

HB 5014 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Department of Education

2023-25

2021-23

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,217,844,349	\$ 631,291,256	\$ 624,230,468	\$ (593,613,881)	(48.7%)
General Fund Debt Service	\$ 46,715,272	\$ 64,206,661	\$ 64,206,661	\$ 17,491,389	37.4%
Lottery Funds Debt Service	\$ -	\$ 3,481,660	\$ 3,481,660	\$ 3,481,660	100.0%
Other Funds Limited	\$ 2,585,661,328	\$ 1,808,457,772	\$ 2,547,109,265	\$ (38,552,063)	(1.5%)
Other Funds Debt Service	\$ 234,015	\$ -	\$ -	\$ (234,015)	(100.0%)
Other Funds Nonlimited	\$ 137,133,538	\$ 164,071,224	\$ 164,071,224	\$ 26,937,686	19.6%
Federal Funds Limited	\$ 2,945,935,878	\$ 1,531,047,858	\$ 1,537,013,061	\$ (1,408,922,817)	(47.8%)
Federal Funds Nonlimited	\$ 662,827,488	\$ 540,463,419	\$ 540,463,419	\$ (122,364,069)	(18.5%)
Total	\$ 7,596,351,868	\$ 4,743,019,850	\$ 5,480,575,758	\$ (2,115,776,110)	(27.9%)

Position Summary

Authorized Positions	896	555	595	(301)
Full-time Equivalent (FTE) positions	811.54	538.68	571.01	(240.53)

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

2021-23 Budget Actions*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
Other Funds Limited	\$ 439,669,865	\$ 441,011,084	\$ 1,341,219	0.3%
Total	\$ 439,669,865	\$ 441,011,084	\$ 1,341,219	0.3%

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The 2023-25 budget for the Oregon Department of Education (ODE), not including the State School Fund, relies primarily on Other Funds, which provides roughly 49 percent of the funding. Other Funds revenues include revenue transferred from the Department of Revenue from Corporate Activities Taxes (CAT) to support programs under the Student Success Act (SSA), indirect cost recovery from federal programs, fees, transfers from the State School Fund (SSF) and other intra-fund transfers, revenues from other agencies for specific purposes, Common School Fund pass-through funding for school districts, and other miscellaneous sources. General Fund supports about 13 percent and Federal Funds revenue 38 percent. Federal Funds revenues include funding for compensatory education, child nutrition, education for students with disabilities, vocational education and youth development programs.

This 2023-25 budget includes a significant decrease in Federal Funds, as the majority of funding from three COVID-19-related federal assistance packages expired. Most of the remaining COVID-stimulus funding is from the final round of Elementary and Secondary Special Emergency Relief program (ESSER). Based in part on the number of federal Title I students, 90 percent of the ESSER funds received by the state are allocated to school districts. School districts must request reimbursement to receive their allocation of ESSER funds.

Summary of Education Subcommittee Action

House Bill 5014 provides the budget expenditure authority for programs administered by the Oregon Department of Education (ODE). This bill excludes direct funding for SSF, which was addressed in House Bill 5015 (2023).

Through House Bill 5014, the Subcommittee recommended a total funding level of \$5,480,575,758 for the Department, which is a 27.9 percent decrease from the 2021-23 Legislatively Approved Budget as of January 2023, and a decrease of 301 positions (240.53 FTE). The decrease is in large part, due to two factors -- the transfer of the Early Learning Division Grant in Aid budget and Early Learning Operations budget and related positions to the new Department of Early Learning and Care, as well as the expiration of the one-time federal ESSER funding mentioned under the revenue section. Large one-time General Fund investments were also phased out including funding for Summer Learning and the Teacher Recruitment and Retention program.

Capital Bonding – School Facilities

This budget unit includes bond proceeds from the Oregon School Capital Improvement Matching (OSCIM) program. This program provides matching grants to school districts for capital costs, including construction, improvement, remodeling, equipment purchase, and maintenance and repair of facilities. It also allows for assessments, long-range planning of district facilities, and for hardship grants. Senate Bill 285 (2023) increased the cap amount for grants to \$12 million, and districts must match the state grants with funds from local voter approved bonds. The grants are funded with proceeds from the sale of Article XI-P general obligation bonds. The Subcommittee recommended a budget of \$242,500,000 total funds.

The Subcommittee recommended the following package:

Package 107, Deferred Maintenance, OSCIM Grants & Connecting Oregon Schools Continuation. This package budgets \$225 million Other Funds expenditure limitation to use carryover from 2019-21 and 2021-23 bond sales for the OSCIM program; and adds Other Funds expenditure limitation of \$17.5 million to use carryforward funding from prior periods for the Connecting Oregon Schools Fund. The expenditure limitation for any bonds authorized during this legislative session will be included in a bill at the end of the session.

Department Operations

The Department Operations unit includes most of the staff in the Department who are responsible for the administration of educational programs. The Subcommittee recommended a budget of \$287,283,247 total funds, including \$109,446,753 General Fund, \$92,584,389 Other Funds expenditure limitation, \$81,177,653 Federal Funds expenditure limitation, \$4,074,452 Other Funds Nonlimited, and 513 positions (494.58 FTE). The Subcommittee recommended budget includes the following packages:

Package 101, SEIA Enhancement to Equitable Services. This package increases Other Funds expenditure limitation by \$566,672 for two permanent full-time (1.84 FTE) Education Specialist 2 positions and related Services and Supplies. The staff will develop student success plans and SSA grant programs for immigrant and refugee students. These positions are funded from the Statewide Education Initiatives Account (SEIA) in the Fund for Student Success.

