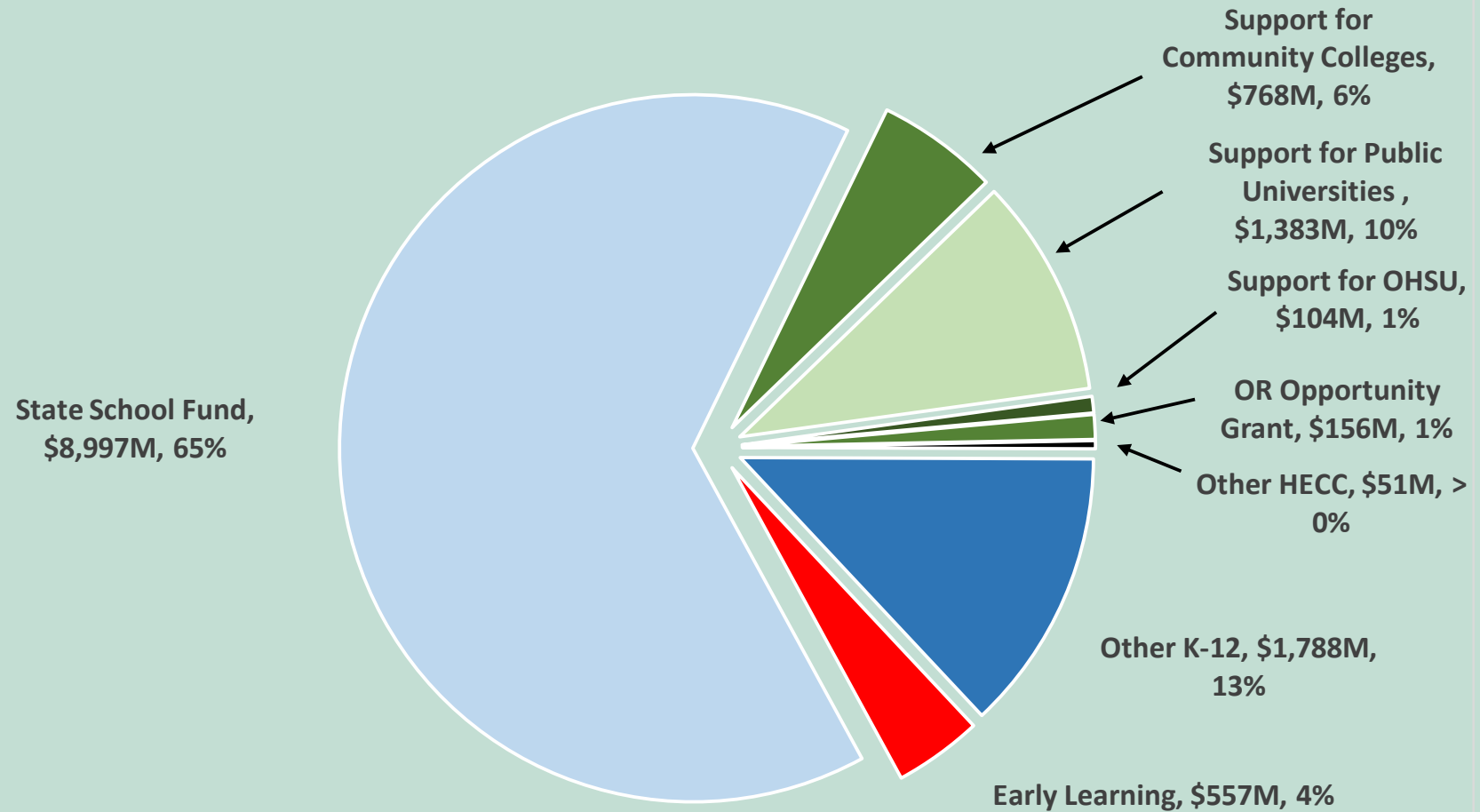


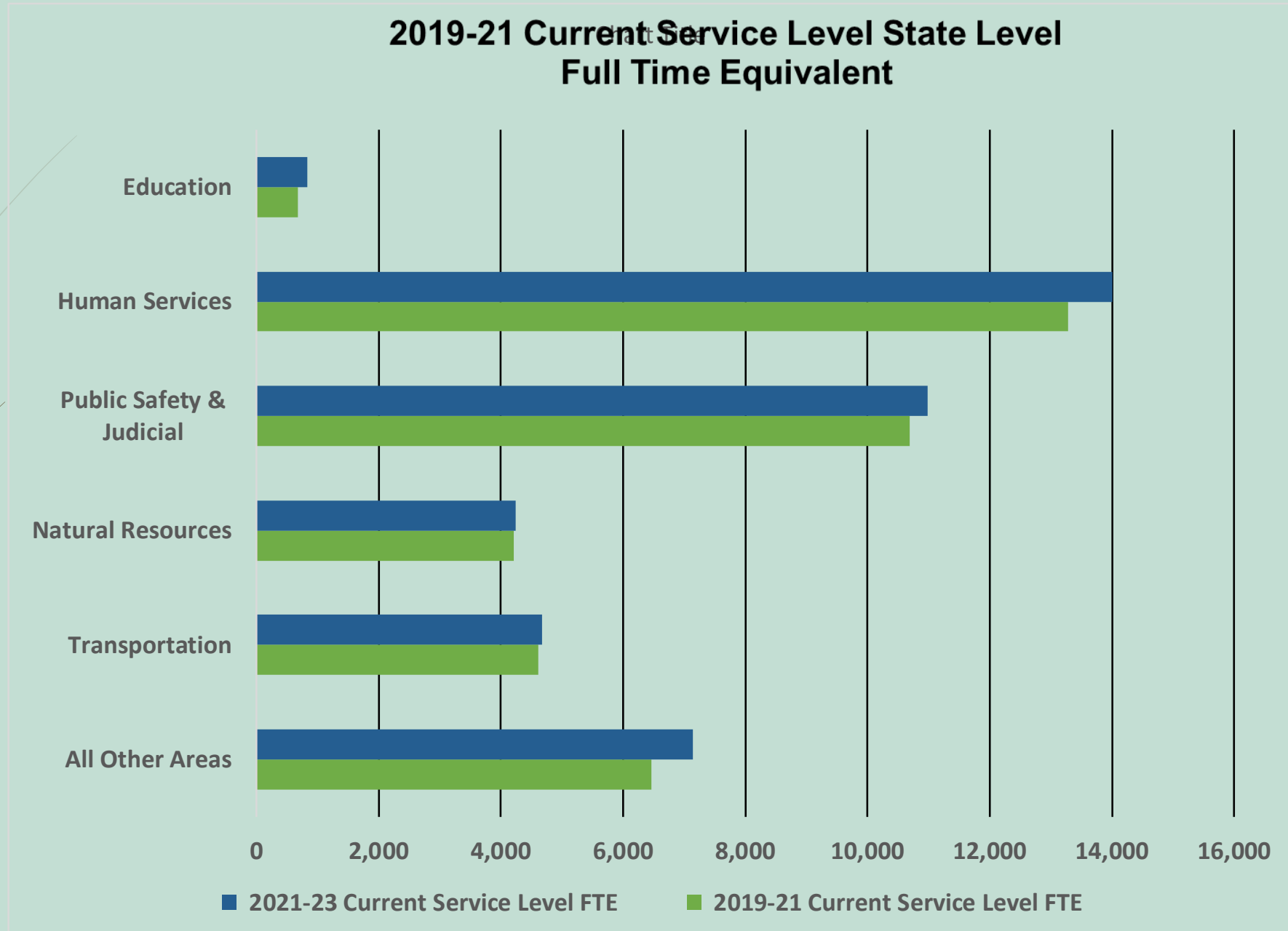
**2021-23 Current Service Level Budget -- Education Program Area**  
**General and Lottery Funds**  
**Total Amount = \$11,680 Million**





**2021-23 Current Service Level Budget -- Education Program Area**  
**General & Lottery Funds, Student Success Fund & Marijuana Tax**  
**Total Amount = \$13,805 Million**





# Early Learning Programs

# Major Early Learning Programs

- Oregon Pre-Kindergarten (OPK)
- Early Headstart
- Healthy Families Oregon
- Preschool Promise
- Early Learning Equity Fund
- Relief Nurseries
- Employment Related Daycare (ERDC)
- Parenting Education
- Baby Promise
- Kindergarten Readiness Partnership and Innovation Grants

# Early Learning Infrastructure

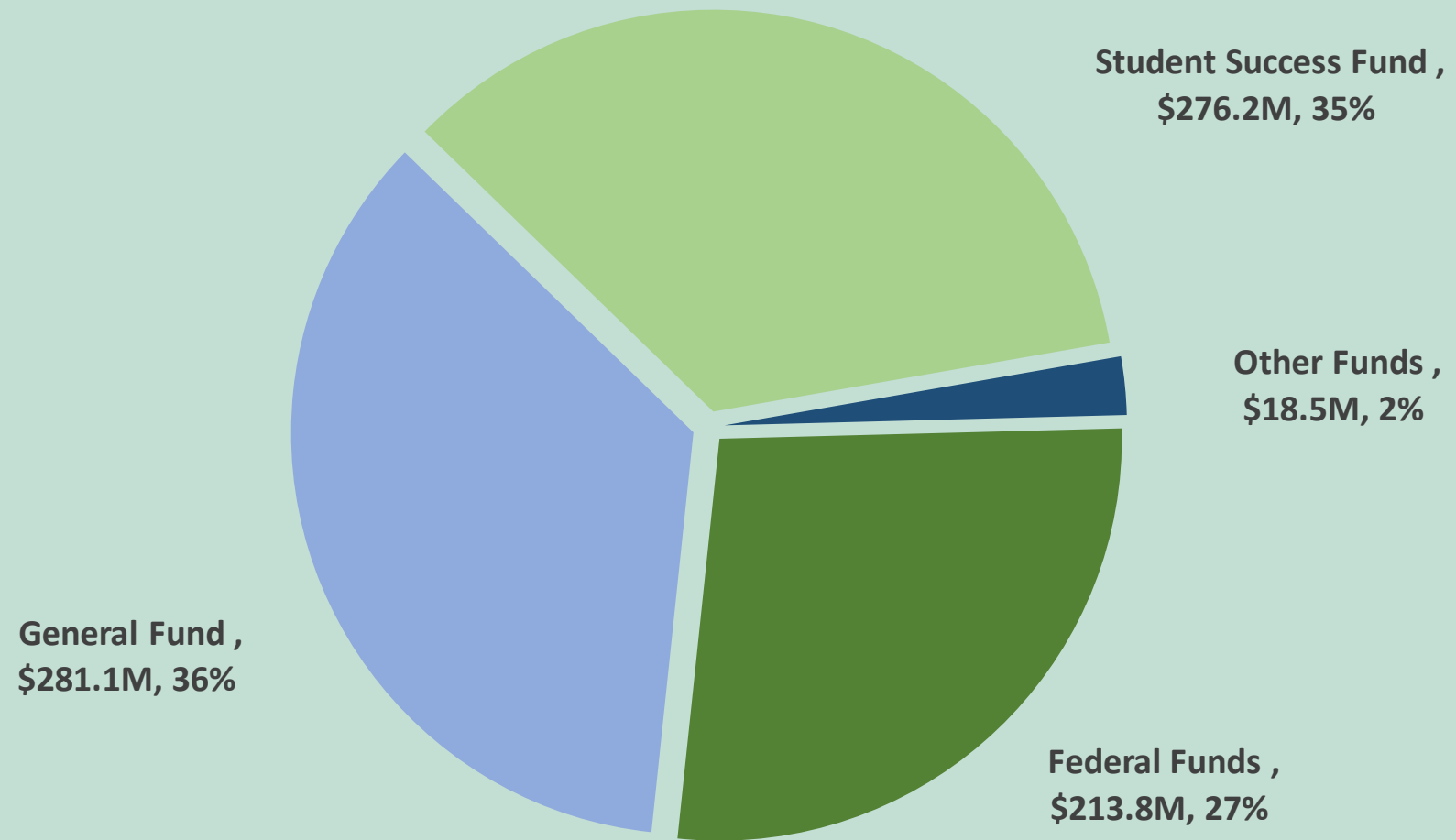
## ➤ *Quality Insurance & Technical Assistance*

- Federal & State Regulations
- Office of Child Care
- Child Care Resource & Referral (CCR&Rs)
- Early Learning Hubs

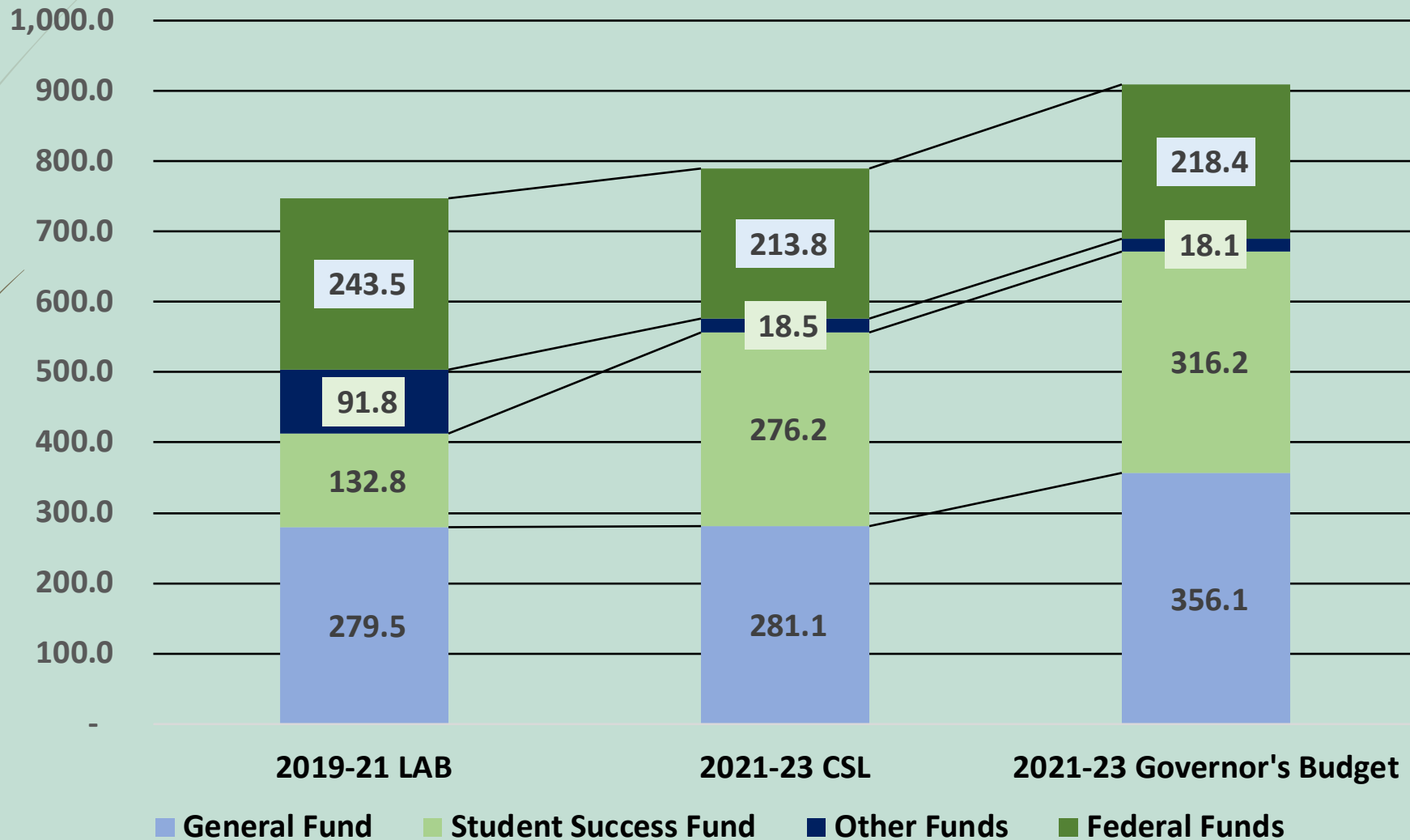
## ➤ *Providers*

- Relief Nurseries
- Licensed and Licensed Exempt Providers
  - Registered Family Child Care
  - Providers Certified Family Child Care
  - Certified Child Care Center
  - Recorded Programs
  - Regulated Subsidy Providers

