

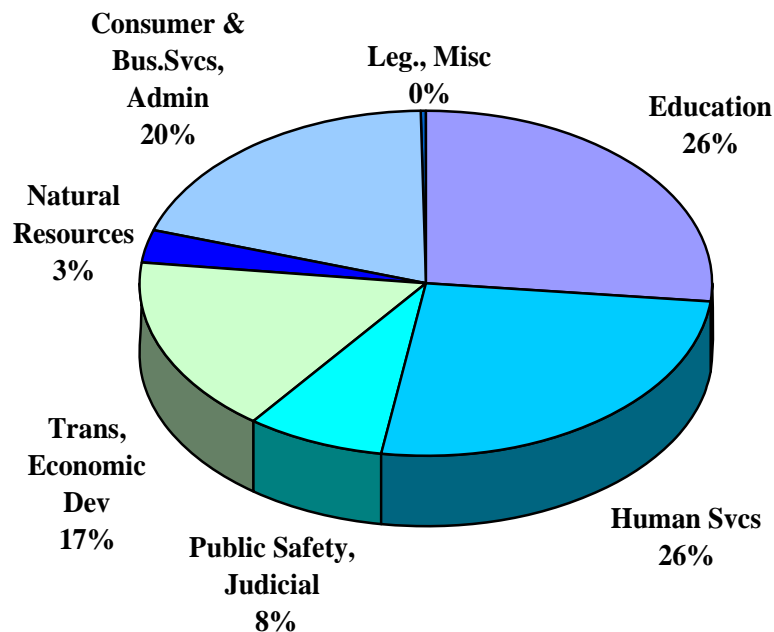
2009-11 Program Area Overview

Education

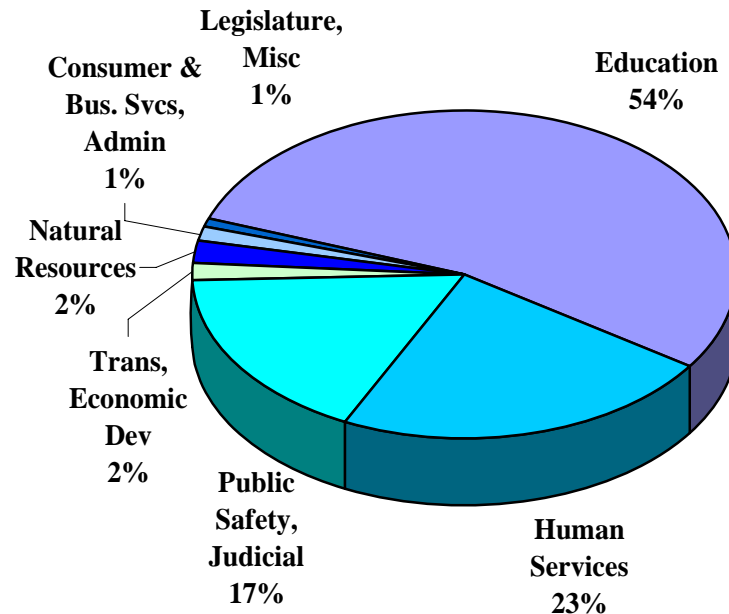
Bill McGee & Jim Carbone – January 21, 2009