Package 102: Strengthen Health and Mental Health in Education. This package provides \$1,854,174 Federal Funds expenditure limitation on a one-time basis and position authorization for nine limited-duration positions (5.63 FTE) in order to complete a variety of projects related to student mental health and the effects of the COVID-19 pandemic on students, families, and school staff. These projects are funded through federal ESSER and grant funds that are anticipated to end in the 2023-25 biennium. The positions include a Research Analyst 4, two Operations and Policy Analyst 4s, one Program Analyst 4, one Program Analyst 3, an Administrator 1, an Executive Support Specialist 2, an Administrative Specialist 2, and a Manager 3.

Package 104: GEER TA & CTE Enhancement Continuation. This package increases Other Funds expenditure limitation by \$106,116 and Federal Funds expenditure limitation by \$174,436 for a permanent, full-time Program Analyst 4 position (1.00 FTE) to provide rural and small school district technical assistance and support. The position and Services and Supplies are funded through September 2024 with one-time federal pandemic-related funding and for the remainder of the biennium with funds from the SEIA.

Package 105, Improved Service for Students with Special Needs. This package establishes one permanent Research Analyst 3 position (0.92 FTE) in the Office of Enhancing Student Opportunities to support the agency's General Supervision activities. This position is federally funded with ongoing Individuals with Disabilities Education Act funds. Federal Funds expenditure limitation is increased by \$250,354 to cover the cost of the position and related Services and Supplies.

Package 109: Electronic Grants Management System and State School Fund System Replacement Staffing. The package establishes one permanent Program Analyst 4 position (1.00 FTE) and one permanent Research Analyst 4 position (1.00 FTE) to support replacement of SSF's information technology system and to increase staffing capacity for business continuity in the School Finance Unit. The package also includes permanent funding for a current Program Analyst 3 position (1.00 FTE) for managing the Federal E-rate matching program for rural broadband projects and the Connecting Oregon Schools program. Additionally, the package includes resources from the SEIA for the Department's electronic grants management system replacement project. To fund the positions and related Services and Supplies, \$798,019 General Fund is appropriated to the Department Operations Unit. Other Funds expenditure limitation for Services and Supplies is increased by \$925,000 for the Electronic Grants Management System replacement project. The Subcommittee approved the following budget note related to the SSF information technology system:

Budget Note: State School Fund system replacement

The Oregon Department of Education (ODE) administers the State School Fund (SSF), a \$10.2 billion line item in the 2023-25 budget, using information system technology that is far beyond its useful life. ODE has determined that this mission-critical system must be replaced and will create a major IT project to manage that effort. The Department is directed to use the joint State CIO/Legislative Fiscal Office (LFO) Stage Gate process to document the project's readiness to proceed and to work with DAS Enterprise Information Services to develop initiation and planning documents for a new State School Fund system. ODE is further directed to report back to the Legislature during the 2024 legislative session. The report shall, at minimum, include project status information on:

- Project governance, management, and staffing
- Project scope, schedule, and budget
- Current or planned procurements/contracts (at the time of the report)
- Legacy system & data conversion planning/activities
- Risks and challenges, and any proposed mitigations
- Independent quality management services findings, if available
- Any other information that would inform the legislature about the status of this project.

Package 111: Technical and Program Adjustments. A \$6.5 million General Fund appropriation is made to backfill federal indirect revenues lost as a result of the Early Learning Division transferring to the Department of Early Learning and Care. Operations-related Other Funds are reduced by the same amount to account for the federal indirect funding change. This package also adds permanent position authorization for one Manager 3 to serve as a Budget Director for the Department (0.91 FTE) and one permanent Business Operations Manager 2 to fund a comptroller positions (0.92 FTE). The package extends limited duration position authority and Federal Fund limitation for four limited duration positions (3.92 FTE) backed by the Well-Rounded Access program grant. Also included is Federal Funds expenditure limitation and limited duration

position authorization for 14 limited duration positions currently unbudgeted but funded with ESSER set aside dollars (14 positions, 8.82 FTE). The package includes \$98,735 General Fund and federal funding for one limited duration position (1.00 FTE), for an Executive Support Specialist 2 in the Office of Indian Education. An additional 0.50 FTE is added on a permanent basis for an existing Program Analyst 3 position working on civil rights issues. The position is backed by ongoing Federal Funds. In total, this package includes funding for 19 limited duration positions and two permanent positions and increases an existing position by 0.50 FTE. The package includes \$6,555,192 General Fund, \$3,784,974 total funds.