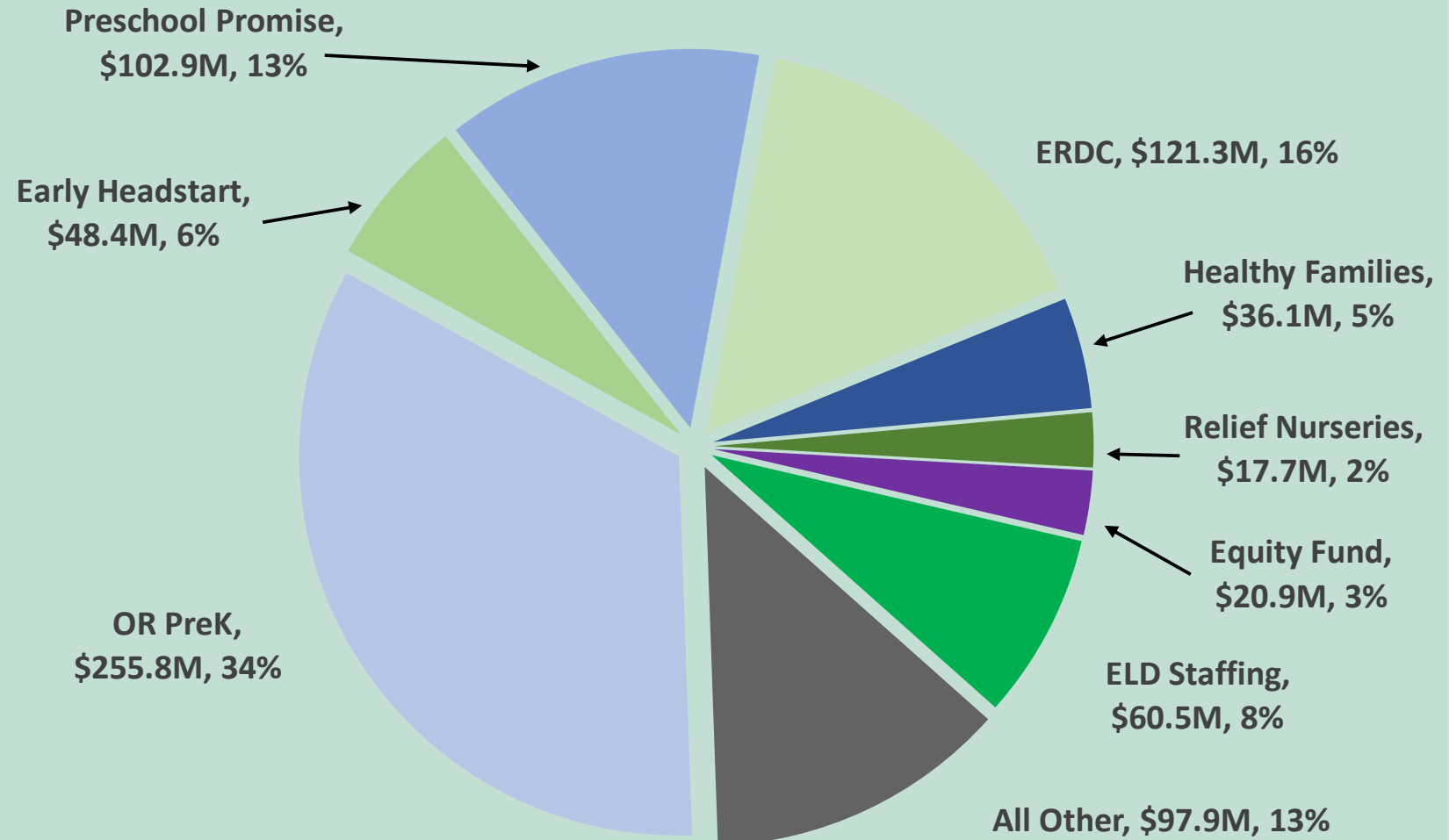
**2021-23 Current Service Level -- Early Learning Programs**  
**Fund Type -- Total Funds = \$789.5 Million**



**Early Learning Programs by Fund Type**  
**2019-21 to 2021-23**  
**Millions of Dollars**



**2021-23 Current Service Level Early Learning Programs**  
**Total Funds = \$789.5 Million**





## Major Early Learning Programs Funding

|                                     | 2019-21 Leg Approved |                       |             | 2021-23 Current Service Level |                      |             | 2021-23 Governor's Budget |                     |             |
|-------------------------------------|----------------------|-----------------------|-------------|-------------------------------|----------------------|-------------|---------------------------|---------------------|-------------|
| Program                             | General Fund         | Student Success Funds | Total Funds | General Fund                  | Student Success Fund | Total Funds | General Fund              | Student Success Act | Total Funds |
| Oregon Pre-Kindergarten (OPK)       | \$156.4              | \$44.4                | \$200.8     | \$163.2                       | \$92.6               | \$255.8     | \$181.9                   | \$103.9             | \$285.8     |
| Early Head Start                    | \$1.7                | \$22.3                | \$24.0      | \$1.8                         | \$46.6               | \$48.4      | \$5.4                     | \$48.8              | \$54.2      |
| Preschool Promise Program           | \$37.1               | \$30.8                | \$67.9      | \$38.3                        | \$64.7               | \$102.9     | \$78.3                    | \$88.7              | \$167.0     |
| Equity Fund                         | \$0.0                | \$10.0                | \$10.0      |                               | \$20.9               | \$20.9      | \$2.2                     | \$22.2              | \$24.4      |
| Heathy Families Program             | \$25.7               | \$2.0                 | \$32.6      | \$26.8                        | \$4.2                | \$36.0      | \$29.0                    | \$5.5               | \$39.5      |
| Relief Nurseries Program            | \$9.4                | \$2.8                 | \$14.2      | \$9.8                         | \$5.8                | \$17.7      | \$9.8                     | \$5.8               | \$17.7      |
| Kindergarten Partnership/Innovation | \$8.7                |                       | \$8.7       | \$9.1                         | \$0.0                | \$9.1       | \$9.1                     |                     | \$9.1       |
| Baby Promise                        |                      |                       | \$11.0      |                               |                      | \$11.0      |                           |                     | \$11.0      |
| Employment Related Day Care (ERDC)* |                      |                       | \$120.2     |                               |                      | \$121.3     |                           |                     | \$121.3     |

\* ERDC funding does not include General Funds resources appropriated directly to the Department of Human Services

## Major Early Learning Programs Slots

| Program                             | 2019-21 Leg Approved  |                       |                   | 2021-23 CSL             |                   | 2021-23 Gov's Budget    |                   |
|-------------------------------------|-----------------------|-----------------------|-------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                     | Avg # of Slots Year 1 | Avg # of Slots Year 2 | Avg Cost Per Slot | Avg # of Slots Per Year | Avg Cost Per Slot | Avg # of Slots Per Year | Avg Cost Per Slot |
| Oregon Pre-Kindergarten (OPK)*      | 7,564                 | 7,731                 | \$14,900          | 20,140                  | \$14,900          | 22,340                  | \$14,900          |
| Early Head Start                    | 64                    | 1,136                 | \$21,108          | 2,156                   | \$21,108          | 2,341                   | \$22,000          |
| Preschool Promise Program           | 1,389                 | 3,897                 | \$12,842          | 5,820                   | \$17,457          | 9,012                   | \$17,457          |
| Equity Fund                         |                       | 3,196                 | \$3,129           | 6,529                   | \$3,129           | 7,529                   | \$3,129           |
| Heathy Families Program             | 1,844                 | 1,965                 | \$8,300           | 4,334                   | \$8,300           | 4,757                   | \$8,300           |
| Relief Nurseries Program            | NA                    | NA                    | NA                | NA                      | NA                | NA                      | NA                |
| Kindergarten Partnership/Innovation | NA                    | NA                    | NA                | NA                      | NA                | NA                      | NA                |
| Baby Promise                        | 205                   | 205                   | \$18,000          | 205                     | \$21,800          | 205                     | \$21,800          |
| Employment Related Day Care (ERDC)* | 8,421                 | 8,421                 | \$900             | 8,421                   | \$900             | 8,421                   | \$900             |

\* OPK slots represents both half-day and full-day slots. The average cost is an average between half-day and full-day slots.

\* ERDC funding does not include General Funds resources appropriated directly to the Department of Human Services

# Governor's Budget Increase Over CSL Total Funds

- OR PreK -- \$30.0 million increase (2,200 slots annually)
- Early Intervention preschool -- \$5.8 million increase (185 slots annually)
- Preschool Promise -- \$64.0 million increase (3,192 slots annually)
- Early Learning Equity Fund -- \$3.5 million increase (1,000 slots annually)
- Healthy Families -- \$3.5 million increase
- Parenting Education program -- \$2.0 million increase
- Services (e.g., mental health) and supports to prevent or reduce suspensions and expulsions -- \$5.8 million
- New Tribal Early Learning Hub -- \$0.6 million

# COVID-19 Assistance for Child Care

- **Governor's Emergency Education Relief (GEER)**
  - Emergency Supplies -- \$1.31 million
  - Relief Nurseries Respite Care -- \$0.90 million
  - Child Care Grant for Tribes -- \$0.30 million
  
- **CARES Act Specific Child Care Funding**
  - Emergency Child Care Assistance (Round 1) -- \$7.87 million
  - Employment Related Day Care (ERDC) Zero Co-pays -- \$14.1 million
  - Building Supply of Providers -- \$6.20 million
  - Child Care PPE Supplies -- \$1.2 million
  - Telehealth Hotline (OHSU) -- \$0.25 million
  - Staffing and Other Costs -- \$0.19 million

# COVID-19 Assistance Continued

## ➤ Coronavirus Relief Fund (Round 1)

- Emergency Child Care Assistance (Round 2) -- \$24.97 million
- Emergency Child Care Assistance for Licensed Providers (Round 3) -- \$4.17 million
- Emergency Child Care Assistance for ODHS Providers (Round 3) -- \$0.50 million
- COVID-19 Training -- \$0.35 million

## ➤ Coronavirus Relief Fund (Round 1)

- Assistance for School-Age Children (YMCA/BGC) -- \$7.50 million
- Emergency Child Care Assistance (Round 4) -- \$33.10 million
- ODHS Friends and Family Network Providers -- \$3.00 million
- Administrative Related Costs -- \$0.20 million

# COVID-19 Assistance Continued

- General Fund Distributed by E Board in January 2021
  - Residential and Day Camps -- \$10.00 million
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) – Passed in Late December 2020 by Congress
  - Expecting approximately another \$103 million
- Overall have or will receive over \$215 million in COVID-19 Assistance

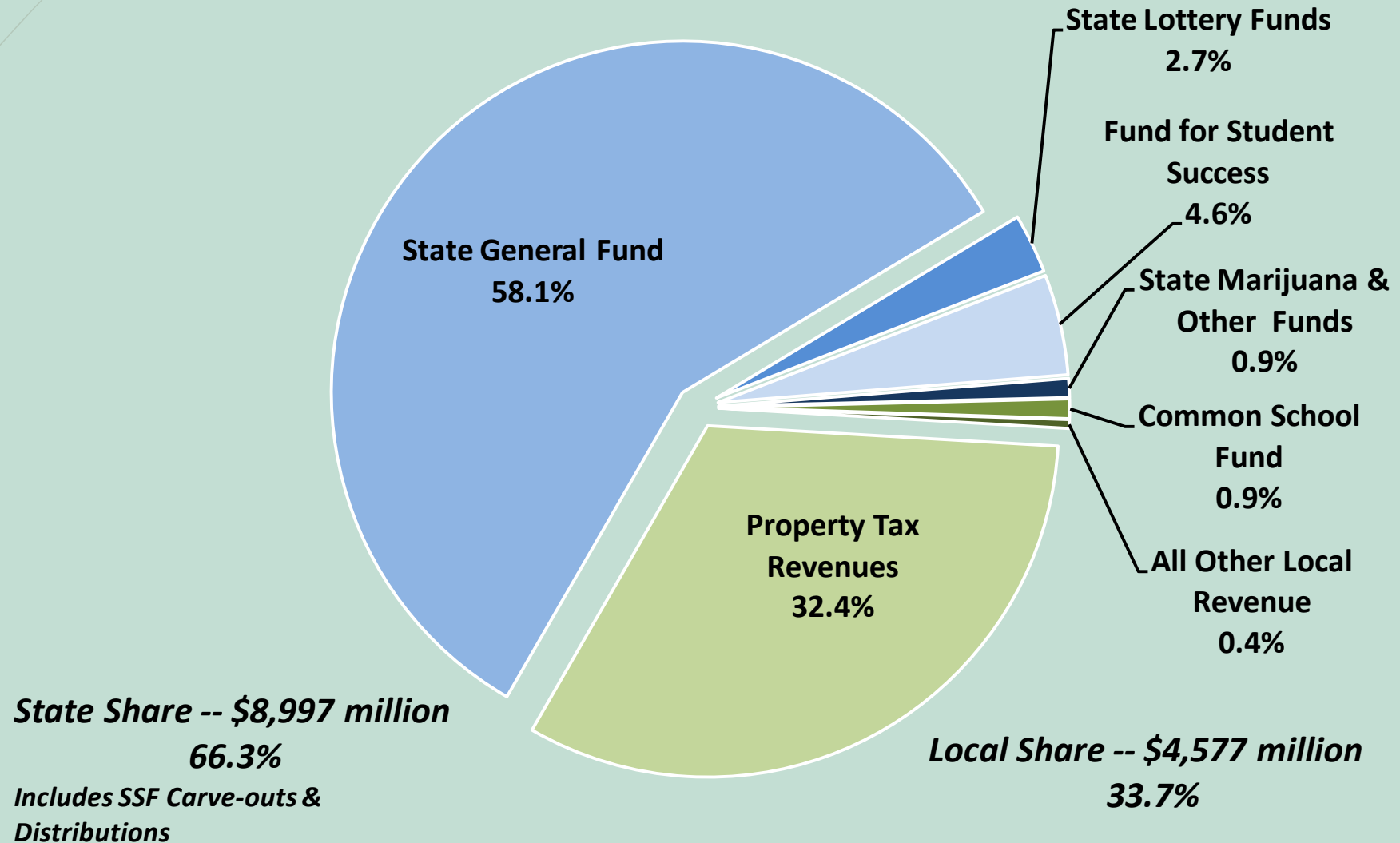
# Challenges & Opportunities

- **Post-COVID-19 Child Care**
  - When?
  - What will the supply of providers look like?
- **When normal, is capacity there to meet funding and demand**
- **Changing federal regulations and funding (changing state regs)**
- **Early Learning Hubs & Child Care Resource and Referral (CCR&Rs)**
- **State Level Organization (Separate State Agency)**