Budget by Fund Types

Statewide: \$54 Billion Total Funds



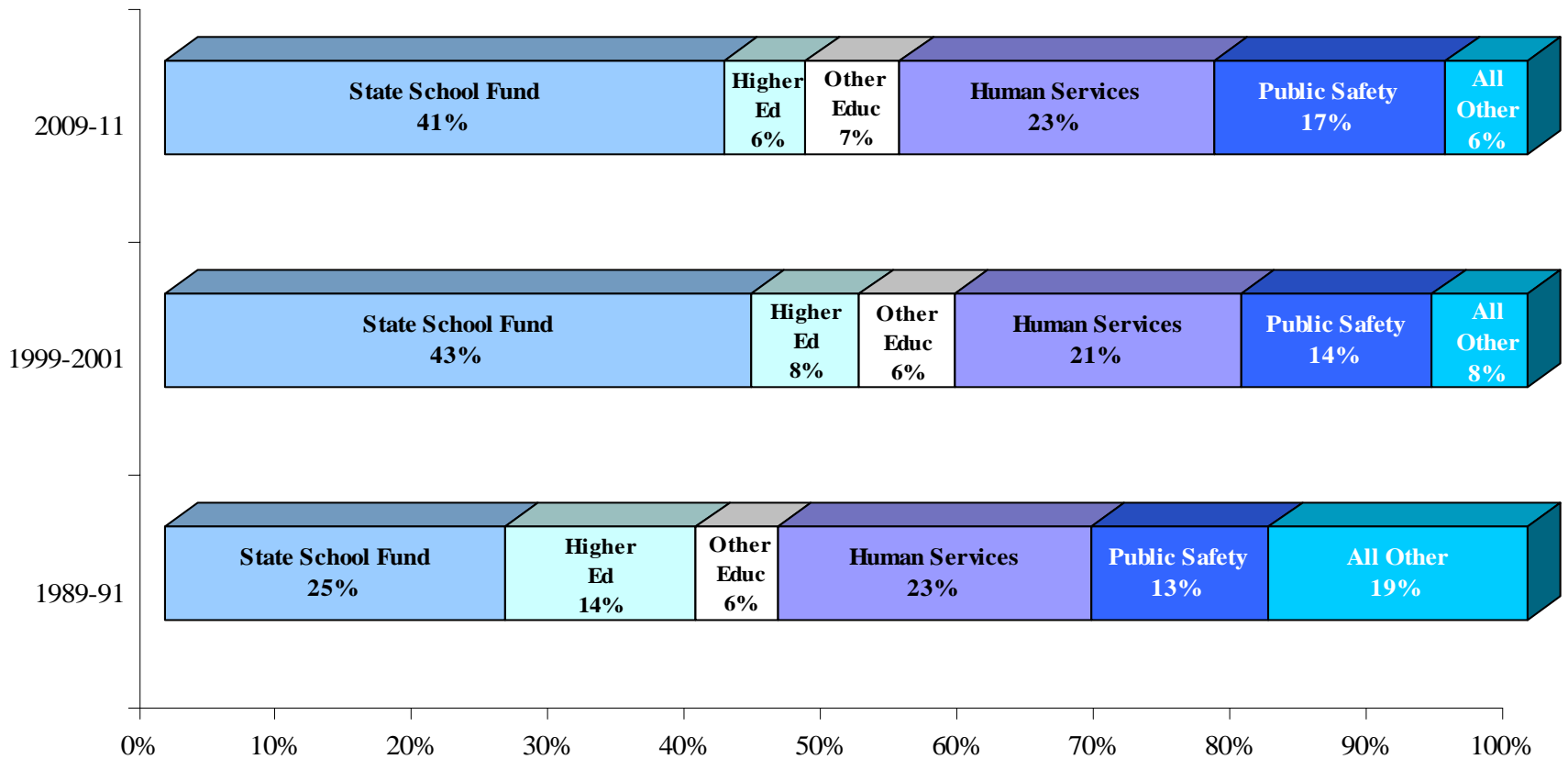
\$15.8 Billion General, Lottery Funds



2009-11 Governor's Budget

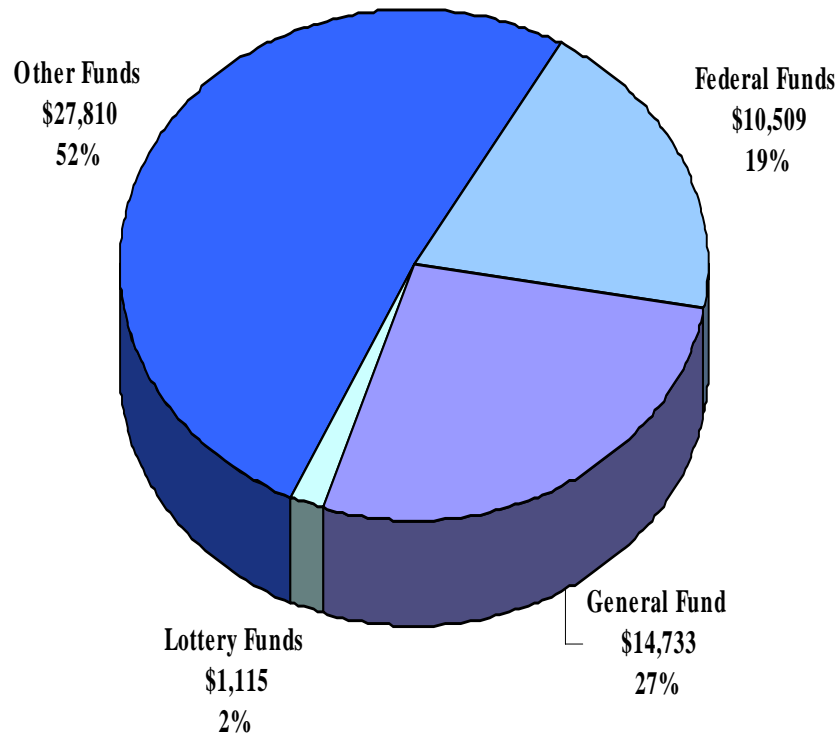
General Fund and Lottery Funds