Package 112, Position Clean Up. This package reclassifies an Operations and Policy Analyst 2 to an Operations and Policy Analyst 4 and an Education Specialist 2 to a Program Analyst 4. The package also shifts fund splits on six positions as well as converts a 13-month permanent part-time position (Accounting Tech 2) to a 24-month permanent full-time position. This adds 0.46 FTE to the Department's position count. Positions that had no identifiable Other Funds revenue source were fund shifted onto CAT revenues and/or General Fund. Budget was also moved from Services and Supplies onto positions. While this is a net zero package for 2023-25, future costs will increase at a greater rate, as Personal Service typically increase at a faster rate than Services and Supplies. Positions backed by Federal Funds that cannot be tied to a particular grant have also been fund shifted off of Federal Funds as a result of audit findings. Position reclassifications are typically made during the biennium through an administrative process documented in Permanent Finance Plans. LFO recommends the Department's position reclassifications be made through that process going forward.

Package 201, YDD Program Enhancements. This package includes an increase of \$263,351 Other Funds expenditure limitation for one limited duration Program Analyst 3 (1.00 FTE) to support the Youth Development Division's (YDD) Future Ready Oregon grant program approved in the February 2022 Legislative Session. The funding is carryover from the Federal American Rescue Plan Act dollars transferred from the Department of Administrative Services (DAS). The position will administer grants to community-based organizations from resources in YDD's Grant-in-Aid budget.

Package 301, Educator Advancement Council. This package increases Other Funds expenditure limitation by \$583,193 to support two limited duration Education Specialist 2 positions (2.00 FTE) for educator training programs for American Indian/Alaska Native students. The grant program is budgeted in the Department's Educator Advancement Council grant-in-aid budget structure.

Educator Advancement Council

The Educator Advancement Council (EAC) was created to expand efforts to further support educators statewide through professional development and continued learning. EAC empowers, supports, and diversifies Oregon's educator workforce through local, educator-led networks, and statewide resources to provide quality teaching and learning. EAC works to establish local networks prioritizing and enhancing educators' access to professional learning and support services, combining state investment, and other leveraged resources driven by educator need. The Council supports the Oregon Teacher Scholars Program to help achieve purposes of the Educator's Equity Act, including scholarships, mentoring, networking and other resources for racially or linguistically diverse teaching candidates. The Subcommittee recommended a budget

of \$71,345,644 total funds. Funding comes from a carve-out in the SSF, as well as resources from the Fund for Student Success. The Subcommittee recommended budget includes the following packages:

Package 301, Indigenous-Tribal Educ & Scholars Prog Transfer. This package adds \$3,416,807 Other Funds expenditure limitation for the Tribal Nations Education Collaborative grant program, which supports educator training programs for American Indian/Alaska Native (AI/AN) students, with the goal of increasing the number of AI/AN teachers, paraprofessionals, and administrators employed in early learning, K-12 schools, and post-secondary institutions. One-time resources in the SEIA support this package for the 2023-25 biennium only.

Package 801, LFO Analyst Adjustments. This package makes the following two adjustments:

1. Other funds expenditure limitation is increased by \$25 million for educator professional development programs using one-time fund balance from the Educator Advancement Fund. This fund shift is made on a one-time basis for the 2023-25 biennium only. This increase is offset by a decrease in the same amount for educator professional development grant funding from the SEIA in the Department's Grant-in-Aid budget.
2. Increases the transfer from SSF by \$2,421,087 for the formula grants distributed by EAC. A portion of EAC's budget is a carve-out from SSF, which is tied to the growth each biennium in SSF. This change recognizes the growth for 2023-25 and transfers a greater share to the EAC for distribution.

Budget Note: Educator Advancement Council Key Report to the Legislature

The Educator Advancement Council (EAC) is directed to report to the legislature each biennium on the outcomes of its various grant programs. This report should include a description of each type of program funded by the EAC, the intended outcome from each funded program, the REN in which each program is funded, and the number of licensed educators and/or other quantifiable professional development outcomes produced by each program. The report should also detail the cost of the program, including its administrative costs, the cost per participant, and the cost per licensed educator produced by the program. This report is due to legislative committees on education and to the Joint Ways and Means subcommittee on education no later than February 15th of each odd-numbered year.

The following table shows the final budget figures for the Educator Advancement Council:

EDUCATOR ADVANCEMENT COUNCIL Grant in Aid	GENERAL FUNDS	TOTAL FUNDS (millions)
Tribal Nations Educator Collaborative	\$ -	\$ 3.4
EAC Grants - Formula	\$ -	\$ 35.8
EAC Grants - Capacity	\$ -	\$ 4.6
EAC Grants - Tech Asst.	\$ -	\$ 1.4
EAC Grants - HECC IAA	\$ -	\$ 1.1
Educator Professional Development Grants	\$ -	\$ 25.0
EDUCATOR ADVANCEMENT COUNCIL	\$ -	\$ 71.3

Oregon School for the Deaf

The Department operates the Oregon School for the Deaf (OSD) located in Salem. OSD serves approximately 115 hearing impaired students during the school year, many of whom reside at the school. The Subcommittee recommended a budget of \$22,736,345 total funds, which includes \$15,384,563 General Fund and 82 positions (76.43 FTE). The Subcommittee recommended budget includes the following package:

Package 112, Position Clean Up. This package reclassifies seven positions, changes the fund splits on four positions and increases FTE by 0.41. Position reclassifications are typically made during the biennium through an administrative process documented in Permanent Finance Plans. LFO recommends the Department's position reclassifications be made through that process going forward.