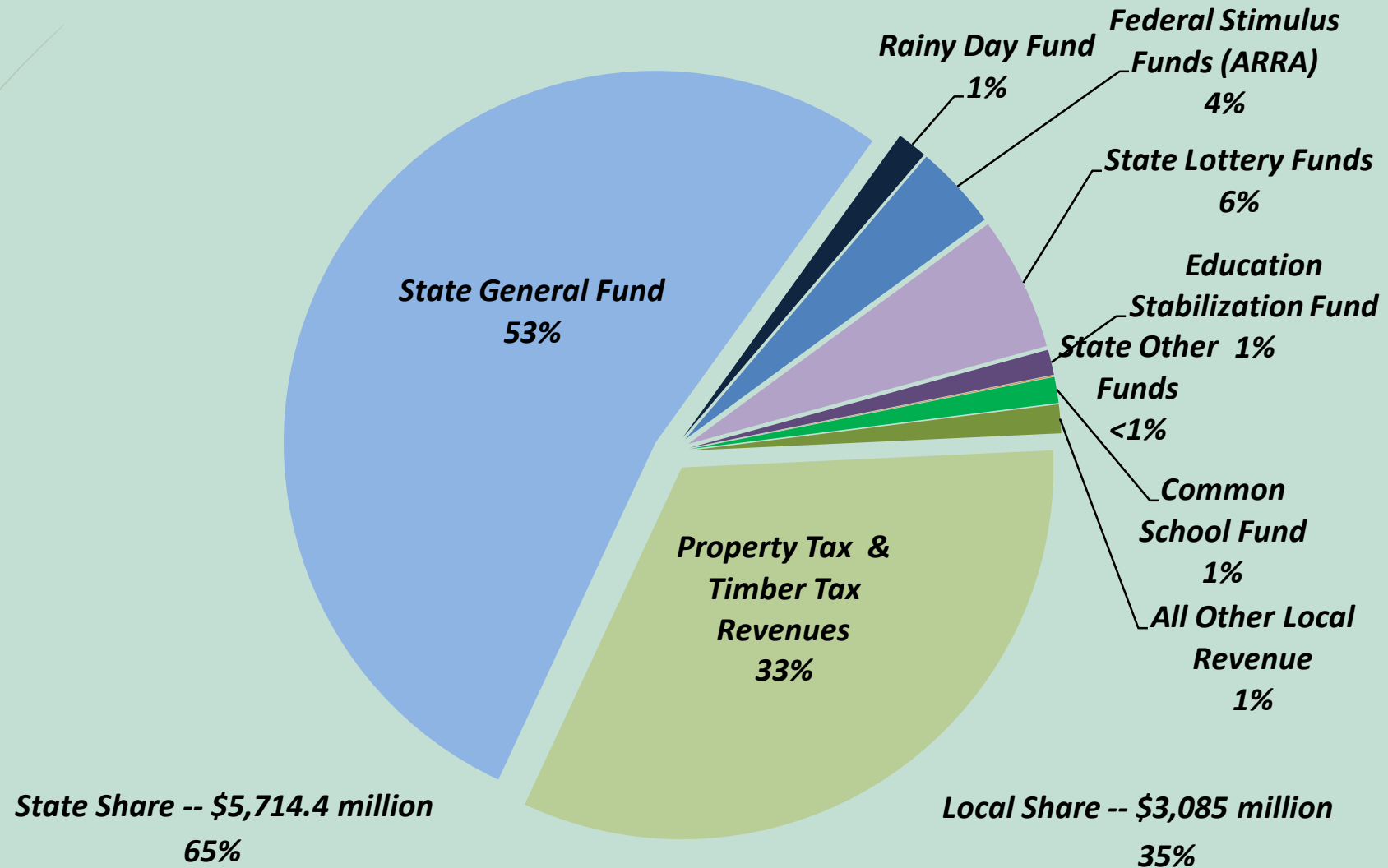
# K-12 Education



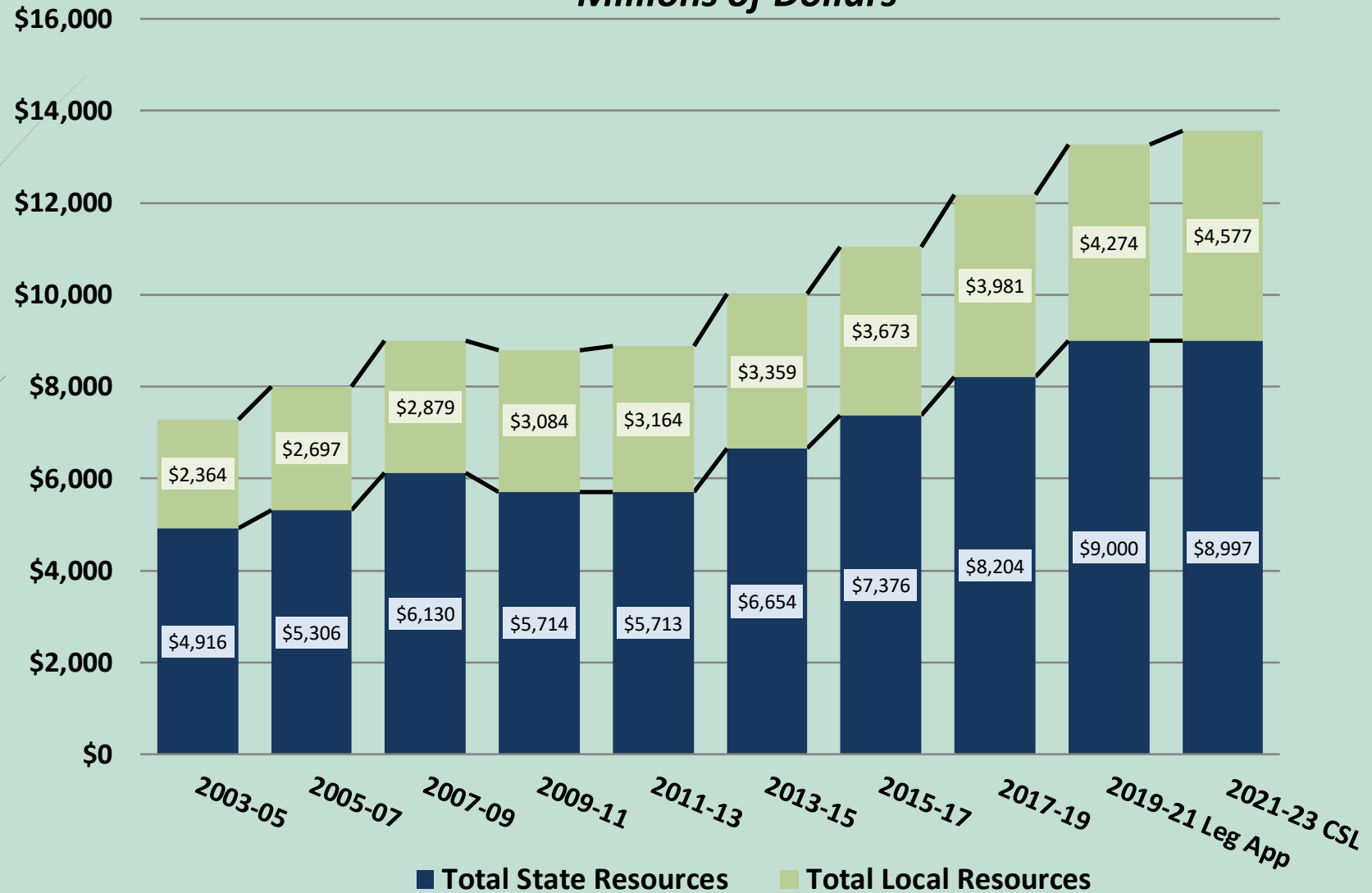
## 2021-23 Current Service Level School Formula Resources



## 2009-11 School Formula Resources



## School Formula Funding *Millions of Dollars*



*Includes SSF Carve-outs & Distributions*

# Distribution to School Districts & ESDs

- State School Fund + Local Revenues (e.g., Property Tax) = Formula Funding Available to School Districts & ESDs
- Provides roughly 80% of general operating resources to districts
- A number of “Carve-outs” & distributions are subtracted prior to the formula distribution including Small School District Grants, Educator Advancement Council, English Language Learners, Free and Reduced Lunch Program, Long Term and Treatment, and Local Option Equalization Grants.
- Remainder is distributed to school districts (95.5%) and ESDs (4.5%).

# Distribution to School Districts & ESDs

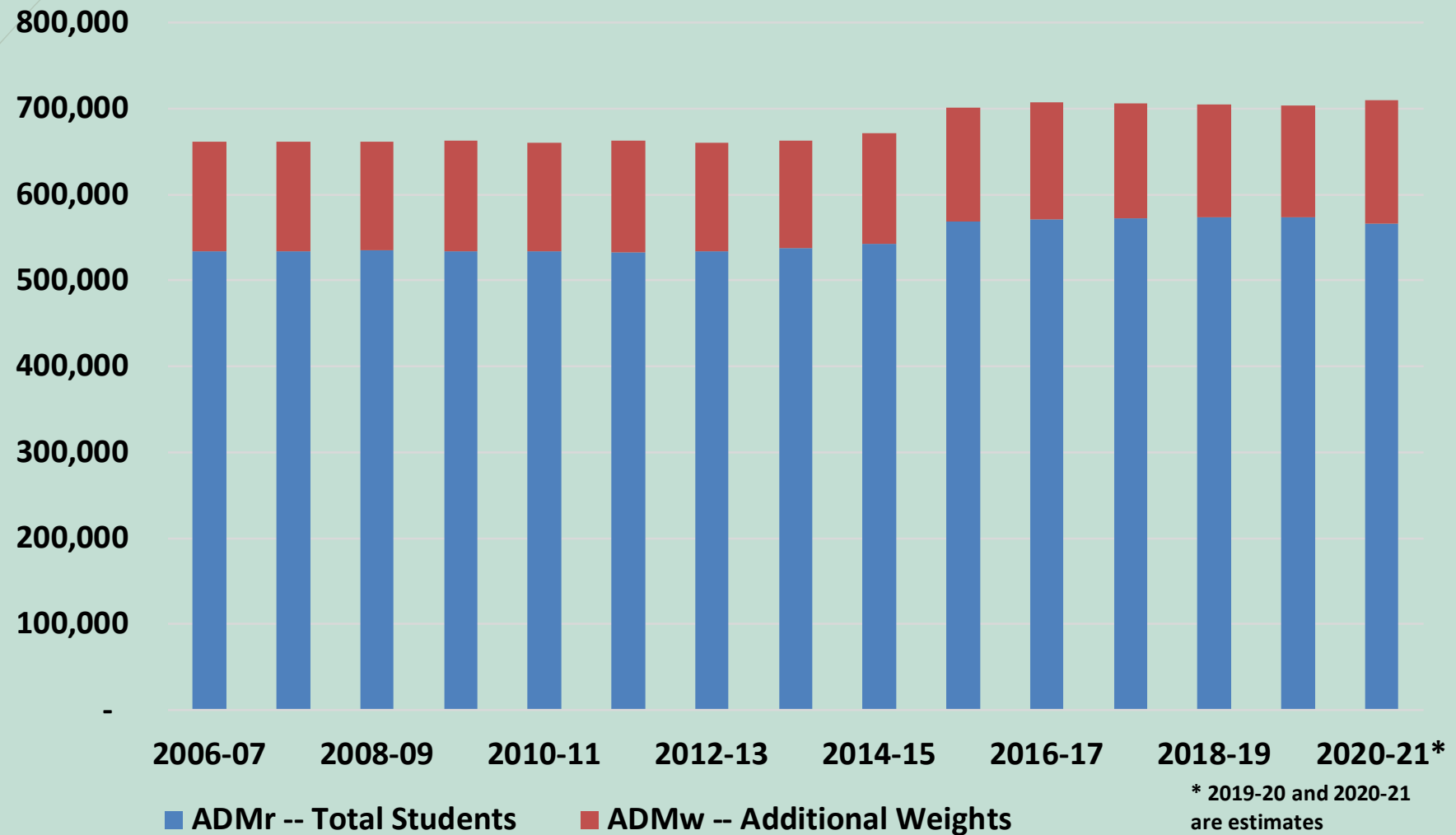
## Continued

- Further carve-outs are made from the School District and ESD “Pools” – e.g., High-Cost Disability Grants, Transportation grants and Facility Grants From the School District share.
- Distribution to individual districts are made through a statutory formula based on a district’s share of total students (ADMr) and specific weights including:
  - IEP (Special Education) – 1.0
  - English as a Second Language – 0.5
  - Pregnant and Parenting – 1.0
  - Poverty – 0.25
  - Small School Correction – 1.0
  - Foster Care -- 0.25
  - Neglected/Delinquent – 0.25
- Districts earn formula resources from these weights but do not necessarily have to spend resources based on these weights.

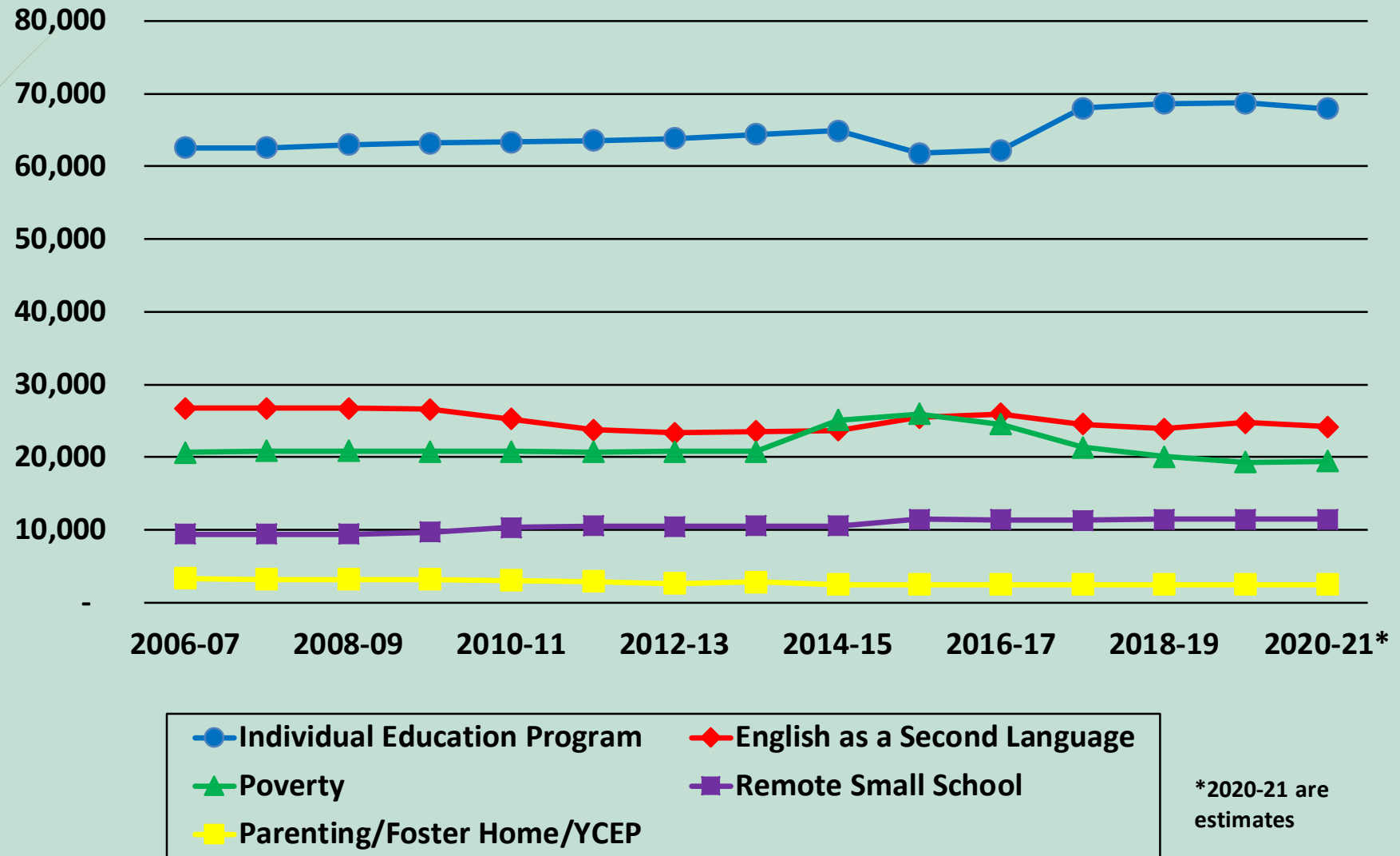
## Average Daily Membership (ADM) History

