

COSA OFF-THE-RECORD

Legislative Affairs Update:
2019-21 Governor's Recommended Budget

12/5/2018 · Eugene, OR



AGENDA

- » Governor's Recommended Budget (GRB) Overview
- » GRB Base Balanced Budget
- » GRB Budget Investments
- » GRB Alignment with COSA Priorities
- » Next Steps
- » Questions, Answers, Discussions



GOVERNOR'S RECOMMENDED BUDGET

Overview

- » Released on November 28 – COSA staff and invited superintendents briefed by Governor Brown
- » By law, GRB must be balanced with available revenue
- » Includes funding for capital projects
- » GRB includes a balanced budget using available revenues and an investment budget built on significant revenue increases
- » K-12 is prioritized in base budget and investment budget
- » GRB is closely aligned to both COSA's and the Joint Committee on Student Success' priorities

GOVERNOR'S RECOMMENDED BUDGET

K-12 Current Service Level (CSL)

- » \$8.97 billion State School Fund, plus \$100 million to help pay down K-12 PERS liability. **Total Allocation = 9.07 billion**
- » From the GRB: "The budget exceeds the \$8,771.5 million Current Service Level budget for the SSF...It adds \$15.7 million for final net PERS rates and an additional \$21.6 million for final gross PERS rates to the Current Service Level. Also, the 2017-19 budget was equally divided between the two years, and the 2019-21 Governor's budget acts as if it were unequally divided with the second year funded at 51 percent, not 50 percent. This results in an additional \$163.5 million."

CSL: 2017 vs. 2019

	17-19 Biennium	19-21 Biennium
State Calculation	\$8.02 billion	\$8.77 billion
Governor's Recommended Budget	\$8.02 billion	\$8.97 billion + \$100 million for PERS
Education Partners CSL Calculation	\$8.4 billion	\$9.13 billion
CSL Gap at Start of Legislative Session	\$400 million	\$60-150 million

GOVERNOR'S RECOMMENDED BUDGET

Base Budget Expenditures

- » **\$170 million** for Measure 98
- » **\$100 million** for Seismic Rehabilitation Grants
- » **\$100 million** for Oregon School Capital Improvement Matching (OSCIM)
- » **\$16 million** for workforce development and diversification programs
- » **\$6.3 million** for the Safe and Effective Schools for All Task Force proposals
- » **\$10.8 million** investment in the African American/Black Student Success Plan and the American Indian/Alaska Native State Plan

GOVERNOR'S RECOMMENDED BUDGET

Key Education Investments

- » **\$793 million** for a K-12 School Improvement Fund
- » **\$133 million** to fully fund Measure 98 (\$303 million total)
- » **\$585 million** for higher education
- » **\$285 million** to expand early learning opportunities for low income children
- » **\$45.6 million** increase for EI/ECSE funding

GOVERNOR'S RECOMMENDED BUDGET

Total K-12 Funding

- » State School Fund = \$8.97 billion + \$100 million for PERS
- » School Improvement Fund = \$793 million
- » Measure 98 Funding = \$303 million
- » **GRB Total K-12 Funding = \$10.166 billion***

**Does not include \$200 million for capital funding, \$285 million for early learning, and all other investments (EI/ECSE, etc.)*

GOVERNOR'S RECOMMENDED BUDGET

Alignment with COSA Priorities

COSA Goal: Secure SSF roll-up (\$9.13 billion) with no new carve-outs

✓ GRB recognizes insufficiency of \$8.77 billion and resets SSF floor to \$8.97-9.07 billion

COSA Goal: Full funding for Measure 98 (\$303 million)

✓ GRB includes full funding for Measure 98 tied to revenue

COSA Goal: Fund COSA Workgroup Priorities

✓ Education Workforce (\$16-20 million)
✓ Early Childhood (\$285 million)
● Social Emotional Well-being -- potentially in SIF; no direct investment.

GOVERNOR'S RECOMMENDED BUDGET

Alignment with COSA Priorities

COSA Goal: Increased EI/ECSE Funding

- ✓ \$45 million increase, but need to push it to \$65+ million

COSA Goal: Continued K-12 Facilities Funding

- ✓ \$100 million for Seismic Rehabilitation and \$100 million for OSCIM

COSA Goal: Revenue Reform with Significant K-12 Investments

- ✓ GRB includes \$900+ million for K-12

COSA Goal: Cost Containment

- TBD -- Legislative discussions continue

GOVERNOR'S RECOMMENDED BUDGET

Next Steps

- » Need to review specific bills and proposals
- » Flexibility in the School Improvement Fund
- » Funding to meet the social and emotional needs of students
- » Two requests from Governor Brown to COSA and Superintendents:
 1. Focus on investments.
 2. Engage your districts and communities to create a plan for how you would invest new resources from a School Improvement Fund.
- » Oregon Rising -- new focus on investment

WE ARE HERE TO SERVE YOU.

- » We want to hear from you when you have challenges or concerns -- please ask! We can assist with bills/legislation, working with your legislators or other elected officials, navigating administrative rules, contacting ODE or other state and federal agencies, and much more.

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