Grant-in-Aid and District Support

The Grant-in-Aid budget unit includes most of the K-12 funding, not including the SSF, distributed to school districts, Education Service Districts and other entities. The Subcommittee recommended a budget of \$4,590,364,541 total funds, which includes \$484,074,283 General Fund.

This budget unit includes spending authority for many grants received and administered by the Department. Many of these grants come from the U.S. Department of Education and the U.S. Department of Agriculture and are distributed primarily to local education programs. In addition, state dollars provide resources for specific education-related purposes with General Fund and Other Funds. Many of the programs in this budget unit are funded with resources from the Fund for Student Success. Programs that are primarily funded with Federal Funds include school nutrition, special education (IDEA), and federal Title I education grants.

The Subcommittee recommended the following packages:

Package 104, GEER TA & CTE Enhancement Continuation. Other Funds expenditure limitation is increased by \$4,650,000 to continue funding for rural and small school district technical assistance and support grants, intended to assist small school districts (fewer than 2,000 weighted students) with accessing and administering the more than 100 grant programs offered through the Department. The source of Other Funds is the Statewide Education Initiatives Account.

Package 105, Improved Service for Students with Special Needs. This package increases Other Funds expenditure limitation within the Fund for Student Success Early Learning Account by \$18,562,539 for Early Intervention/Early Childhood Special Education programs. This brings funding up to \$13,578 per child at the current projected caseload of 24,760 children for the 2023-25 biennium.

Package 801, LFO Analyst Adjustments. This package makes four budgetary changes:

1. The package makes an ongoing reduction of \$249,999 General Fund to reduce the transfer from the Farm to School program to the Department of Agriculture. This program will now be budgeted in the Department of Agriculture, eliminating the need for the transfer.
2. An ongoing General Fund appropriation of \$8,336,000 is made for the Youth Corrections Education Program and the Juvenile Detention Education Program. Instructions to the Department are provided in the following budget note:

Budget Note: YCEP/JDEP Funding Flexibility

In order to provide administrative flexibility to address fluctuating enrollment and costs between Youth Corrections Education Programs (YCEP) and Juvenile Detention Education Programs (JDEP) during a biennium, the Department is directed to account for YCEP and JDEP funding as a single program. To determine funding distributions between YCEP and JDEP providers and programs, the Department shall consider:

- The diversity of the population being served, including the number or percentage of youth from historically underserved populations;
- The characteristics of the facility including the number of classrooms in use;
- The number of students served in the program;
- The percentage of students qualifying for special education services; and
- The level of transition support offered by the provider.

3. A one-time \$2,500,000 General Fund increase is appropriated for a grant program to support school districts that install electronic panic alert systems. Instructions to the Department are provided in the following budget note:

Budget Note: Panic Alert Systems grants

For a grant program to purchase and install wireless panic alert systems in school buildings, \$2.5 million General Fund is appropriated to the Department on a one-time basis for the 2023-25 biennium. The Department may award one-time grants to school districts of up to \$2,000 per school building to assist with purchase and installation costs. From the \$2.5 million General Fund appropriation, the Department may spend up to \$350,000 for integration with the 9-1-1 emergency system.

4. Other Funds expenditure limitation is reduced by \$25,000,000 to reflect the reduced General Fund transfer into the High School Success and College and Career Fund. This is a one-time funding shift for the 2023-25 biennium. SEIA resources are increased for the High School Success and College and Career Fund in the same amount, for no net change to current service level funding for this program in the 2023-25 biennium.

Package 803, Fund for Student Success Adjustments. This package includes adjustments related to funding from the Fund for Student Success. The adjustments in this package include:

1. The package reduces the School Stabilization Subaccount for Wildfire-impacted School Districts in the SEIA by \$1,341,219 for the 2023-25 biennium. This represents the amount needed to cover spending from the subaccount in the 2021-23 biennium and increased the 2021-23 budget by \$1,341,219 Other Funds. This subaccount was established by House Bill 4026 (2022) to reimburse those school districts affected by the catastrophic wildfires in 2020 for temporary declines in average daily membership resulting from wildfire-damaged homes and schools.
2. An increase of \$17 million Other Funds expenditure limitation is provided to leverage federal nutrition dollars. Expenditures are to be supported by the Hunger-Free Schools subaccount in the SEIA. This investment would enable 76 percent of all school sites in Oregon to participate in the Community Eligibility Provision for federal child nutrition funds. This provision would reimburse eligible schools for 90 percent of the cost of providing free breakfasts and lunches to all enrolled students. This funding is provided for the 2024-25 school year and is intended to roll-up for 24-months of funding in future biennia.
3. A net zero fund shift in resources available in the High School Graduation and College and Career Fund is made by increasing resources from the SEIA by \$25,000,000 and decreasing General Fund resources into the Fund by the same amount. This fund shift is made on a one-time basis in the 2023-25 biennium in order to apply fund balances to program expenditures.