### Number of Students (ADM<sub>r</sub>) With Additional Weights (ADM<sub>w</sub>)

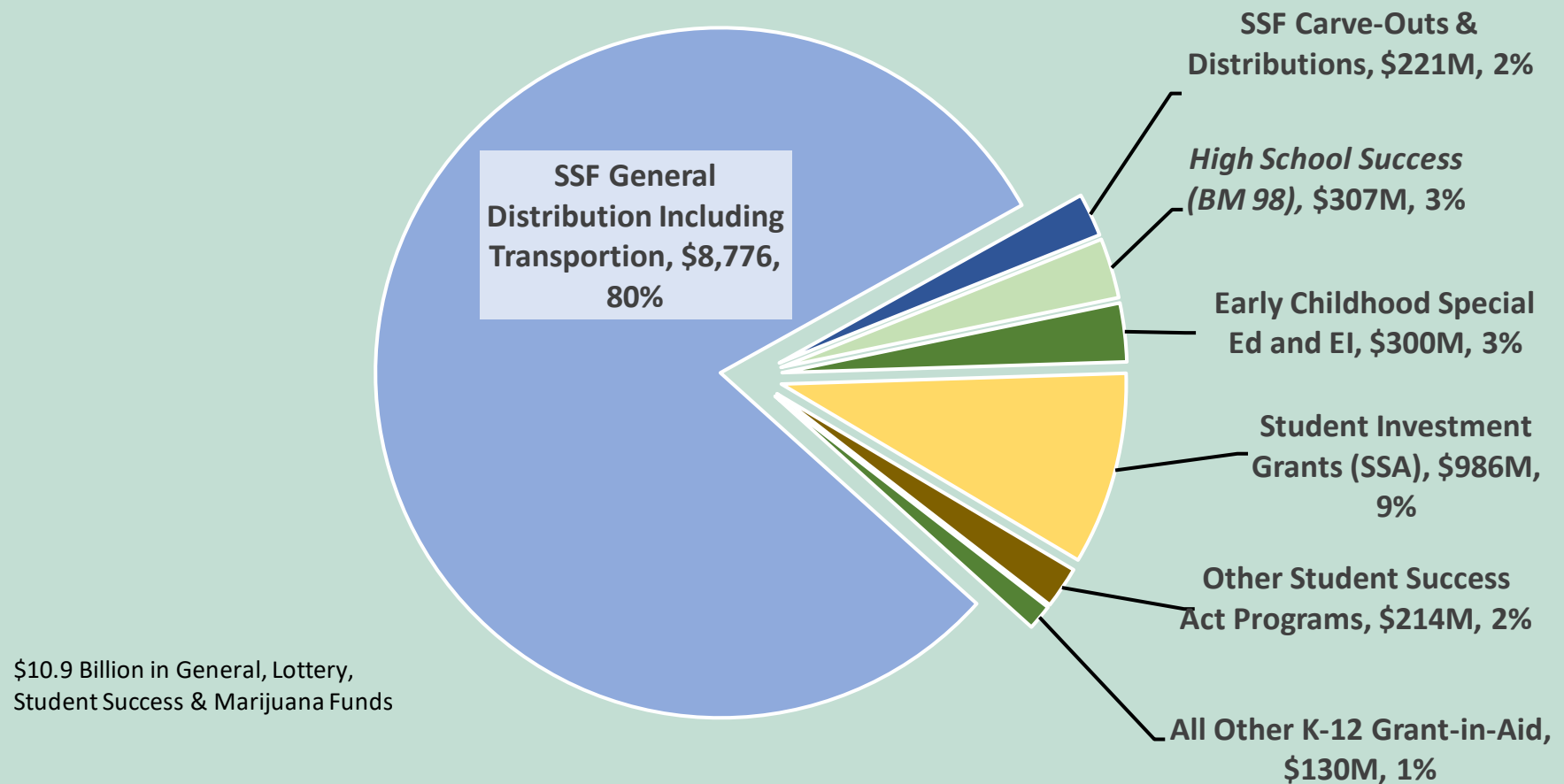
2006-07 to 2020-21\*



## Additional Weights for School Funding Formula 2006-07 to 2020-21\*



**State School Fund and K-12 Grant-in-Aid  
2021-23 Current Service Level  
General, Lottery, Student Success & Marijuana Funds  
Millions of Dollars**

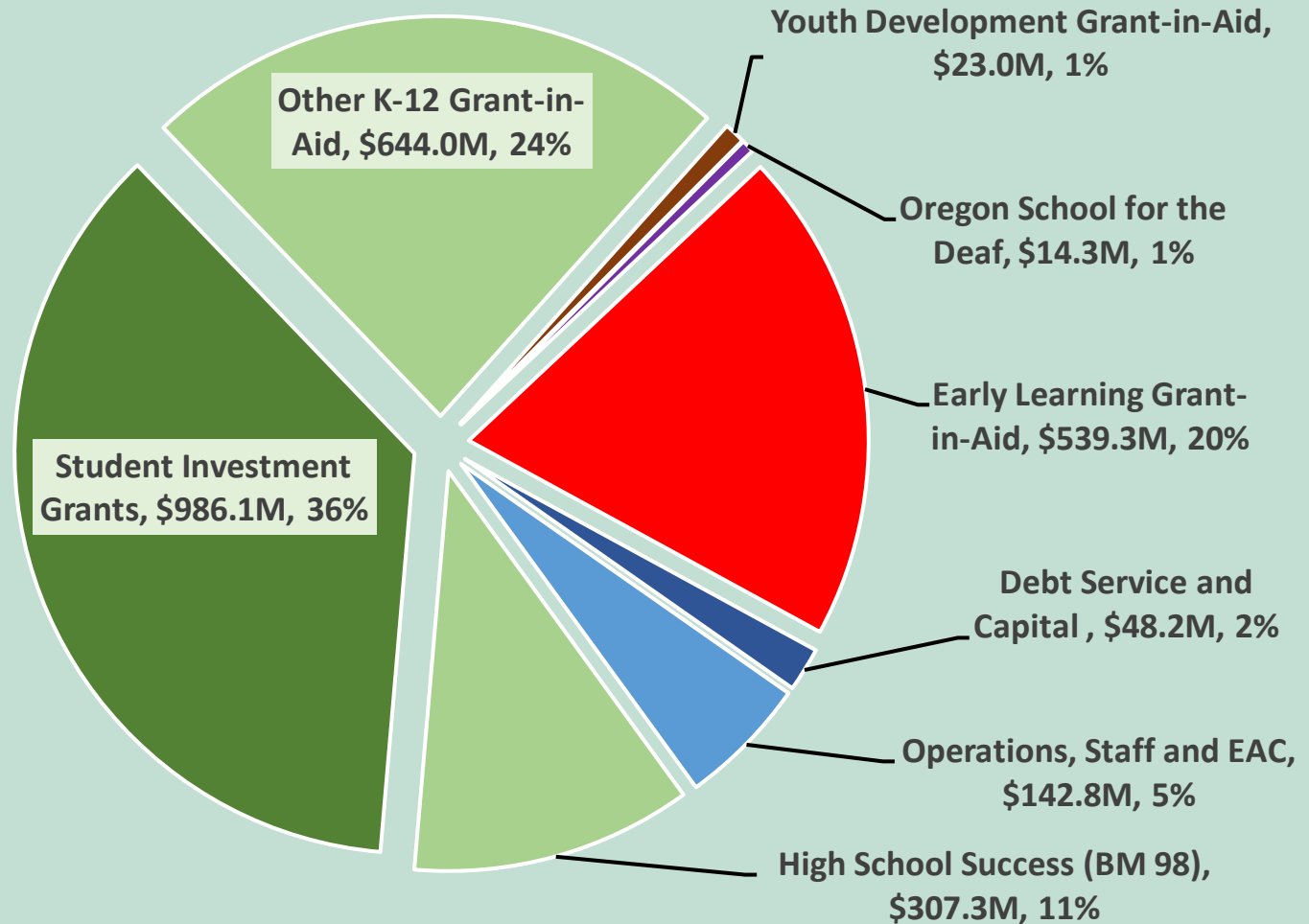




# Oregon Department of Education 2021-23 CSL Budget

## General & Student Success Funds -- \$2,705 Million

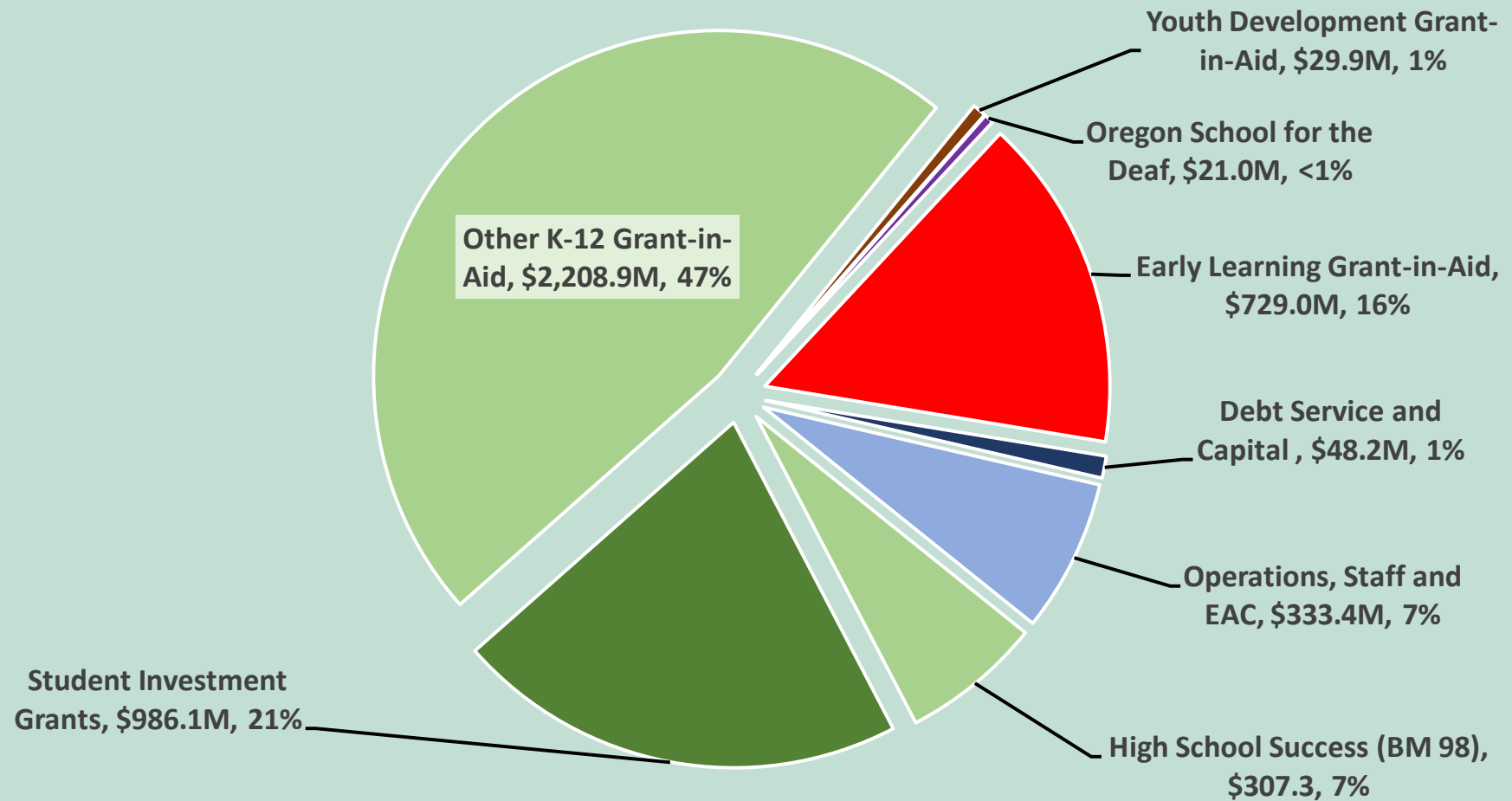
Does Not Include State School Fund & Common School Fund



# Oregon Department of Education 2021-23 CSL Budget

## Total Funds -- \$4,663.8 Millions of Dollars

Does Not Include State School Fund & Common School Fund



# Student Success Act Distribution

- **Total Corporate Activities Tax (CAT) Revenues**
  - Department of Revenue Costs to Collect/Process CAT Revenues
  - Transfer to State School Fund (SSF) to backfill General Fund Loss due to the CAT and the Reduced Personal Income Included in the Student Success Act
  - Transfer to the SSF for High-Cost Disability Account (\$40 million per biennium)
  - One-time Transfer to SSF for Formula Distribution to Districts
- **Amount Available for Distribution to Three Accounts**
  - Early Learning Account – At least 20% of Available Amount
  - Statewide Education Initiative Account – No More Than 30% of Available Amount
  - Student Investment Grants – At least 50% of Available Amount

# Early Learning Account Programs

- Early Intervention/Early Childhood Special Education Expansion
- Relief Nurseries Expansion
- Early Learning Equity Fund – New
- Oregon Pre-Kindergarten Program Expansion
- Professional/Workforce Development
- Early Head Start Expansion
- Preschool Promise Expansion
- Healthy Families Oregon Engagement
- Capacity Building, Provider Coaching, Start-up Costs
- Related ELD Staffing

# Statewide Education Initiative Account

- Funding for High School Success Grants (Ballot Measure 98)
- School Nutrition Program Expansion
- Youth Development Re-Engagement Grants
- School Safety Task Force Recommendations
- Statewide Equity Education Initiatives
- K-12 Professional/Workforce Development
- Grants to ESDs to Assist School Districts for Student Success Requirements
- Summer Learning Grants
- Early Warning System for Students Lagging in Academic Progress
- Student Success Grants
- Safe & Effective Schools Team
- Coaching Supports and Technical Assistance
- Statewide Longitudinal Data System
- Staffing for Programs Above

# Student Investment Account

- Funds the Student Investment Grants to School Districts
- Grants must be used for:
  - Student Behavioral and Physical Health & Safety
  - Increasing Learning Time
  - Decreasing Class Size
  - Offering a Well-Rounded Education
- Funds are Distributed Based on the School Formula with Enhanced Weighting for Poverty
- Districts Must Meet Planning, Accountability, and Performance Requirements
- Lower Performing Districts Eligible for Separate Student Success Grants
- Coaching and Technical Assistance Available for Districts Not Meeting Performance Measures

# Other K-12 Grant-in-Aid Programs

- **Student Success Programs**
  - Ballot Measure 98
  - Chronic Absenteeism Grants
  - Accelerated Learning Opportunities
  - Regional Promise
  - Physical Education Grants
  - Reading Programs
- **STEM & CTE Related Programs**
  - CTE Revitalization Grants
  - STEM/CTE Career Pathways
  - STEM/CTE Innovation Grants
  - Student Leadership Programs (e.g., FFA)

## Other K-12 Grant-in-Aid Programs (Cont.)

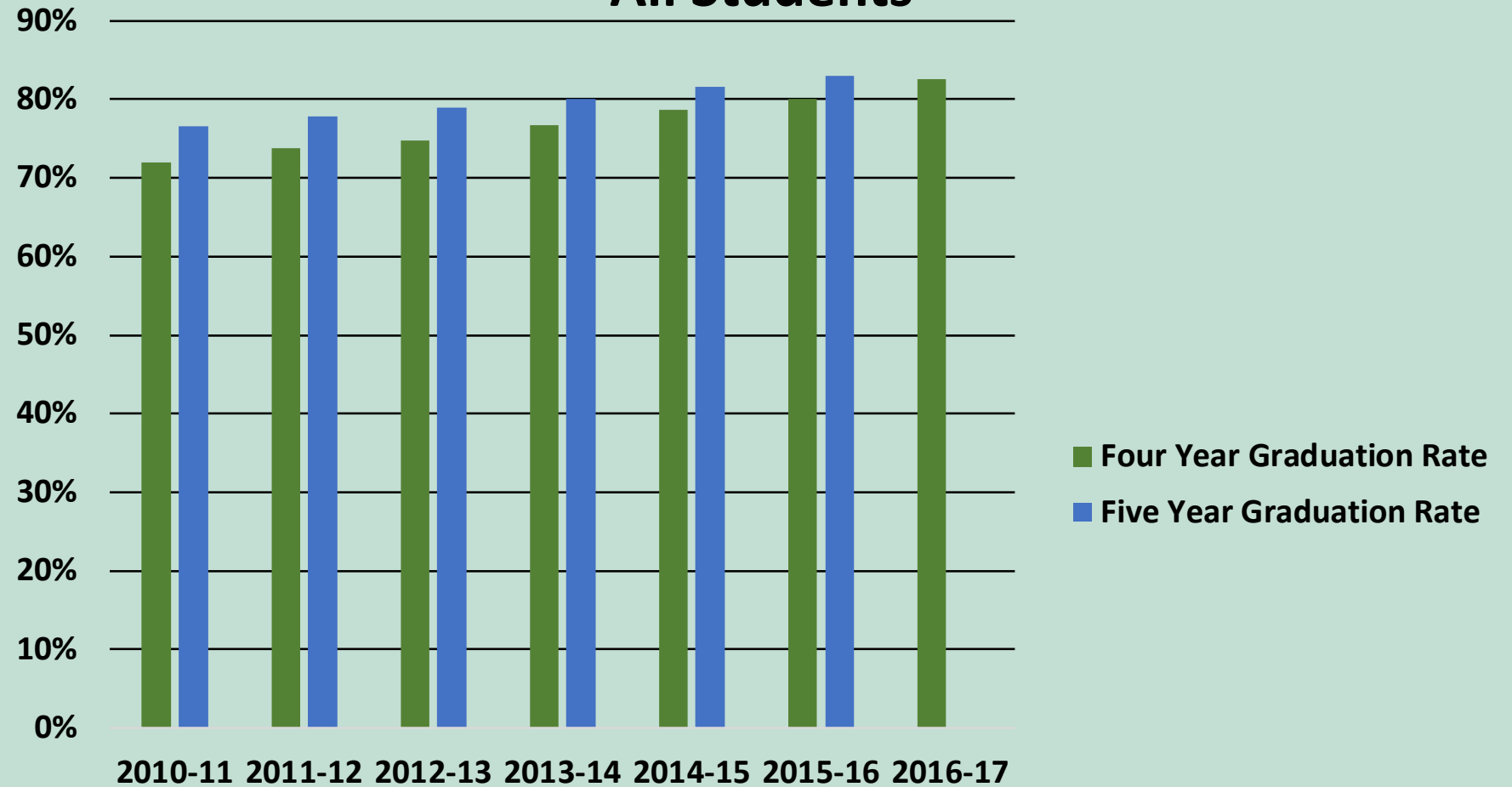
- **Closing the Achievement Gap Related Programs**
  - Statewide Equity Education Initiatives including African American, LGBTQ, Latinx, Native American)
  - English Language Learners
  - Federal Title 1 Programs for Low Income Students
  - Migrant Education
  - Federal Title IV Student Enrichment Grants & 21<sup>st</sup> Century Community Learning Grants
- **Nutritional Programs**
  - Federal School Lunch Program
  - Breakfast & Summer Lunch Programs
  - Farm to School Program