State School Fund Higher Ed Other Educ Human Services Public Safety All Other

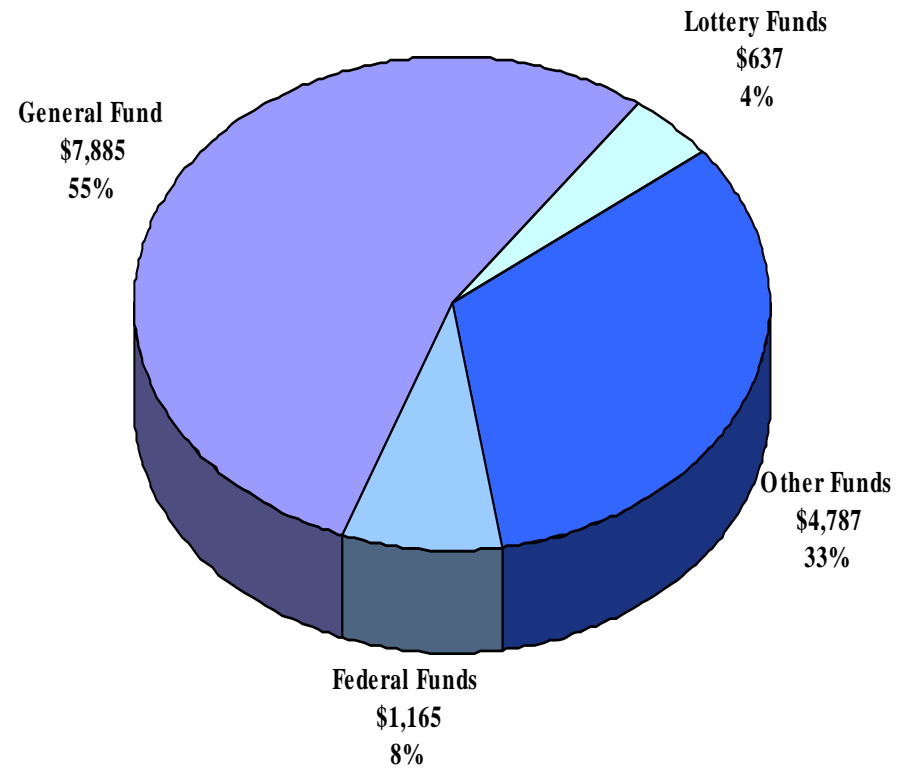


Statewide - Program Area Comparison by Fund Types

Statewide by Fund Type



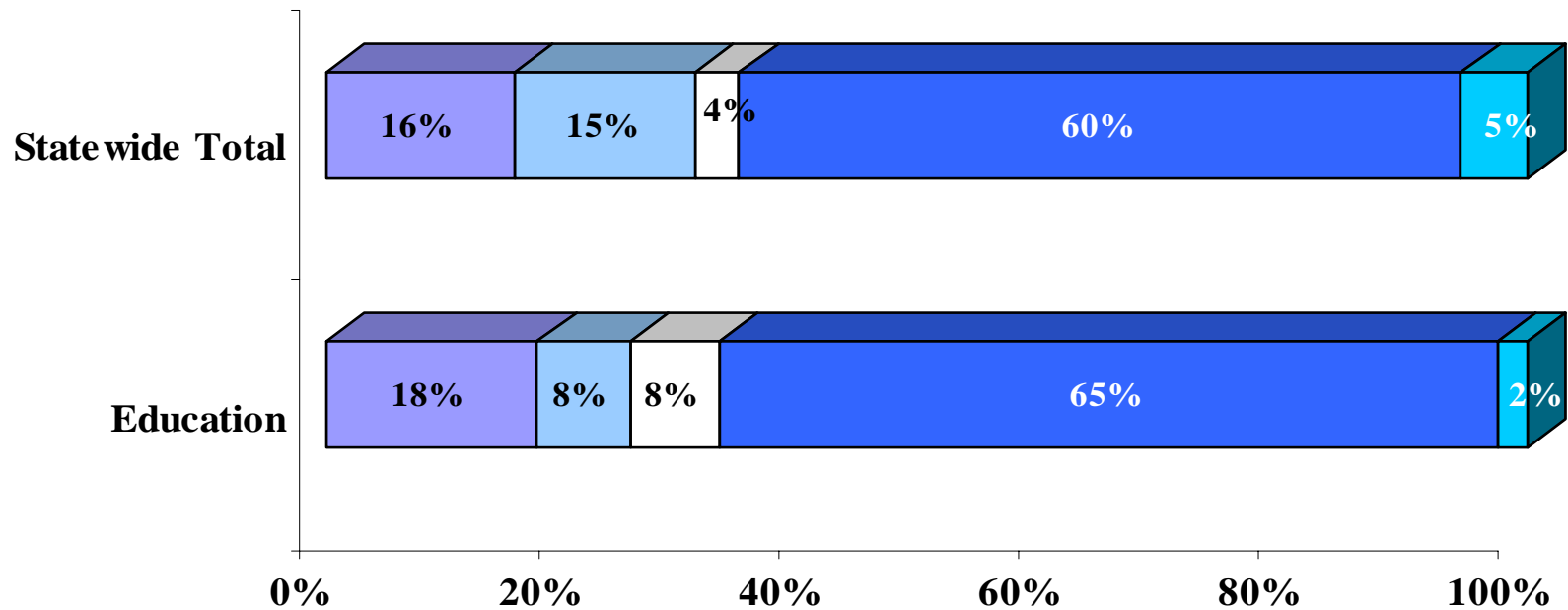