4. The package increases Other Funds expenditure limitation in the Student Investment Account in the Fund for Student Success by \$11,104,587 in order to meet the statutory amount identified in ORS 327.001.
5. Other Funds expenditure limitation is increased by \$437,613,169 to transfer funding from the Early Learning Account to the Department of Early Learning and Care, to support early learning programs identified in ORS 327.274.
6. A one-time reduction of \$25 million Other Funds expenditure limitation to educator professional development grants funded by the SEIA is made to offset a corresponding increase in same amount in the Educator Advancement Fund. This net-zero fund shift is made on a one-time basis for the 2023-25 biennium and has no effect on program expenditures.

Budget Note: School Funding Transparency

The Oregon Department of Education (ODE) collects and maintains a wide variety of data from local school districts, including revenue and expenditure budgets and audited actual annual revenues and expenditures. The Department is directed to research ways in which to make its school and district-level financial data publicly available on a web site in a searchable, user-friendly format. Users should be able to query and display school and district-level aggregated expenditures and revenues at varying levels of detail and in varying visual formats. The Department shall report to the Education Subcommittee of the Joint Committee on Ways and Means during the 2024 legislative session on its research, including technologies reviewed and costs and timelines for implementation.

Additionally, on an annual basis, the Department of Education shall publish a written report on school district-level revenues and spending by each school district in Oregon. The report should display actual revenues and expenditures in a fiscal year compared with the school district's budgeted revenues and expenditures for that year, aggregated by function and by object, and including budgeted and unbudgeted ending fund balances. This written report shall be presented to the Joint Ways and Means subcommittee on education no later than February 28th of each year.

The following table shows the final budget figures for Grant in Aid Programs:

K-12 GRANT IN AID PROGRAMS (\$ MILLIONS)					
Program	General Fund	Total Funds	Program	General Fund	Total Funds
Student Success Grant Programs			Nutritional Programs		
Start Making A Reader Today (SMART)	\$ 0.3	\$ 0.3	Federal Reimbursement Programs	\$ -	\$ 540.5
Reach Out to Read Program	\$ 0.1	\$ 0.1	After School Meal/Snack Program	\$ 0.5	\$ 0.5
Supporting Accelerated Learning Opportunities	\$ 3.0	\$ 3.0	Breakfast & Summer Lunch Programs	\$ 1.1	\$ 1.1
Physical Education Grants	\$ 1.5	\$ 4.2	Breakfast After the Bell Program	\$ -	\$ 1.2
Chronic Absenteeism Grants	\$ 7.0	\$ 7.0	Hunger Free Schools Program Grants	\$ -	\$ 105.9
High School Success Grants (Measure 98)	\$ -	\$ 310.1	Free Lunch Grant Program (SSF Transfer)	\$ -	\$ 3.0
Student Investment Program - Formula Grants	\$ -	\$ 940.9	Farm to School Programs	\$ 10.4	\$ 10.4
Student Investment Intensive Program: High Need	\$ -	\$ 26.1	SUBTOTAL	\$ 12.0	\$ 662.6
Interfund Transfers from General Fund	\$ 151.2	\$ 151.2	Closing the Achievement Gap		
Emergency Use Federal Funds (CRF, GEER, ESEER, etc.)	\$ -	\$ 529.7	African American Education Plan Grants	\$ 6.8	\$ 14.7
Wildfire Funding (one-time over 2 biennia)	\$ -	\$ 11.2	Latino State Plan	\$ -	\$ 6.3
Other Federal/Other Funds Grants	\$ -	\$ 39.4	LGBTQ State Plan	\$ -	\$ 4.2
SUBTOTAL	\$ 163.1	\$ 2,023.1	Public Charter School Equity	\$ -	\$ 4.7
STEM and CTE Related Programs			Native American Education Plan Grants	\$ -	\$ 5.4
STEM/CTE Regional Network Grants	\$ 7.0	\$ 7.0	Tribal Attendance Grants	\$ 1.7	\$ 1.7
CTE Revitalization Grants	\$ 7.6	\$ 7.6	English Language Learners Grants	\$ -	\$ 10.4
Mathways	\$ 2.1	\$ 2.1	Summer School Grants	\$ -	\$ 8.6
STEM/CTE Career Pathway Fund	\$ 8.4	\$ 8.4	Rural Schools Support Grants	\$ -	\$ 4.7
STEM/CTE Innovation Grants	\$ 5.5	\$ 5.5	Low Income: Title I, Part A	\$ -	\$ 325.1
Student Leadership Centers	\$ 0.8	\$ 0.8	School Improvement Grants	\$ -	\$ 22.1
Future Farmers of America Association	\$ 1.6	\$ 1.6	Migrant Education (Title I, Part C) Grants	\$ -	\$ 42.1
Agricultural Summer Program Grants	\$ 0.7	\$ 0.7	English Language Acquisition (Title III) Grants	\$ -	\$ 14.6
CTE Vocational Education Grant: Perkins Grant	\$ -	\$ 36.1	Title IV-A Student Enrichment Grants (new 2018-19)	\$ -	\$ 21.8
SUBTOTAL	\$ 33.6	\$ 69.6	Title IV-B 21st Century Community Learning Centers	\$ -	\$ 20.5
District Capacity and Technical Assistance Grant Programs			SUBTOTAL	\$ 8.5	\$ 506.8
ESD Technical Assistance Support Grants	\$ -	\$ 42.8	Specialized Student Service Grant Programs		
Healthy & Safe School Plan Grants	\$ -	\$ 2.1	Vision Screenings Reimbursements	\$ -	\$ 3.4
Statewide School Safety & Prevention Systems	\$ -	\$ 3.1	YCEP & JDEP*	\$ 8.3	\$ 25.1
Early Warning System Grants	\$ -	\$ 3.8	Transition Network Facilitator Grants (TNFs)	\$ 1.5	\$ 1.5
Electronic Warning System Technical Assistance Grants	\$ -	\$ 1.9	Early Intervention/Early Childhood Educ (EI/ECSE)	\$ 195.3	\$ 336.0
Foster Care Transportation Grants	\$ -	\$ 2.2	Regional Programs	\$ 31.2	\$ 67.9
Panic Button Funding	\$ 2.5	\$ 2.5	Hospital Programs	\$ 1.5	\$ 8.2
SUBTOTAL	\$ 2.5	\$ 58.3	Long Term Care and Treatment	\$ 21.4	\$ 45.3
Educator Effectiveness & Professional Development			Blind & Visually Impaired	\$ -	\$ 1.8
Educator Professional Development Grants	\$ -	\$ 7.0	Individuals with Disabilities Act (IDEA) Grants	\$ -	\$ 290.4
Title IIA Teacher and Principal Grant	\$ -	\$ 40.9	Interfund Transfers from General Fund (BVIS/VS)	\$ 4.9	\$ 4.9
SUBTOTAL	\$ -	\$ 47.9	SUBTOTAL	\$ 264.2	\$ 784.4