## Other K-12 Grant-in-Aid Programs (Cont.)

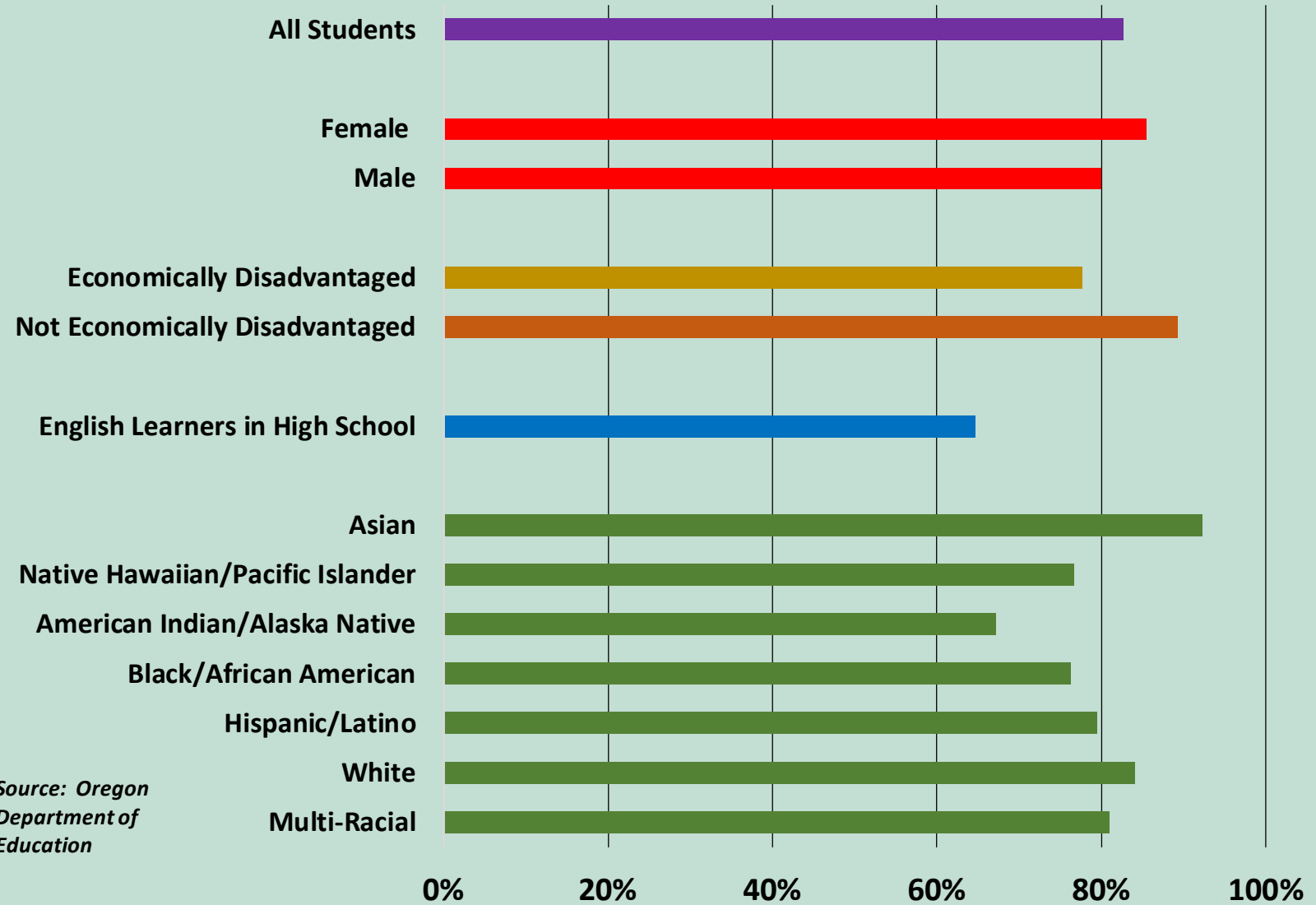
- **Specialized Student Services**
  - **Special Education (IDEA)**
  - **Early Child Special Ed/Early Intervention**
  - **Regional Programs**
  - **Long Term Care & Treatment**
  - **Hospital Programs**
  - **Youth Corrections**
  - **Blind & Visually Impaired**

## Oregon's Graduation Rates by Cohort All Students



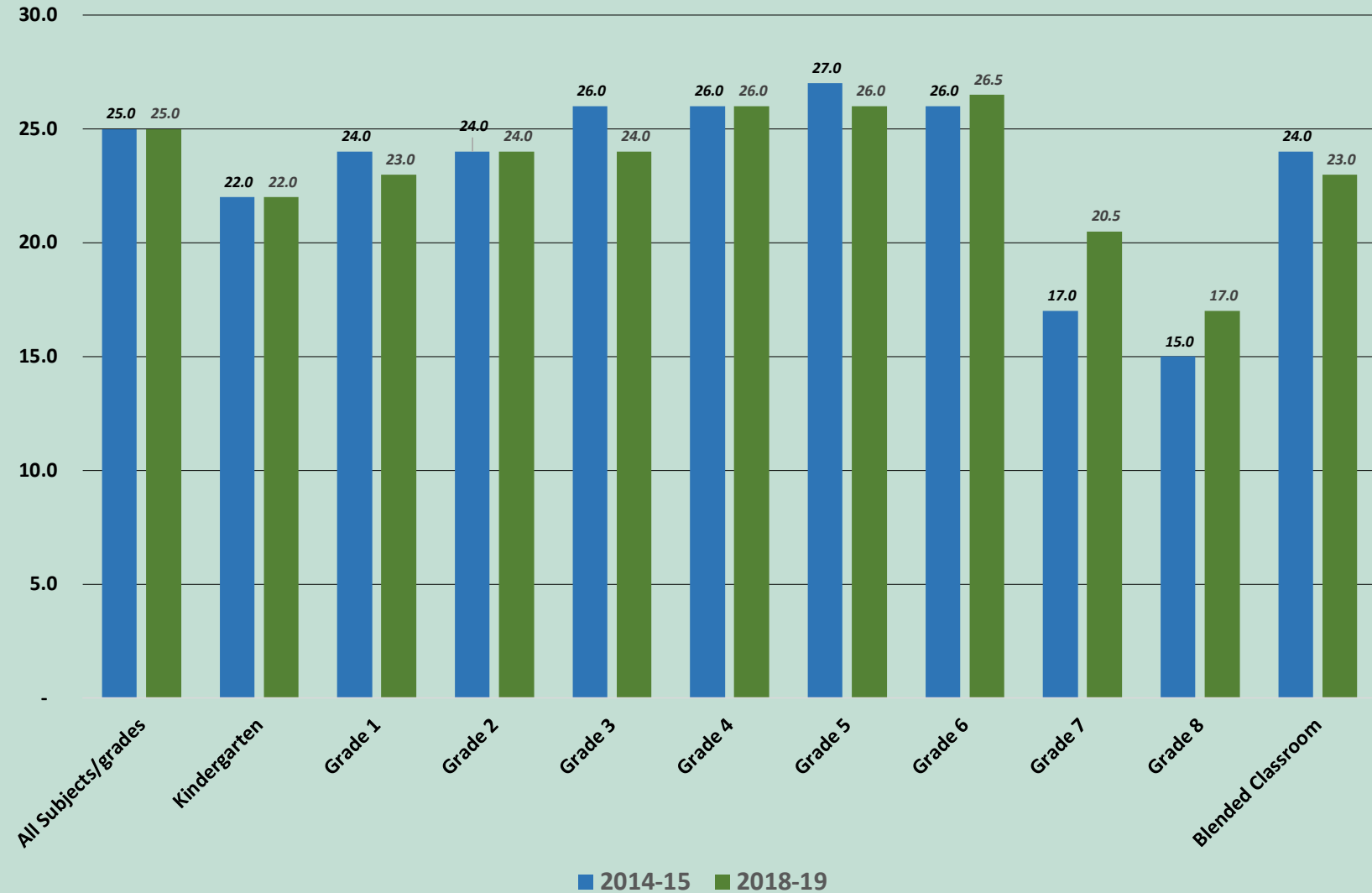
Source: Oregon Department of  
Education

## Four-Year Cohort Graduation Rate 2016-17 Cohort



Source: Oregon  
Department of  
Education

Median Class Size by Grade  
2018-19 School Year



# Youth Development Grant-in-Aid

- Juvenile Crime Prevention
- Gang Prevention & Intervention Grants
- Youth & Community Grants
- Youth & Innovation Grants
- Community Schools

# Governor's Budget Changes

- State School Fund is funded at \$9.1 billion -- \$100 million more than CSL. \$215 Million of Education Stability Fund is accessed.
- Many of the K-12 Grant-in-Aid programs eliminated during August 2020 Special Session are not funded in Governor's Budget.
- Farm to School program is eliminated.
- Latinx Student Success Plan; and the Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Two-Spirit, Intersex, and Asexual Student Success Plan are funded.
- New digital/online learning resources increased by \$12.5 million GF.
- Increased resources for STEM related programs including for diverse students.
- \$14.0 million in one-time OF for supporting an Indigenous Ed Institute and an Anti-Racist Leadership Initiative grant program.
- \$17.7 million in Lottery backed bonds for capitalizing the Connecting Oregon Schools Fund for increasing broadband connectivity.

# K-12 COVID Assistance

- **CARES Act -- Governor's Emergency Education Relief (GEER)**
  - A total of \$32.5 million split between Early Learning, K-12 and Post-Secondary
  - For K-12, \$17 million to school districts for students to overcoming barriers exacerbated by COVID
- **CARES Act -- Elementary and Secondary Emergency Relief Fund (ESSER)**
  - Total amount of \$121.1 million received by ODE Oregon K-12 system
  - 90% required to be allocated to school districts to reimburse districts for eligible costs relating to COVID – wide definition of eligible costs.
  - Remaining amount used to assist educational entities such as ESDs and youth corrections that are not eligible for the 90% and distance learning.

## K-12 COVID Assistance (continued)

- **Coronavirus Response and Relief Supplemental Act or CRRSSA**
  - Passed in December 2020 making available another \$499.2 million for Oregon through the ESSER program.
  - Similar requirements as the CARES Act ESSER program with 90% for school districts for reimbursable costs.
  - Similar eligible costs but highlighting HVAC related costs and efforts to support students that have not been able to keep pace with grade level learning.
  - Another \$41.8 million in GEER funding with \$27.6 million required to go to assist non-public schools with COVID related efforts.

