Legislative Update

The Oregon Legislature convened for the 2019 regular session in February. We are fast approaching constitutional sine die, June 30th. This session has been filled with excitement as we saw the passage of landmark legislation: the Student Success Act (HB 3427). This law alters the trajectory for Oregon’s children, students, and youth. It aims to correct three decades of underinvestment in our schools and our children. The Student Success Act includes sweeping provisions for new and improved services for children and families. It includes significant investments in early learning, expanding instructional time, addressing student health and safety, reducing class size, providing a more well-rounded education, fully funding High School Success (M98), increasing access to school meals, funding for equity in education, increasing access to summer school opportunities, introducing new youth reengagement programs, funding services for students with disabilities, and more.

In other news, ODE had a very successful legislative session. Most of our priority bills became law or were funded in the ODE budget (HB. 5015). These include:

- **SB 13-A**: Changes Terminology for persons who are deaf or hard of hearing for the purposes of special education statutes.
- **SB 15-A**: Authorizes YDD to inspect and collect data from facilities in which juveniles are detained to ensure compliance with federal Juvenile Justice and Delinquency Prevention Act.
- **SB 16**: Specifies types of licenses health care practitioners authorized to performed assessments or examination for purposes of determining SPED service eligibility.
- **SB 415-A**: Adds Department of Education employees, school district board members, and public charter school governing body members to list of mandatory reporters of abuse.
- **SB 664-A**: Requires SDs to provide instruction about the Holocaust and genocide beginning with 20-21 school year. Directs Department of Education to provide technical assistance to SDs for instruction. Requires school district to provide instruction based on standards with 2025-2026 school year. Takes effect July 1, 2020.
- **SB 690-A**: Modifies membership, meeting requirements and administrative support of State Council for Education Opportunity for Military Children. Declares emergency, effective on passage.
AGENDA ITEM:

- **SB 905-A**: Determines students voluntarily placed in substitute care to be resident of school district where student resides due to placement.
- **HB 2022-B**: Changes name of Oregon Virtual School District to Oregon Digital Learning. Expands purposes of Oregon Digital Learning Academy to require provisions of professional related to online learning.
- **HB 2023-A**: Directs State Board of Education to ensure that academic content standards for certain subjects include sufficient instruction on histories, contributions and perspectives of certain classifications of individuals.
- **HB 2027-A**: Permits Office of Child Care to consider any information obtained by office when reviewing enrollment in Central Background Registry.
- **HB 3427 Enrolled**: Establishes the fund for Student Success.
- **HB 5016**: Appropriates moneys from General Fund to Department of Education.
- **HB 5047 Enrolled**: Companion budget bill for HB 3427 Enrolled.

The following is a list of ODE sponsored bills or bills for which ODE advocated that were absorbed by The Student Success Act (**HB 3427**):

- **SB 12-A**: The early interventions and early warnings systems is now a part of the Student Success Act.
- **SB 14**: Directs ODE to develop and implement statewide plan for early childhood through post-secondary education students who are American Indian or Alaska Natives and who have experienced disproportionate educational results.
- **SB 584**: Establishes Statewide School Safety & Prevention System.
- **HB 2440**: Directs Department of Education to develop and implement statewide education plan for students in early childhood through post-secondary education who are Latino or Hispanic and have experienced disproportionate educational results.

**HB 2512-A** relates to the State Board of Education. Currently, there are seven board voting members appointed by the Governor and Senate confirmed. **HB 2512-A**, requires one at large member must be licensed teacher in Oregon.

This is just a list of the bills ODE specifically advocated for. There are plenty of others we are monitoring and expect to become law. Once session ends, we will share the 2019 Legislative Summary of Education Bills Enacted.

**Budget Update**

The Oregon Department of Education’s 2019-21 budget will not be finalized until all budget bills that relate to the Department are reconciled upon the close of the 2019 Legislative Session.
However, there are three bills that will make up the majority of the Department’s budget that have either been approved, or are in the process of being approved. These include:

House Bill 5015 – Budget Bill for ODE’s programs and operations except State School Fund.
House Bill 5016 – Budget Bill for State School Fund
House Bill 5047 – Budget Bill for HB 3427 (Student Success Act)

HB 5016 was recommended for approval by the Joint Ways and Means Subcommittee on Education on June 12, 2019 and will be considered for approval by the Full Ways and Means Committee the week of June 17th. From that point, it will need to be approved by both the House and Senate and then eventually the Governor. HB 5047 and HB 5016 have already been approved and were signed into law by the Governor on June 4, 2019,

In terms of the two approved bills, HB 5047 provides a total ODE budget increase in 2019-21 of $914.5 million and 72 positions, while the State School Fund (HB 5016) approved a budget of $9.0 billion for 2019-21, which represents nearly an $800 million or 9.7% increase from the current biennial level. The current recommendation for HB 5015 is $3,001,689,562 with 614 positions representing a budget increase of approximately $116.5 million and 30 positions.

In aggregate, the three bills will increase ODE’s 2019-21 budget by $1.8 billion or 16.5%. This will include an additional 102 staff positions above the current biennium. With the full twenty four month revenue collection and program rollout of the Student Success Act, the total growth in budget will be 25.2% or $2.8 billion (not accounting for inflation) in 2021-23.

As mentioned, these are the primary bills that impact’s ODE’s budget, however, it is likely there will be additional bills that will either increase or decrease the agency budget and positions. Typically there is some form of statewide efficiency bill that reduces the inflation growth or decreased certain operational expenditures, as well as adjustments to various state government service charges. The Department is also expecting increased bonds funds (likely $100 million) to continue the Oregon School Capital Improvement Matching Program. There is also several other policy bills that are still moving through the process that may add additional budget and/or staff to the agency programs and operations.

ODE estimates that the final reconciled budget will not be available until mid-July, however, this provides the best estimate at this point in the process. During the presentation to the State Board of Education on June 20, 2019, ODE will provide a summary overview of each of the three primary budget bills and provide a little more information on the key changes to the agency’s current budget.