*Youth Corrections Education Program & Juvenile Detention Education Program

Common School Fund

The Common School Fund receives funds from the earnings of state lands controlled by the State Land Board and is considered a local revenue resource for purposes of the SSF distribution formula. ODE receives the funds from the Department of State Lands. The funds are counted as local revenues for the school funding formula and ODE factors this amount for each participating district's local contribution. The Subcommittee recommended an Other Funds Nonlimited budget of \$159,996,772. There is no change from the 2023-25 Current Service Level budget.

Youth Development Grant-in-Aid

The Subcommittee recommended a budget of \$38,660,888 total funds, including \$15,324,869 General Fund for the Youth Development programs. This set of programs provides services to youth through the age of 24. The programs support academic success and are designed to reduce involvement in the criminal justice system. The funding mechanism is generally grants to other entities. The Subcommittee recommended budget includes the following package:

Package 201 YDD Program Enhancements: This package increases Other Funds expenditure limitation by \$6,736,649 for the Future Ready Oregon program approved in the February 2022 Legislative Session. The limitation is needed to expend Federal American Rescue Plan Act dollars transferred from the DAS for grants to community-based organizations. One limited duration position to administer the program is funded within Department Operations Unit.

The following table shows the final budget figures for the Youth Development Division:

YOUTH DEVELOPMENT DIVISION Grant in Aid	GENERAL FUNDS	TOTAL FUNDS (millions)
Juvenile Crime Prevention	\$ 6.6	\$ 7.9
Gang Prevention & Intervention Grants	\$ 0.8	\$ 0.8
Youth Reengagement (HB 5047)	\$ -	\$ 8.7
Youth & Community	\$ 4.2	\$ 10.5
Youth & Innovation	\$ 3.6	\$ 3.6
Community Schools	\$ 0.1	\$ 0.1
Future Ready Oregon	\$ -	\$ 6.7
Other Small Grants	\$ -	\$ 0.3
TOTAL YOUTH DEVELOPMENT DIVISION	\$ 15.3	\$ 38.6

Debt Related Costs

The Subcommittee recommended a budget of \$64,206,661 General Fund and \$3,481,660 Lottery Funds for existing debt service. Most of this debt service is for paying for the Article XI-P bonds issued for the Oregon School Capital Improvement Matching Program. Lottery Funds are used for the debt service on the Connecting Oregon Schools program, a new broadband capital program implemented in 2021-23. There is no change from the 2023-25 Current Service Level budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form. The Subcommittee recommended one budget note related to Key Performance Measures for the Educator Advancement Council.

Budget Note: Educator Advancement Council Key Performance Measures

The Educator Advancement Council is directed to develop at least one new key performance measure (KPM) on the outcomes of its Grow Your Own programs. This performance measure should provide data for decision-makers to use in evaluating the costs and benefits for each type of GYO program. The measure should, at a minimum:

- Identify the number of people who enroll in the program,
- Identify the demographics of people enrolled
- Identify the number of people who complete the program
- Identify the number of people who become licensed Oregon educators through the program, and the types of endorsements licensees achieve.

If the purpose of a Grow Your Own program is not to produce licensed educators, the program's intended outcome should be stated, and the number of enrollees, completers, and the number of people who achieve the intended outcome should be quantified.

The Educator Advancement Council and the Department of Education are directed to work with the Legislative Fiscal Office on the proposed key performance measure(s) during the 2023-25 legislative interim and complete development by June, 2024 in order to propose the new KPM(s) during the 2025-27 budget process.