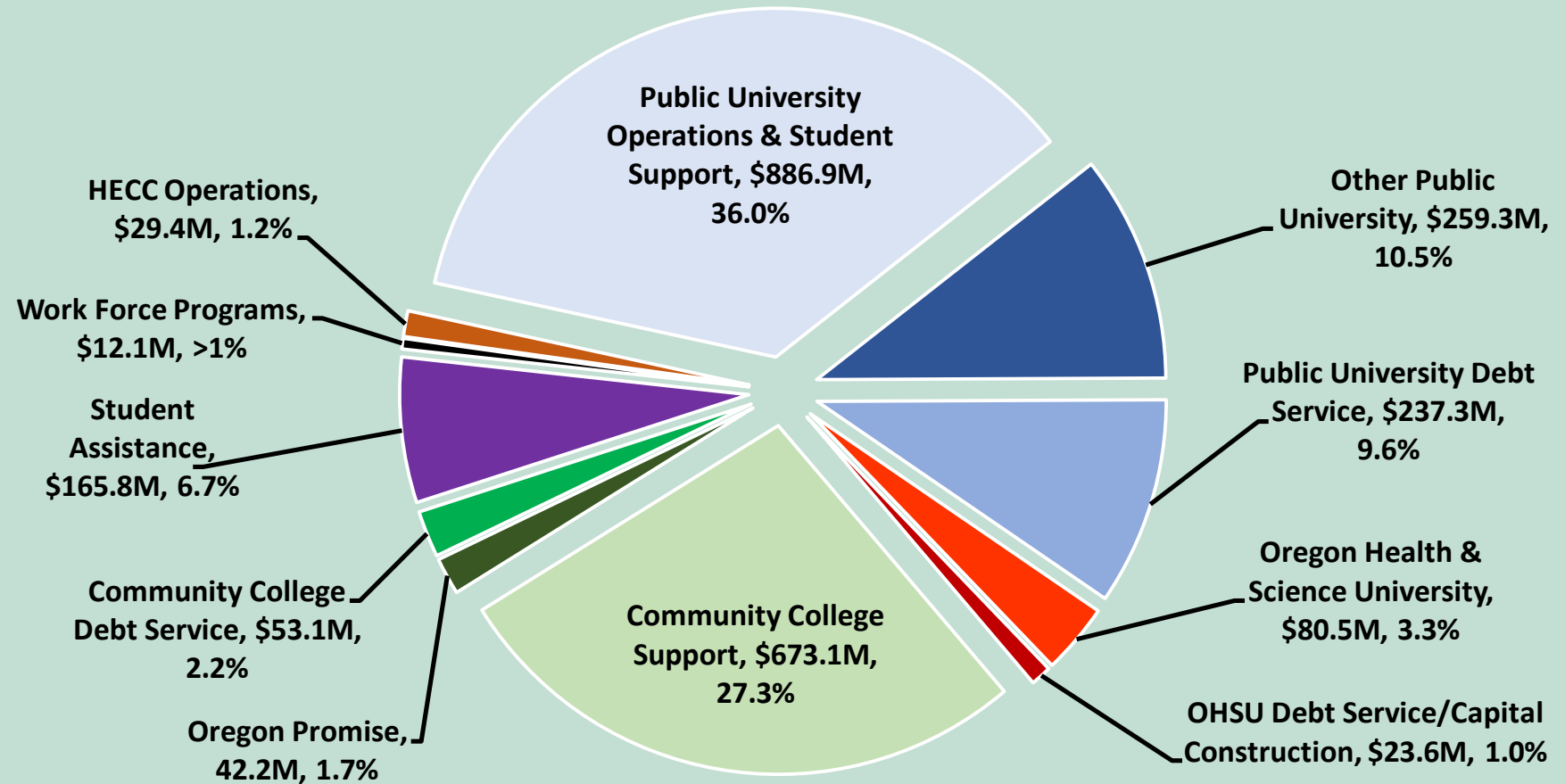


# K-12 Challenges & Opportunities

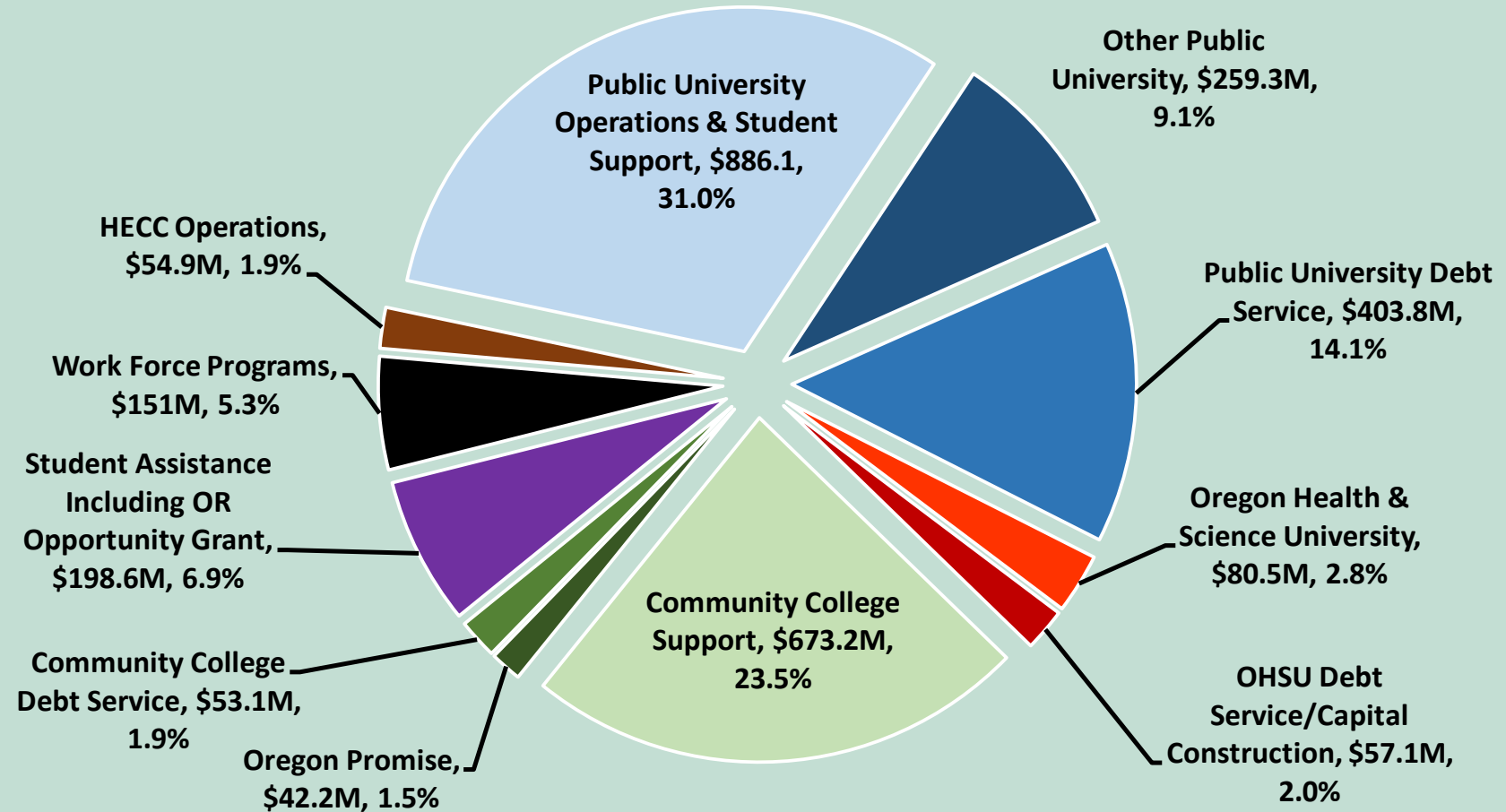
- Continue to reopen schools across the State
- Provide summer programs, after-school programs, tutoring, and other efforts to assist students that have fallen behind due to lost learning time
- Balance funding between general assistance through the State School Fund and more program specific K-12 Grant-in-Aid programs
- Continued rollout-of the Student Success Act and district capacity to meet new funding and oversight criteria
- Dual credits/accelerated learning and transition from high school to post-secondary
- Graduation and closing the achievement gaps

# Post-Secondary Education

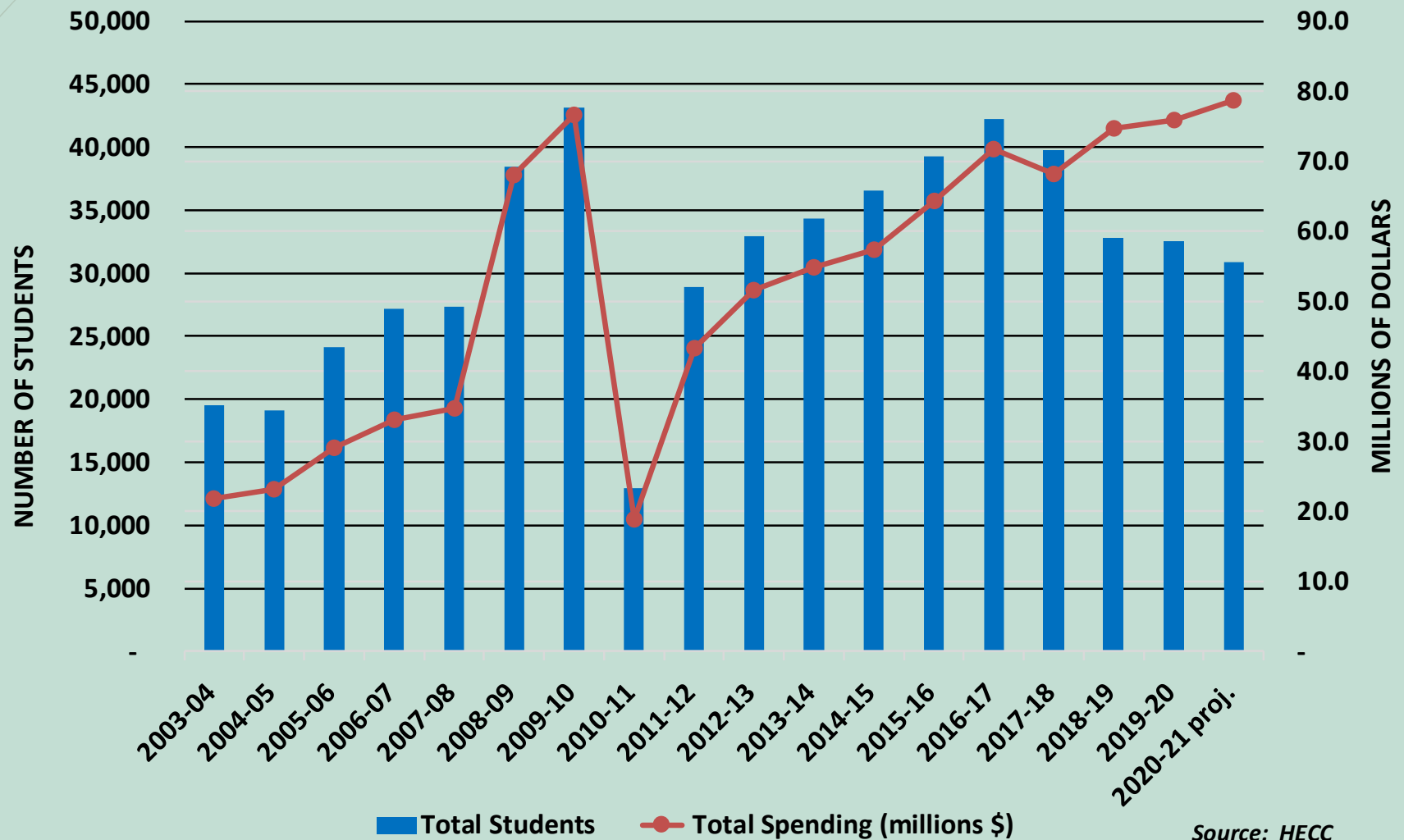
**2021-23 Current Service Level Budget  
General Fund & Lottery Funds  
\$2,462.4 Millions of Dollars**