Education Program Area by Fund Type



Budget Categories

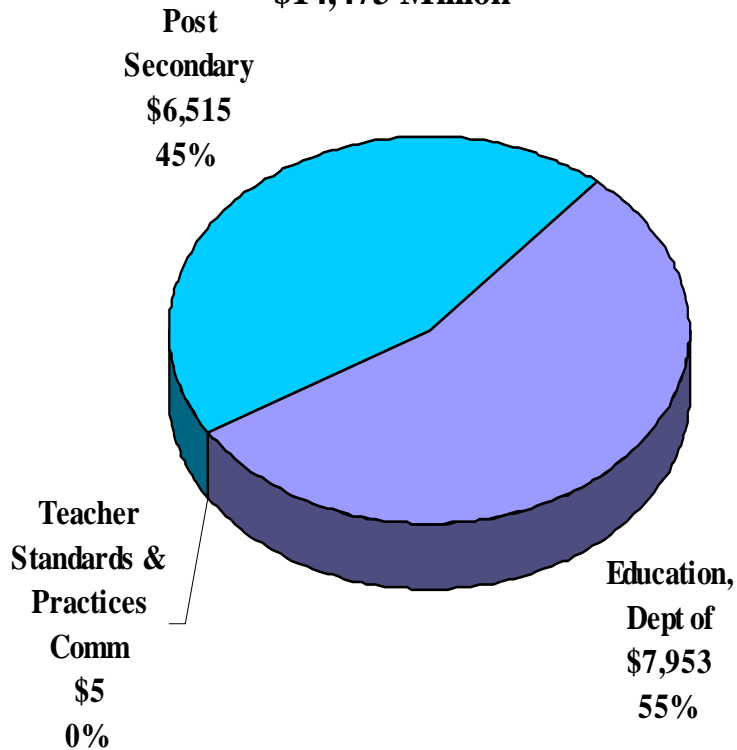
Expenditures by Category - Total Funds

■ Personal Services ■ Services and Supplies □ Capital Outlay ■ Special Payments ■ Debt Service