2021-23 Expenditure Actions

The Subcommittee approved a one-time increase to Other Funds expenditure limitation in the School Stabilization Subaccount for Wildfire-impacted School Districts in the SEIA by \$1,341,219 for the 2021-23 biennium. This represents the amount needed to cover spending from the subaccount in the 2021-23 biennium. This subaccount was established by House Bill 4026 (2022) to reimburse those school districts affected by the catastrophic wildfires in 2020 for temporary declines in average daily membership resulting from wildfire-damaged homes and schools.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Education
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 1,264,559,621	\$ -	\$ 2,585,895,343	\$ 137,133,538	\$ 2,945,935,878	\$ 662,827,488	\$ 7,596,351,868	896	811.54
2023-25 Current Service Level (CSL)*	\$ 695,497,917	\$ 3,481,660	\$ 1,808,457,772	\$ 164,071,224	\$ 1,531,047,858	\$ 540,463,419	\$ 4,743,019,850	555	538.68
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 089 - Capital Bonding - School Facilities									
Package 107: OSD Deferred Maintenance, OSCIM Grants & Connecting Oregon Schools Continuation									
Special Payments	\$ -	\$ -	\$ 242,500,000	\$ -	\$ -	\$ -	\$ 242,500,000		
SCR 100 - Department Operations									
Package 101: SEIA Enhancement to Equitable Services									
Personal Services	\$ -	\$ -	\$ 467,126	\$ -	\$ -	\$ -	\$ 467,126	2	1.84
Services and Supplies	\$ -	\$ -	\$ 99,546	\$ -	\$ -	\$ -	\$ 99,546		
Package 102: Strengthen Health and Mental Health in									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 1,280,257	\$ -	\$ 1,280,257	9	5.63
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 573,917	\$ -	\$ 573,917		
Package 104: GEER TA & CTE Enhancement Continuation									
Personal Services	\$ -	\$ -	\$ 91,771	\$ -	\$ 150,856	\$ -	\$ 242,627	1	1.00
Services and Supplies	\$ -	\$ -	\$ 14,345	\$ -	\$ 23,580	\$ -	\$ 37,925		
Package 105: Improved Service for Students with Special Needs									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 212,429	\$ -	\$ 212,429	1	0.92
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 37,925	\$ -	\$ 37,925		
Package 109: Electronic Grants Management System and State School Fund System Replacement Staffing									
Personal Services	\$ 692,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,293	3	3.00
Services and Supplies	\$ 105,726	\$ -	\$ 925,000	\$ -	\$ -	\$ -	\$ 1,030,726		
Package 111: Technical and Program Adjustments									
Personal Services	\$ 5,526,946	\$ -	\$ (5,447,173)	\$ -	\$ 2,951,962	\$ -	\$ 3,031,735	21	16.07
Services and Supplies	\$ 1,028,246	\$ -	\$ (1,009,285)	\$ -	\$ 734,277	\$ -	\$ 753,238		
Package 112: Position Clean Up									
Personal Services	\$ 50,444	\$ -	\$ (227,103)	\$ -	\$ (237,301)	\$ -	\$ (413,960)	0	0.46
Services and Supplies	\$ (50,444)	\$ -	\$ 227,103	\$ -	\$ 237,301	\$ -	\$ 413,960		
Package 201: YDD Program Enhancements									
Personal Services	\$ -	\$ -	\$ 225,426	\$ -	\$ -	\$ -	\$ 225,426	1	1.00
Services and Supplies	\$ -	\$ -	\$ 37,925	\$ -	\$ -	\$ -	\$ 37,925	HB 5014	

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 301: Tribe Educ & Scholars Prog Xfr										
Personal Services	\$ -	\$ -	\$ -	\$ 491,593	\$ -	\$ -	\$ -	\$ 491,593	2	2.00
Services and Supplies	\$ -	\$ -	\$ -	\$ 91,600	\$ -	\$ -	\$ -	\$ 91,600		
SCR 125 - Educator Advancement Council										
Package 301: Tribe Educ & Scholars Prog Xfr										
Special Payments	\$ -	\$ -	\$ -	\$ 3,416,807	\$ -	\$ -	\$ -	\$ 3,416,807		
Package 801: LFO Analyst Adjustments										
Special Payments	\$ -	\$ -	\$ -	\$ 27,421,087	\$ -	\$ -	\$ -	\$ 27,421,087		
SCR 200 - Oregon School for the Deaf										
Package 112: Position Clean Up										
Personal Services	\$ (107,477)	\$ -	\$ -	\$ 416,529	\$ -	\$ -	\$ -	\$ 309,052	0	0.41
Services and Supplies	\$ 107,477	\$ -	\$ -	\$ (416,529)	\$ -	\$ -	\$ -	\$ (309,052)		
SCR 300 - Grant-In-Aid and District Supports										
Package 104: GEER TA & CTE Enhancement Continuation										
Special Payments	\$ -	\$ -	\$ -	\$ 4,650,000	\$ -	\$ -	\$ -	\$ 4,650,000		
Package 105: Improved Service for Students with Special Needs										
Special Payments	\$ -	\$ -	\$ -	\$ 18,562,539	\$ -	\$ -	\$ -	\$ 18,562,539		
Package 801: LFO Analyst Adjustments										
Special Payments	\$ 10,586,001	\$ -	\$ -	\$ (25,000,000)	\$ -	\$ -	\$ -	\$ (14,413,999)		
Package 803: Fund for Student Success Adjustments										
Special Payments	\$ (25,000,000)	\$ -	\$ -	\$ 464,376,537	\$ -	\$ -	\$ -	\$ 439,376,537		
SCR 550 - Youth Development Division										
Package 201: YDD Program Enhancements										
Special Payments	\$ -	\$ -	\$ -	\$ 6,736,649	\$ -	\$ -	\$ -	\$ 6,736,649		
TOTAL ADJUSTMENTS	\$ (7,060,788)	\$ -	\$ -	\$ 738,651,493	\$ -	\$ 5,965,203	\$ -	\$ 737,555,908	40	32.33
SUBCOMMITTEE RECOMMENDATION *	\$ 688,437,129	\$ 3,481,660	\$ 2,547,109,265	\$ 164,071,224	\$ 1,537,013,061	\$ 540,463,419	\$ 5,480,575,758	595	571.01	
% Change from 2021-23 Leg Approved Budget	(45.6%)	0.0%	(1.5%)	19.6%	(47.8%)	(18.5%)	(27.9%)	(33.6%)	(29.6%)	
% Change from 2023-25 Current Service Level	(1.0%)	0.0%	40.8%	0.0%	0.4%	0.0%	15.6%	7.2%	6.0%	