**2021-23 Current Service Level Budget**  
**Total Funds**  
**\$2,860.6 Millions of Dollars**

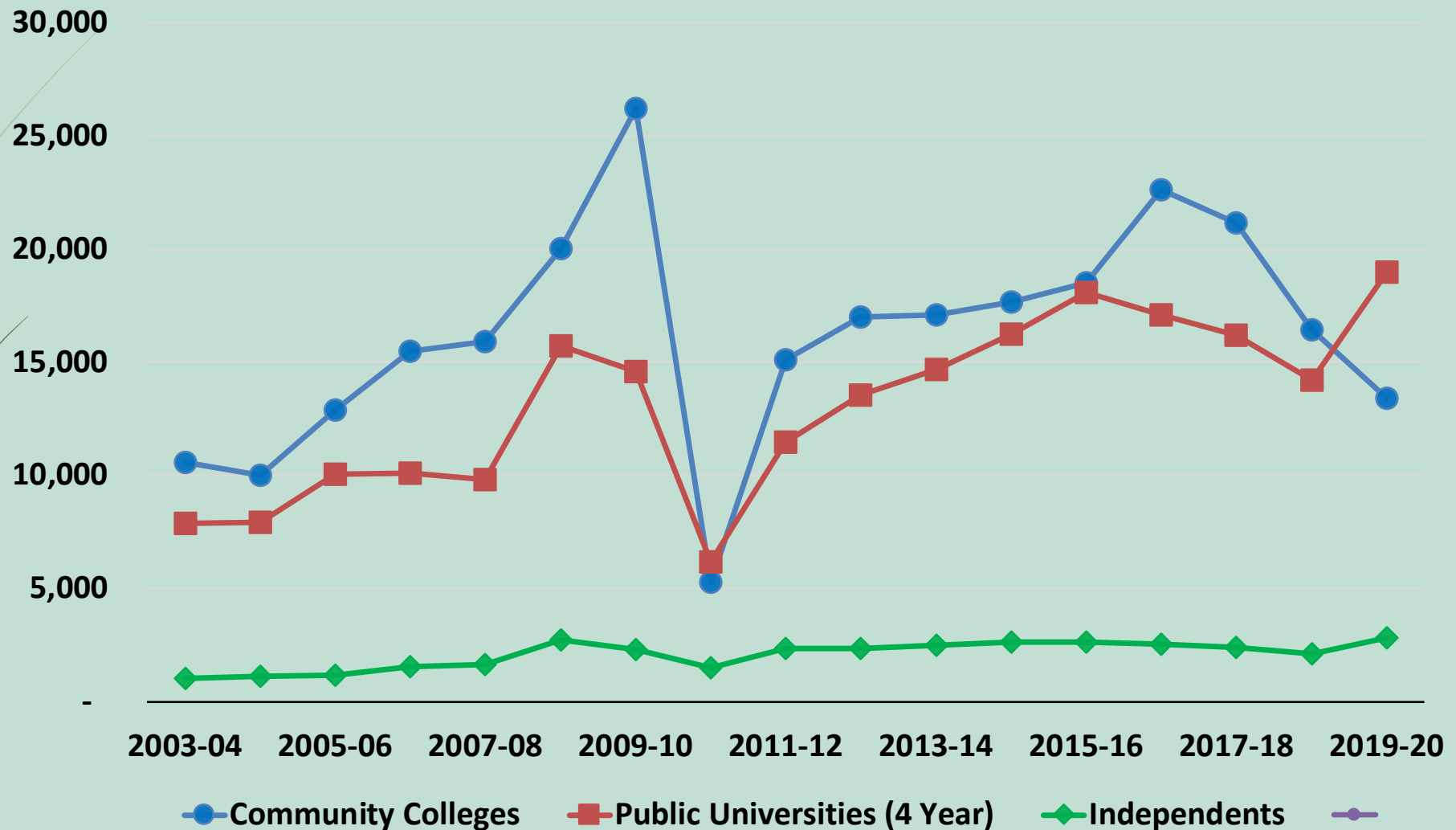


## Oregon Opportunity Grant Annual Number of Students and Annual State Funding



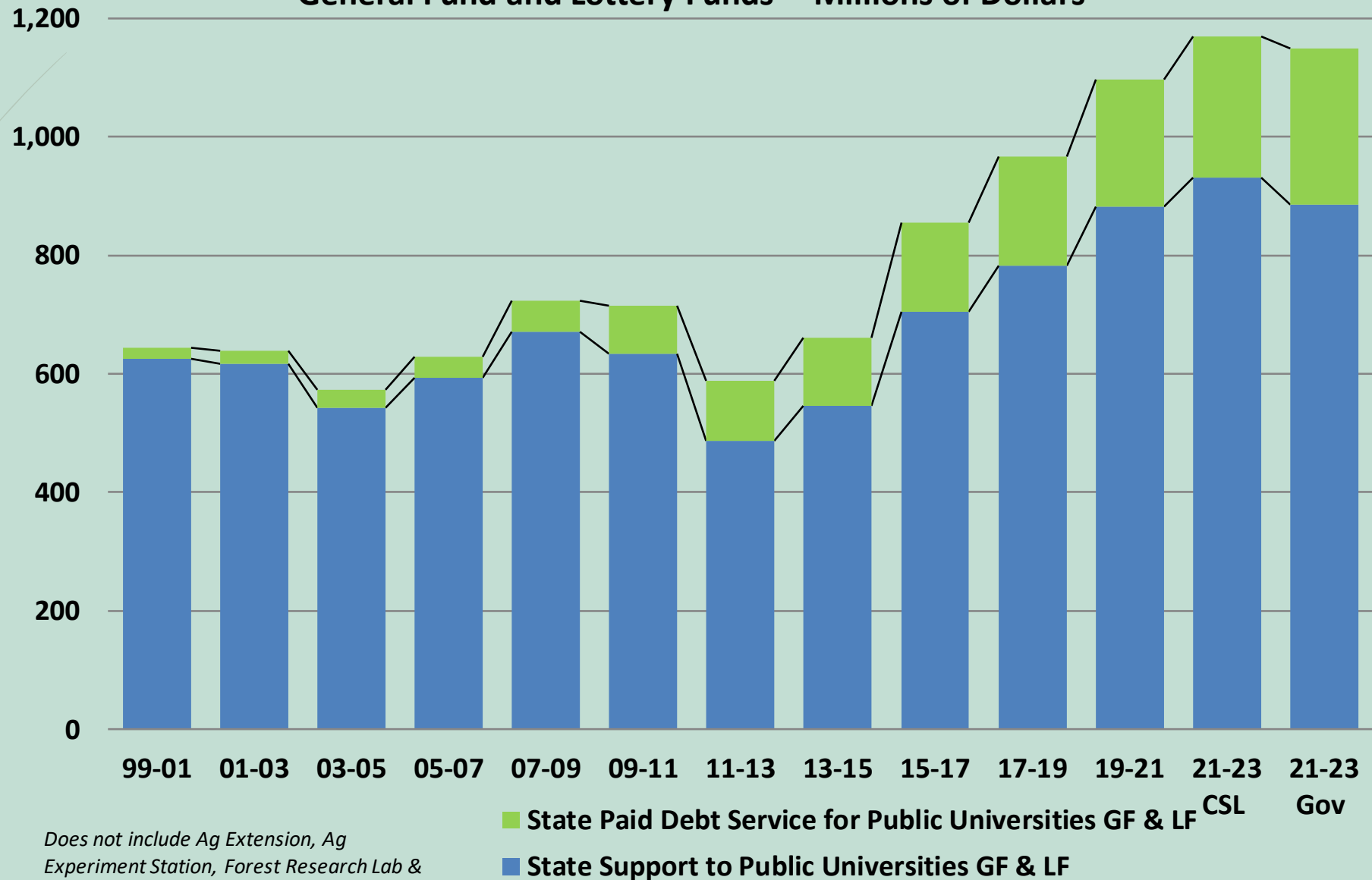
Source: HECC

## Oregon Opportunity Grant Number of Recipients by School Type

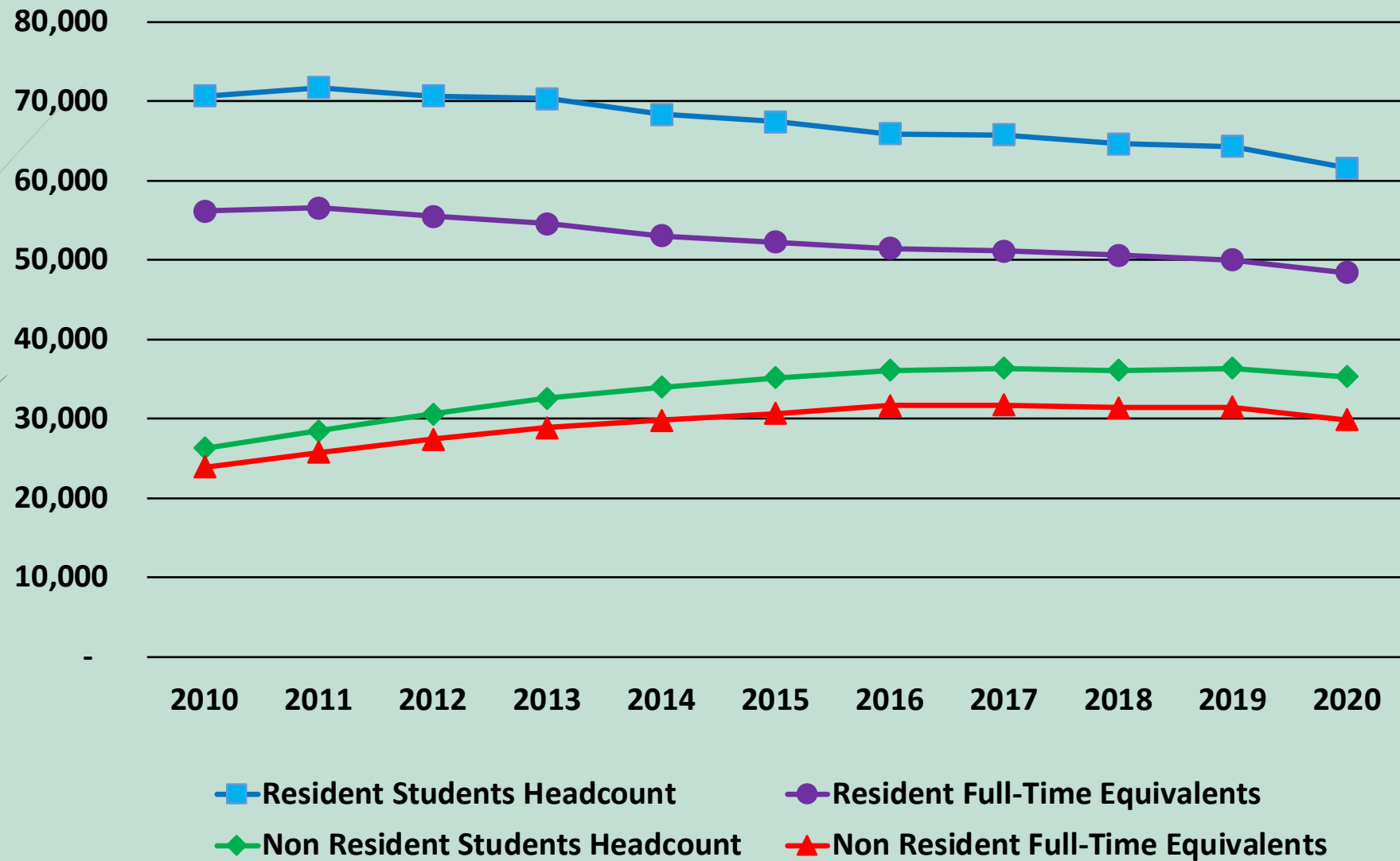


Source: HECC

## State Support to Public Universities 1999-01 to 2021-23 CSL General Fund and Lottery Funds -- Millions of Dollars



## Resident & Non Resident Public University Students\*

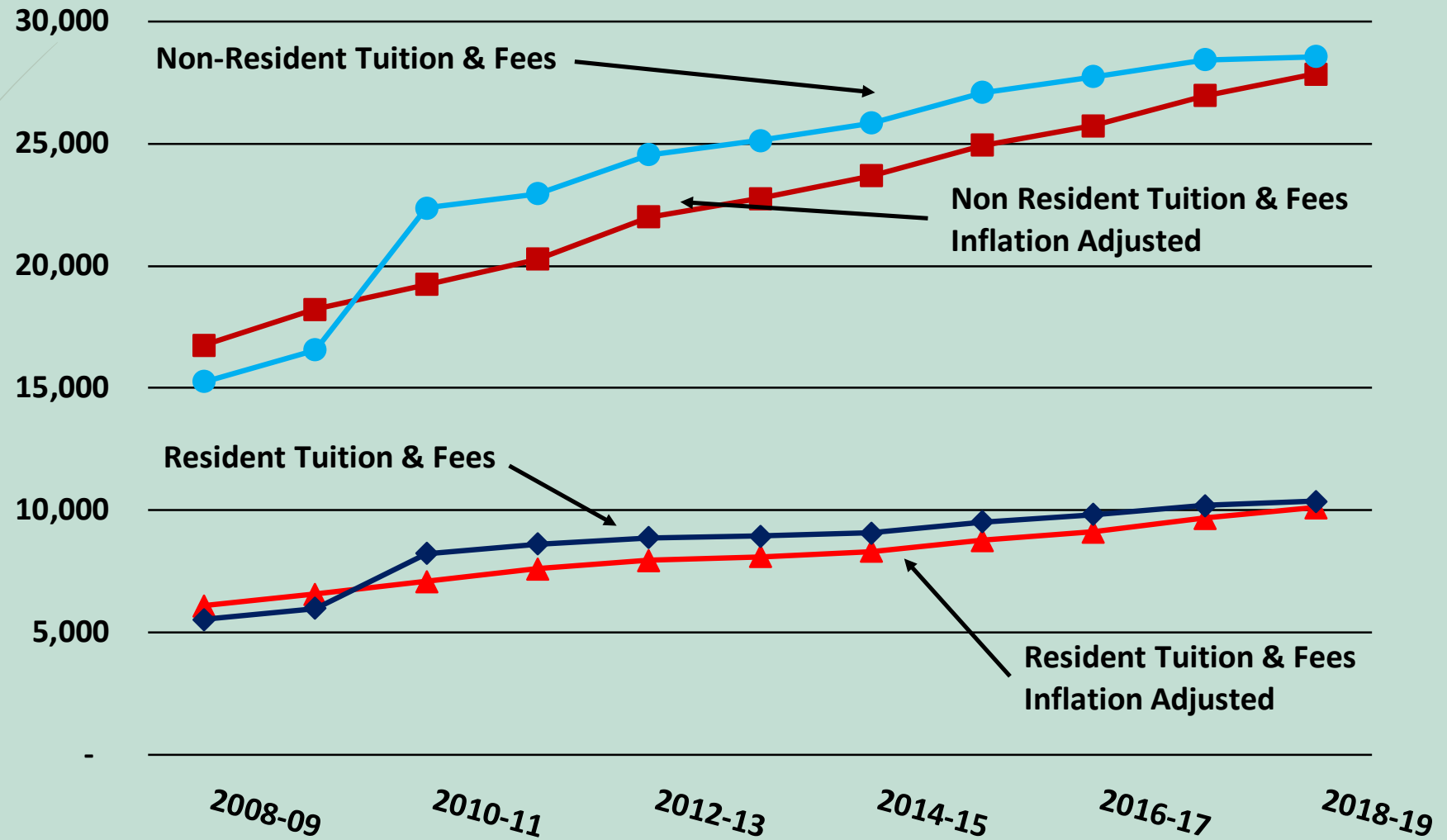


\*Based on enrollment of 4th week of Fall Quarter

Source: HECC

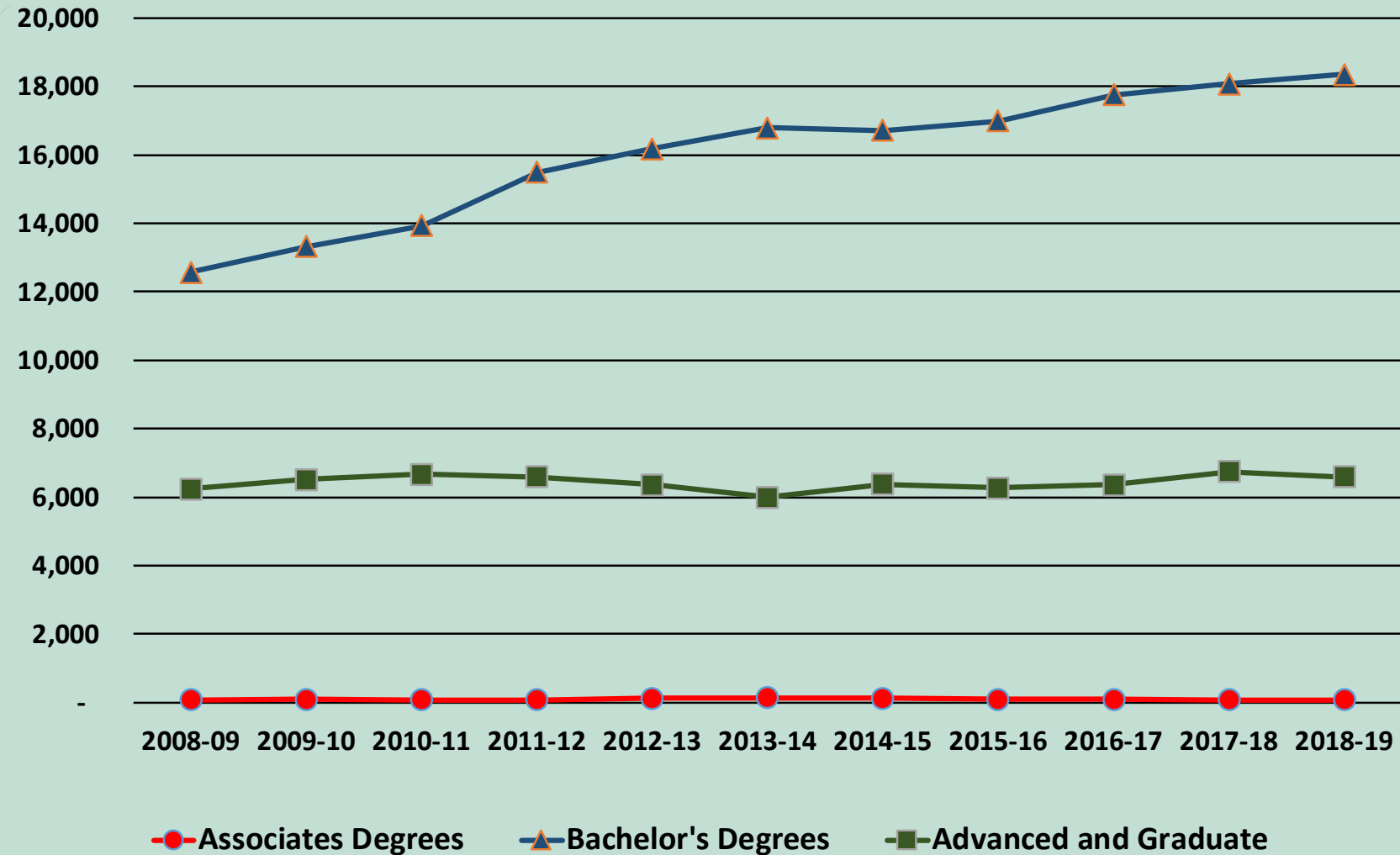


## Average Public University Tuition & Fees

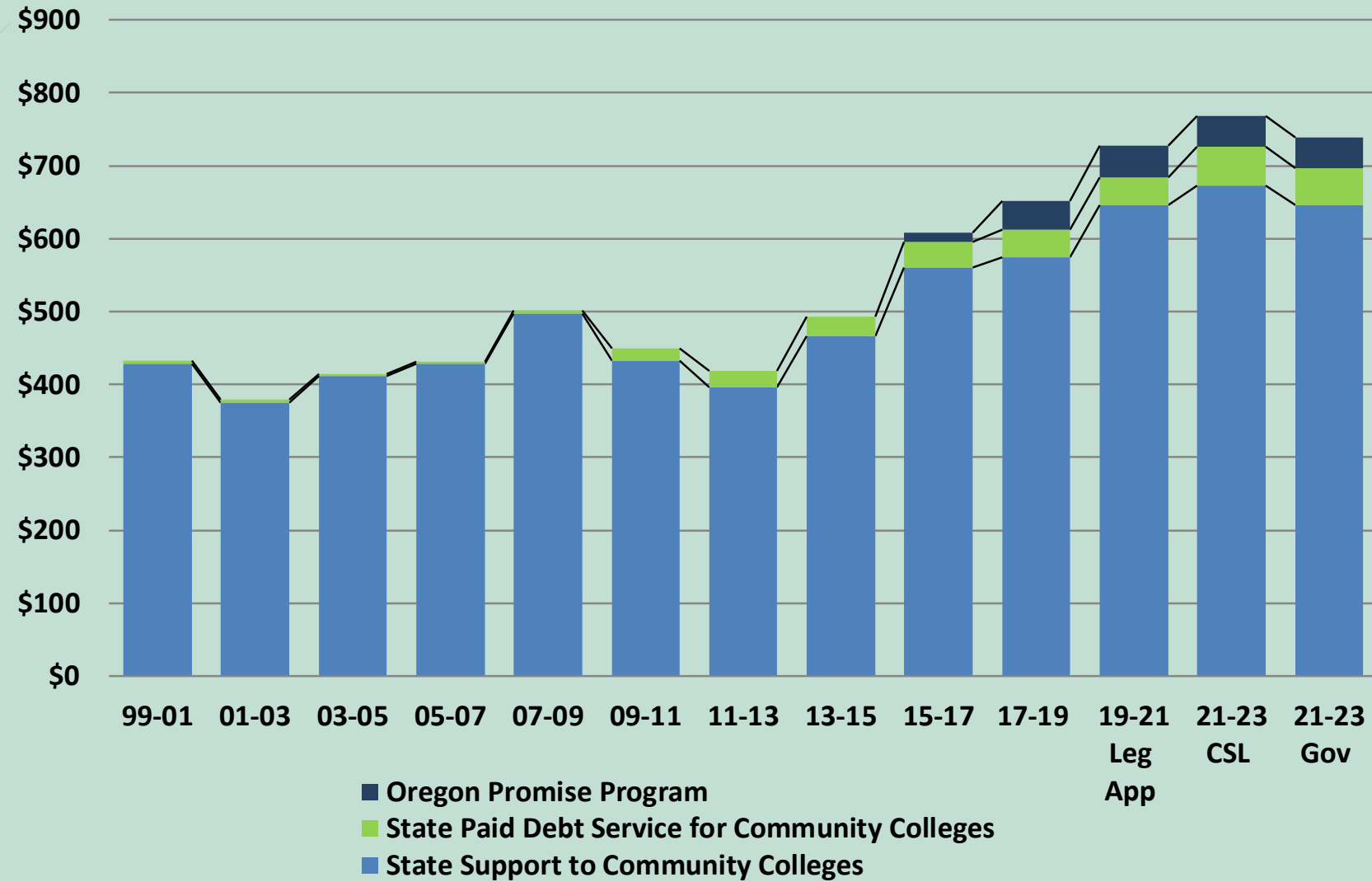


Source: HECC

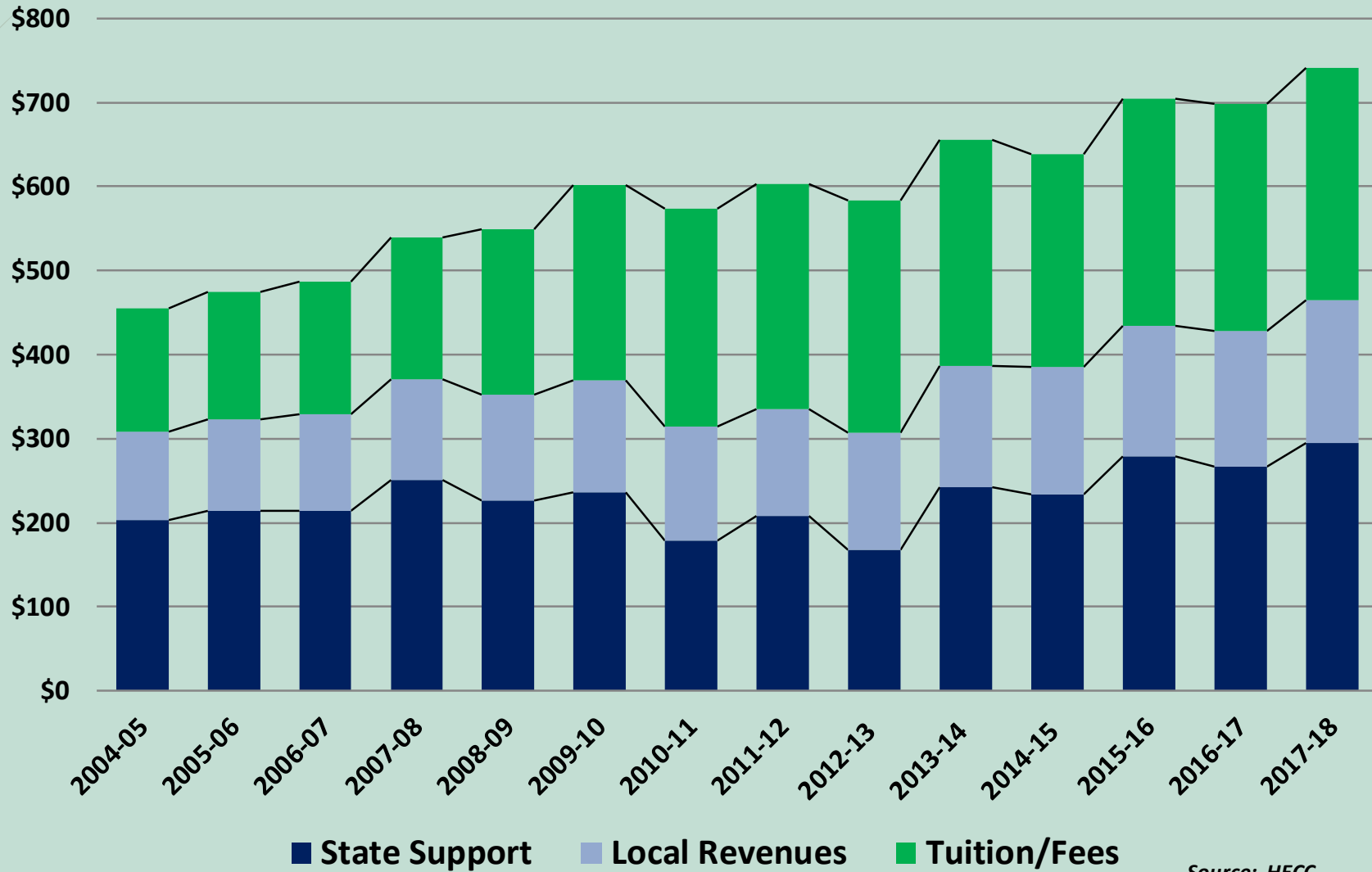
## Total Degree & Certificate Completion at Oregon Public Universities -- 2008-09 to 2018-19