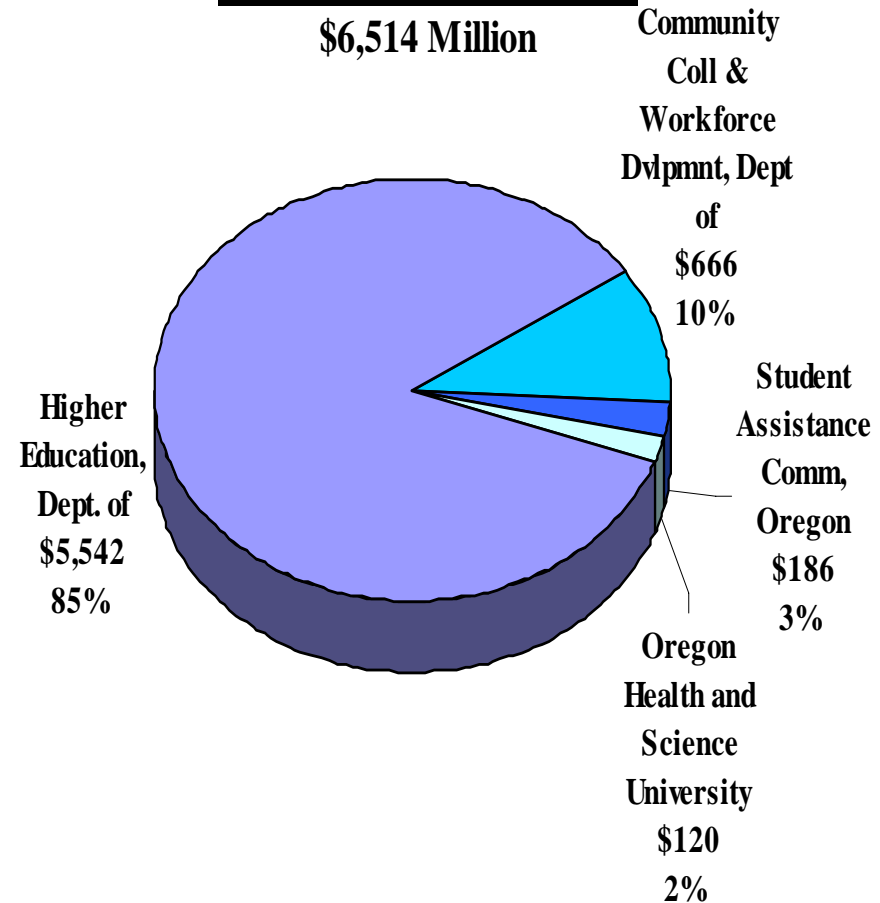


Education Program Area Agencies

Total Funds
\$14,473 Million

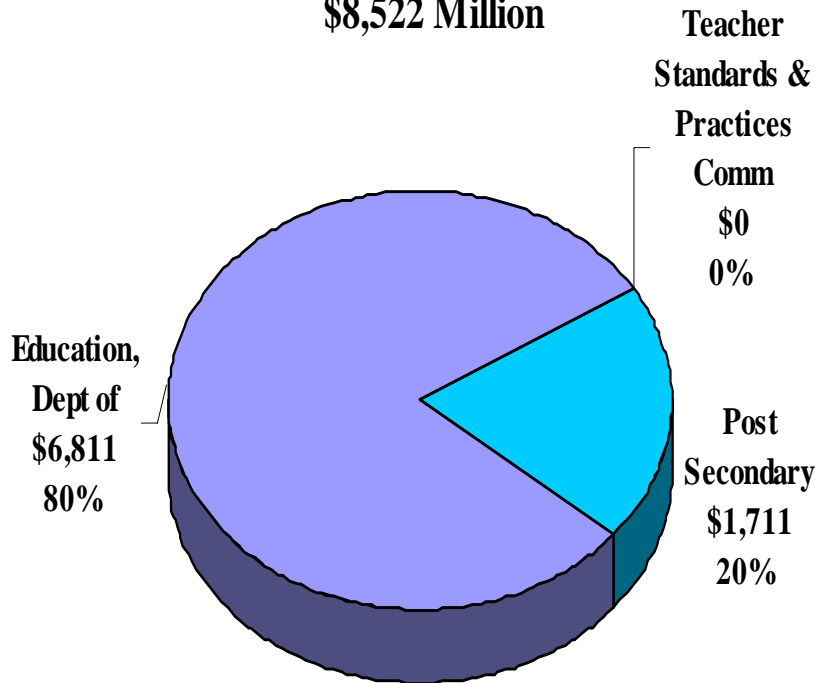


Post Secondary Total Funds
\$6,514 Million

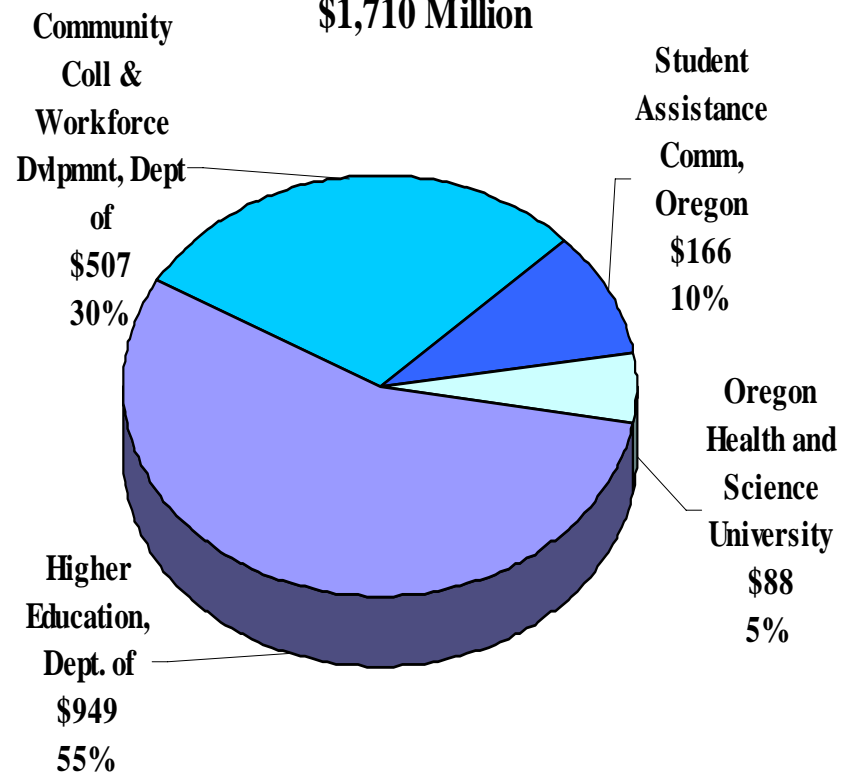


Education Program Area Agencies

General, Lottery Funds
\$8,522 Million



Post Secondary General, Lottery Funds
\$1,710 Million



Education Program Area

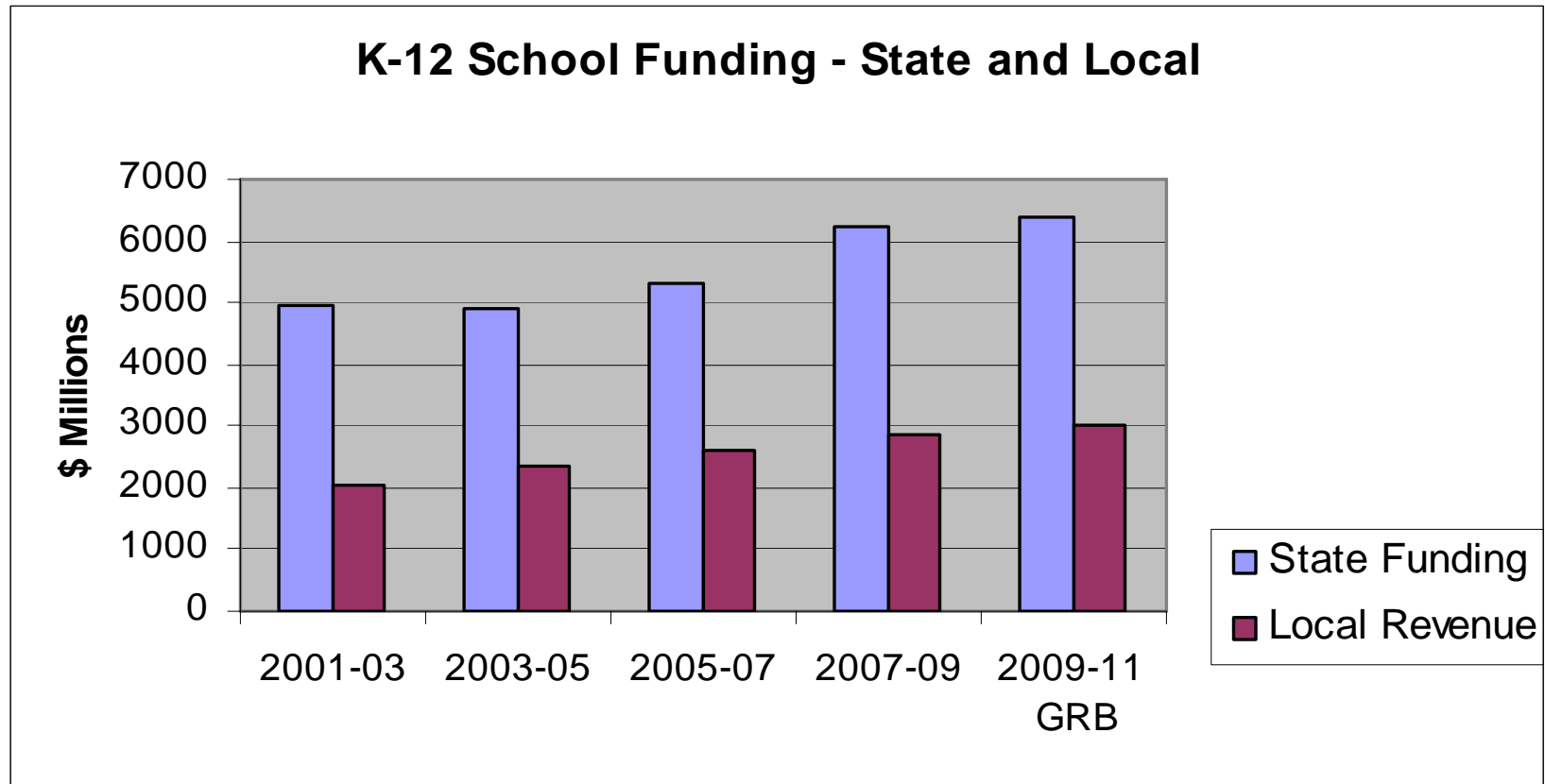
■ Significant Issues

- 40/40/20 in 2025 goal
- Population and demographic changes
- Impact of recession on post-secondary enrollment
- Improving student success throughout the educational pipeline
- Expanding educational and workforce development for adults 25 and over

Department of Education

- **Major Programs** (43 percent of all GF/LF Spending)
 - **K-12 School Funding** (\$6.4 Billion)
 - State School Fund
 - School Improvement Fund
 - Common School Fund
 - **Dept. Operations & Grant-In-Aid** (\$343.1 Million GF)
 - **Special Schools** (\$19.7 Million GF)
 - **Youth Corrections Education** (\$21 Million OF)
 - **Debt Related Services** (\$55.8 Million LF)

K-12 School Funding



Department of Education

■ Significant Issues

■ Improved Quality

- Rigorous High School Diploma requirements
- School Funding level (Quality Education Model)

■ Early Childhood Education

Department of Education

■ Governor's Recommended Budget

- Continues services at Essential Budget Level.
- Adds \$6 million to continue expansion of the Oregon Pre-Kindergarten program.
- Adds \$1 million as investment in an early Head Start program.
- Provides \$1.36 million to begin the implementation of the new high school diploma requirements.
- Provides \$1 million to fund on-going maintenance & support of the on-line student assessment system.

K-12 School Funding

- Governor's Recommended Budget
 - Total GF & LF increased 2.4 percent over 2007-09 LAB. - \$6.392 million, includes:
 - State School Fund
 - School Improvement Fund
 - Additional support of Regional Programs for students with disabilities/autism.
 - Support for teacher mentoring and professional development.
 - Continuation of dedicated resources for QEC, OVSD, physical education grants, and Local Option Equalization Grants.

Department of Higher Education

■ Major programs

■ Education and General Services:

- Eastern Oregon University, Oregon Institute of Technology, Oregon State University, Portland State University, Southern Oregon University, University of Oregon and Western Oregon University
- Chancellor's Office

■ OSU statewide public service programs:

- Agricultural Experiment Station, Extension Service, Forest Research Laboratory

■ Capital Construction

■ Debt Service

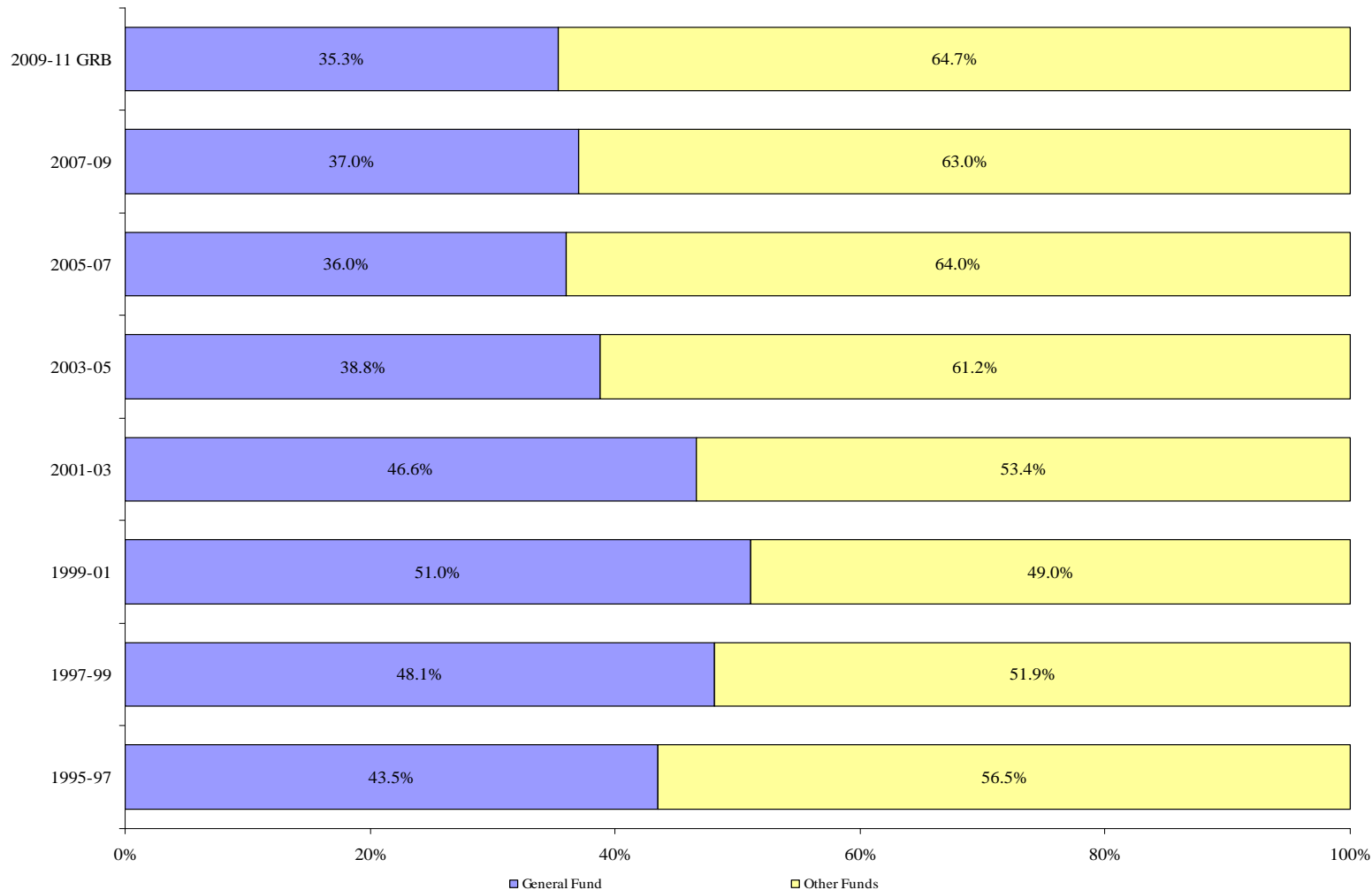
Department of Higher Education

■ Significant Issues

- Reduced state support
- Unanticipated enrollment growth
- Tuition levels
- Deferred maintenance backlog
- Faculty salaries
- Student success

Department of Higher Education

Funding per Student FTE
Education and General Services



Department of Higher Education

- Governor's budget
 - \$103.8 million for nine deferred maintenance projects and \$51.4 million for system-wide capital repair
 - \$250 million for a new Life Sciences facility in the Portland south-waterfront district
 - \$74.9 million for renewable energy projects, including the UO power station waste gasification project
 - \$499.6 million for 20 other projects and reserves

Department of Higher Education

- Governor's budget
 - Tuition increases of no more than 3.6 percent annually
 - Retention of interest on Other Fund balances, shifting \$13.9 million from General Fund to Other Funds
 - Increase of \$3 million for Engineering and Technology Industry Council (ETIC) programs
 - Reduction of \$16.1 million to be restored with Education Stability Fund allocation in 2010
 - Oregon, Inc. initiatives in OECDD budget at \$20.6 million

Department of Community Colleges and Workforce Development

■ Major programs

- Community College Support Fund and targeted programs
- Federal/Other Programs
 - Workforce Investment Act programs
 - National Emergency Grants
 - Perkins Grants
- Oregon Youth Conservation Corps
- Capital Construction
- Debt Service
- Office Operations