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Education
Mike Streepey - 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
21-23 BUDGET ACTIONS									
SCR 300 - K-12 Grant in Aid									
Package 803: Fund for Student Success Adjustments									
Special Payments	\$ -	\$ -	\$ 1,341,219	\$ -	\$ -	\$ -	\$ 1,341,219		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,341,219	\$ -	\$ -	\$ -	\$ 1,341,219	0	0.00
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 1,341,219	\$ -	\$ -	\$ -	\$ 1,341,219	0	0.00

PRELIMINARY

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 6/5/2023 1:22:35 PM

Agency: Department of Education

Mission Statement:

Increase Achievement for All Students

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
6. EARLY LITERACY - Percentage of students meeting or exceeding statewide academic achievement standards in 3rd grade reading	a) All Students	Approved	40%	68%	68%
	b) Students of Color		21.70%	60%	60%
	c) Special Ed Students		16.30%	54%	54%
7. STUDENTS ON TRACK TO GRADUATE - Percentage of 9th grade students on track to graduate.	a) All Students	Approved	82.80%	90%	90%
	b) Students of Color		76.80%	88%	88%
	c) Special Ed Students		72.30%	83%	83%
8. HIGH SCHOOL COMPLETION - Percentage of students who complete high school within four years	All students	Approved	80.60%	86%	86%
	Students of color		76.10%	84%	84%
	Special Education students		66.10%	82%	82%
9. COLLEGE GOING - College-going rate of Oregon residents into post-secondary institutions		Approved	56.40%	76%	76%
10. CHRONIC ABSENTEEISM - Percentage of students who are absent more than 10% of days of the school year	All students	Approved	36.10%	15%	15%
	Students of color		44.70%	18%	18%
	Students with disabilities		43.70%	21%	21%
11. CUSTOMER SERVICE - Percentage of customers rating the agency's customer service as "good" or "excellent"	Overall	Approved	71%	85%	85%
	Expertise		74%	85%	85%
	Helpfulness		76%	85%	85%
	Timeliness		64%	85%	85%
	Accuracy		78%	85%	85%
	Availability of Information		73%	85%	85%
1. Protecting the Health & Safety of Children in Child Care - Percentage of citations for a serious valid finding that received a timely follow-up visit to confirm compliance		Legislatively Deleted	93.60%	86%	86%
2. Access to Early Care and Education: Infants & Toddlers - Percentage of infants/toddlers (birth-2 years) with access to a regulated child care slot.		Legislatively Deleted		15.40%	15.40%
3. Access to Early Care and Education: Preschool Age - Percentage of preschool age children (3-4 years) with access to a regulated child care slot. Regulated child care slots include Certified Centers, Certified Family, and Registered Family Providers.		Legislatively Deleted		35.65%	35.65%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
4. Early Learning Workforce Retention (all) - Percentage of early learning providers who have remained in the workforce.		Legislatively Deleted		65.05%	65.05%
5. Early Learning Workforce Retention (by race and ethnicity) - Percentage of early learning providers who have remained in the workforce disaggregated by race and ethnicity.	a) American Indian/Alaskan Native	Legislatively Deleted		66.15%	66.15%
	b) Asian			68.25%	68.25%
	c) Black/African American			69.30%	69.30%
	d) Hispanic/Latino/Spanish			74.55%	74.55%
	e) Native Hawaiian/Pacific Islander			64.05%	64.05%
	f) White			70.35%	70.35%
	g) Multiracial			71.40%	71.40%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the targets shown for KPMs #6 through #11, above, and notes that KPMs #1-5 are now performance measures for the Department of Early Learning and Care, and so are proposed to be deleted for the Department of Education. Budget notes direct the Department to propose at least one new outcome-focused KPM for programs provided by the Educator Advancement Council, in order to better evaluate the effectiveness of the Council's grant programs in producing qualified educators for Oregon's early childhood programs and K-12 schools.

SubCommittee Action:

The Subcommittee approved KPMs 6-11 as presented.

PRELIMINARY