### State Support to Community Colleges 1999-01 to 2021-23 General Fund and Lottery Funds -- Millions of Dollars

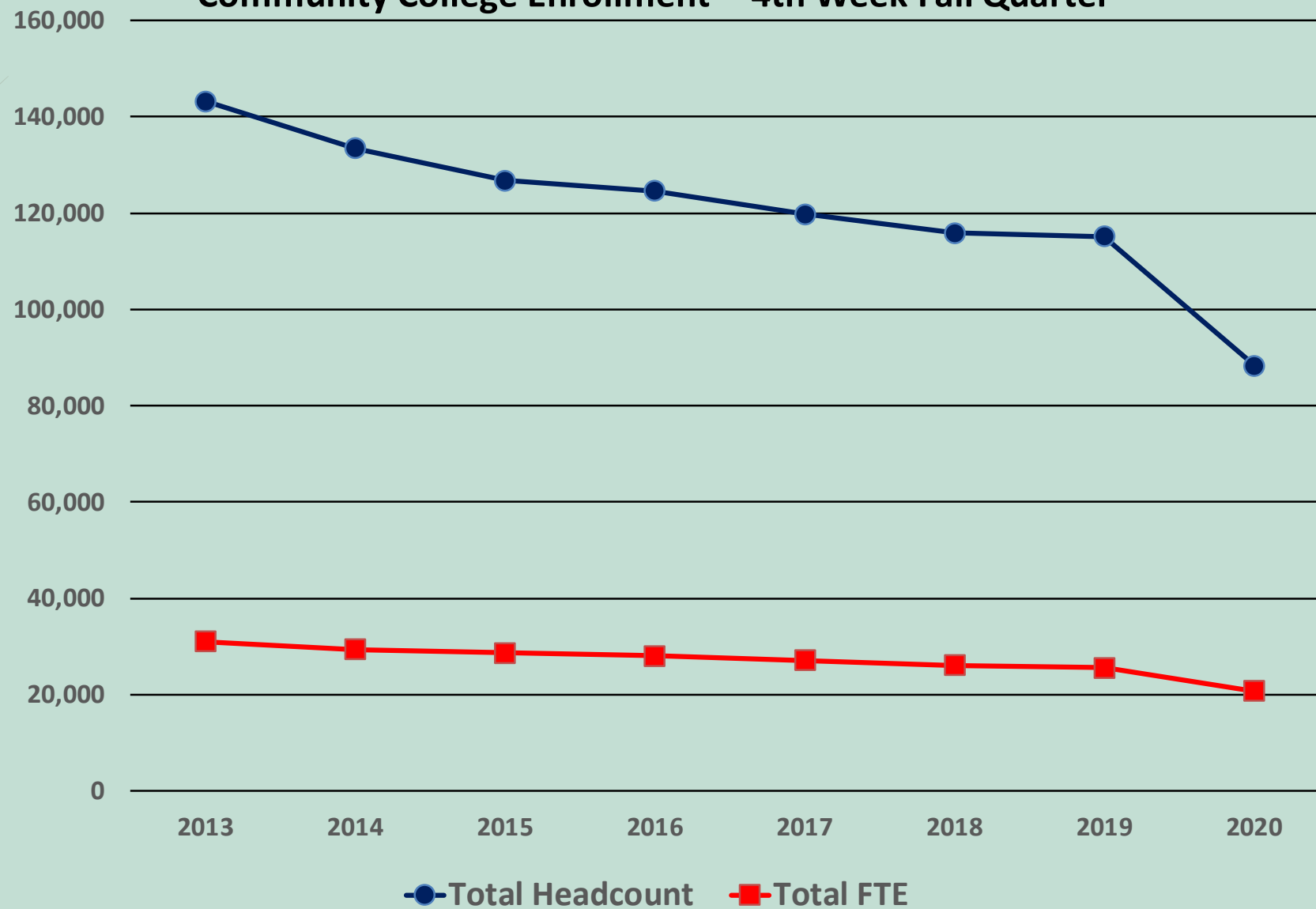


## Community Colleges Sources of Revenue Millions of Dollars

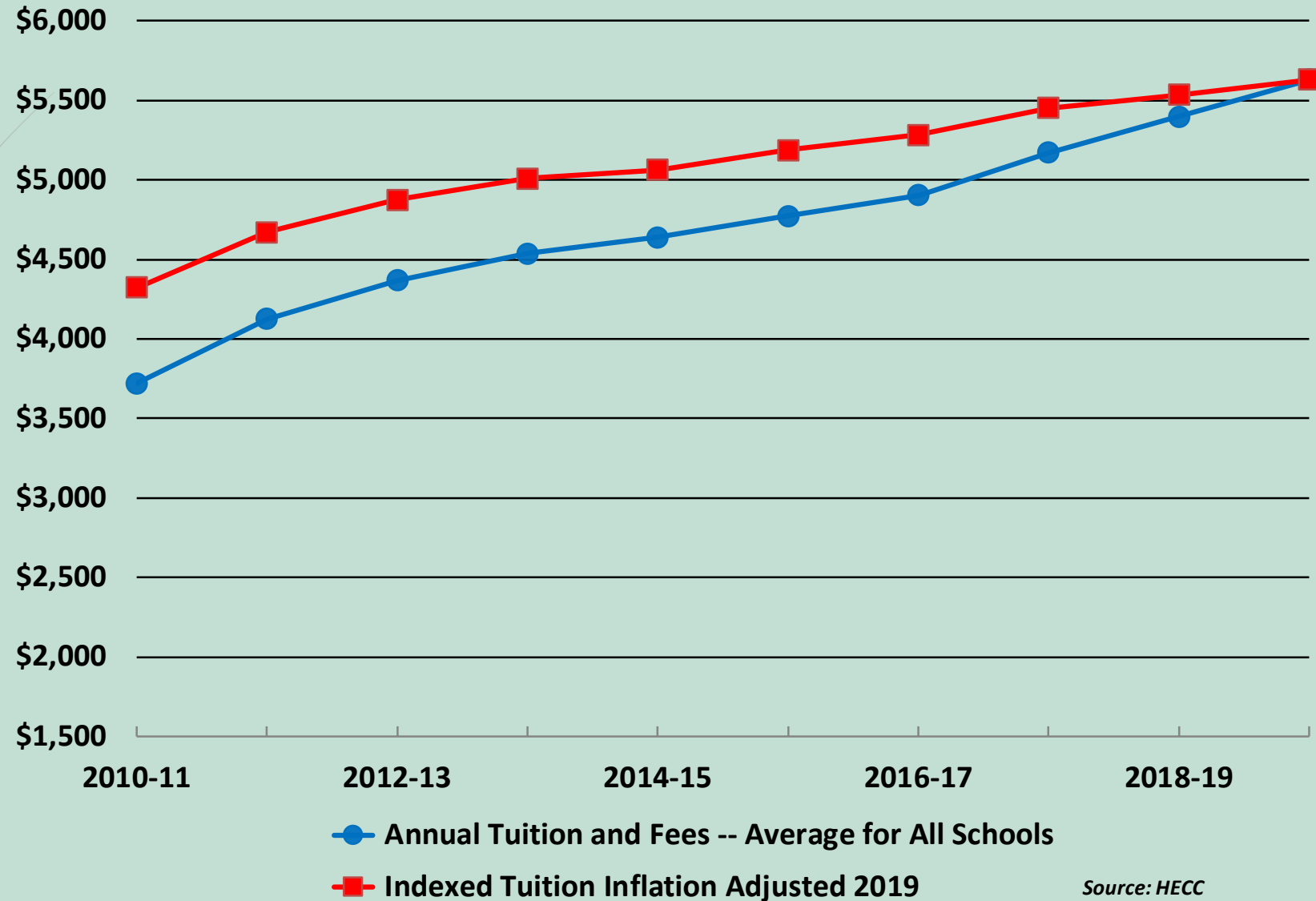


Source: HECC

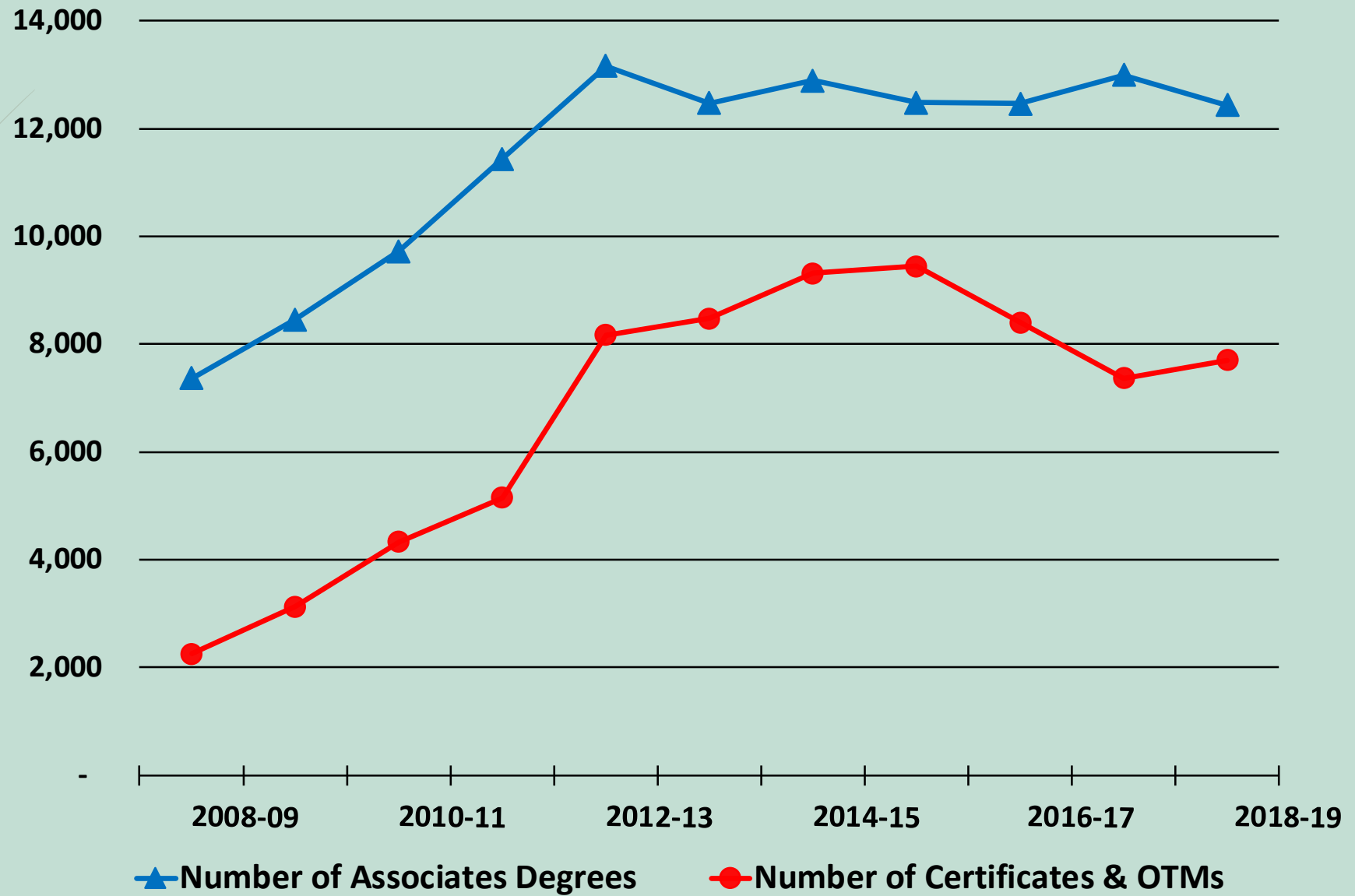
### Community College Enrollment -- 4th Week Fall Quarter



## Community College Tuition and Fees Increases



## Total Degree & Certificate Completion for Community Colleges



# Governor's Budget Changes

- The Public University Support Fund, Community College Support Fund, and the funding for the educational and other programs at OHSU are maintained at the level of the 2119-21 Legislatively Approved Budget and below CSL.
- The Oregon Opportunity Grant, Oregon Promise program and other student financial assistance programs are funded at the CSL level.
- New program funding includes:
  - GF and \$5.0 million in bond funding for the replacement of the Financial Aid Management Information System or FAMIS,
  - \$10.0 million GF for health insurance for part-time faculty,
  - \$4.0 million GF for tuition equity for COFA students,
  - \$5.0 million GF for grants to five organizations to assist students of color and other non-traditional students,
  - \$11.8 million GF for a youth employment program expected to serve 1,500 youth, and
  - \$550,534 GF for a “student transfer portal” to provide streamlined transfer pathways.
- Capital projects include five new community college projects totaling \$32.5 million in XI-G bonds, reauthorized community college projects, and six public university projects totaling \$309.4 million in XI-G and XI-Q bonds.



# K-12 COVID Assistance

- Public universities and community colleges hit hard from enrollment losses, increased distance learning costs, COVID related health and safety requirements, and lost auxiliary revenues (e.g., housing, dining athletics)
- CARES Act -- Governor's Emergency Education Relief (GEER)
  - A total of \$32.5 million split between Early Learning, K-12 and Post-Secondary
  - \$6 million to in assistance to post-secondary students to stay connected to post-secondary and transition to remote/distance learning
- CARES Act – Higher Education Emergency Relief Fund
  - Approximately \$59 million provided directly to the seven public universities and \$41 million to the 17 community colleges based a formula partially based on the number of PELL eligible students
  - At least half of these funds had to be used for emergency assistance to students.

# K-12 COVID Assistance (continued)

- **Coronavirus Response and Relief Supplemental Act or CRRSA**
  - Another round of Higher Education Emergency Relief Fund is available with most sent directly to post secondary institutions
  - Estimated \$70 million to community colleges and estimated \$100 million to public universities
  - As with the CARES Act funding, some proportion of these funds must be for emergency assistance grants to students
- There is a State maintenance of effort requirement for the federal K-12 ESSER funds and the Higher Education Emergency Relief Fund resources.

# Post-Secondary Challenges & Opportunities

- Post COVID and challenges of in-class and on-campus learning.
- Sufficient workforce related funding to assist in training and employment experience for the unemployed.
- Proper balance of making funds available to students through financial aid programs and through the Public University and Community College Support Funds.
- Funding gap in the Oregon Opportunity Grant program due to decreases in the earnings in the Education Stability Fund due to accessing the Fund for budget balancing and economic market factors.
- State Support for community colleges and public universities and impact on tuition.
- Transfer between K-12 and post-secondary as well as transition from community colleges to public universities.

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