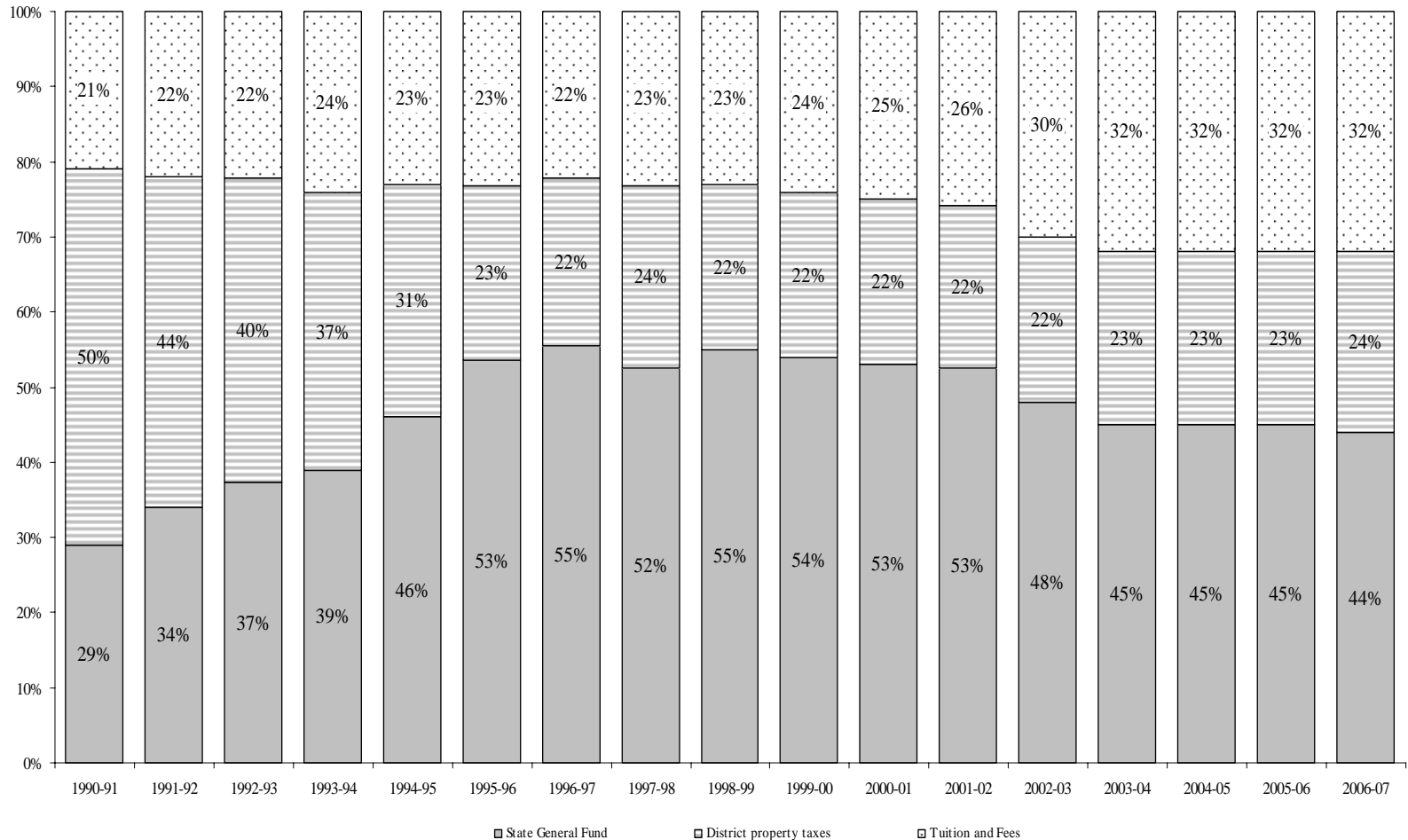
Department of Community Colleges and Workforce Development

■ Significant issues

- Reduced state support for colleges
- Tuition levels
- Calculation of Essential Budget Level
- Capital construction projects
- Increasing need for workforce programs

Department of Community Colleges and Workforce Development

Community College Major Revenue Sources



Department of Community Colleges and Workforce Development

■ Governor's budget

- Support Fund: \$485 million in GRB, \$15 million from Education Stability Fund in 2010
- Capital construction: \$31.8 million, half funded with Article XI-G bonds
 - Treasure Valley: Ontario university center
 - Blue Mountain: Hermiston university center
 - Umpqua: Roseburg health occupations center
- Workforce enhancements: \$5.3 million
 - Career Readiness Certificate, career and technical education, Employer Workforce Training Fund

Oregon Student Assistance Commission

- Major programs:
 - Oregon Opportunity Grant
 - Other state, federal, and private scholarships
 - ASPIRE program
 - Office of Degree Authorization
 - Office Operations

Oregon Student Assistance Commission

- Significant issues
 - Phase-in of Shared Responsibility Model
 - Estimation of multiple unknown and moving parts:
 - Applications, pick-up rates, educational costs
 - Impact of changes in federal financial aid
 - Pell Grants, tax credits, estimated family contribution
 - Loss of grant support for ASPIRE program

Oregon Student Assistance Commission

- Governor's budget
 - Opportunity Grants: \$163 million total funds plus \$12 million from the Education Stability Fund in 2010
 - Assumptions:
 - 2009-10: 36,249 awards averaging \$2,317
 - 2010-11: 37,047 awards averaging \$2,475
 - Fall 2008-09 exceeded expectations
 - 38,563 awards
 - Revenue loss forced imposition of deadlines, award reductions, and waiting lists

Oregon Health and Sciences University

- Programs: medical, dental, and nursing schools, hospitals and clinics, Child Development and Rehabilitation Center
- Issues: tort cap, investment losses and bond costs, market competition, undercompensated health care
- Governor's budget:
 - \$88.2 million General Fund maintains Essential Budget Level
 - \$31.9 million Other Funds pays debt service on Opportunity Program bonds

Teacher Standards and Practices Commission

- Programs: Licensure, Program Approval, Discipline
- Significant Issue: Caseload
- Governor's Budget: \$5.4 million Other Funds