OREGON EDUCATION INVESTMENT BOARD

Special meeting

September 18, 2014
8:00am – 8:30am
The board members will be meeting via conference call.
Call in Information:
Dial: (888) 204 - 5984
Code: 992939

Public may attend the meeting at:
775 Court Street, NE, Salem, OR 97301
Small conference room

JOHN KITZHABER
Governor of Oregon
OEIB Chair

JULIA BRIM-EDWARDS

YVONNE CURTIS

MATTHEW DONEGAN

SAMUEL HENRY

NICHOLE JUNE MAHER

MARK MULVIHILL

DAVID RIVES

RON SAXTON

MARY SPILDE
Chair-Designee

KAY TORAN

JOHANNA VAANDERING

DICK WITHNELL

Chief Education Officer
NANCY GOLDEN

AGENDA

1. **Board Welcome and Roll Call**

2. **Reconsideration and potential reinstatement of votes taken at September 9 Oregon Education Investment Board meeting to adopt the following:**

   - Achievement Compact Recommendations – ACTION ITEM

   - Consent Agenda Items – ACTION ITEMS
     a) June Meeting Minutes
     b) 2015-17 OEIB Agency Budget
     c) Engineering & Technology Investment Council

3. **Adjournment**

All meetings of the Oregon Education Investment Board are open to the public and will conform to Oregon public meetings laws. The upcoming meeting schedule and materials from past meetings are posted online. A request for an interpreter for the hearing impaired or for accommodations for people with disabilities should be made to Seth Allen at 503-378-8213 or by email at Seth.Allen@state.or.us. Requests for accommodation should be made at least 48 hours in advance.

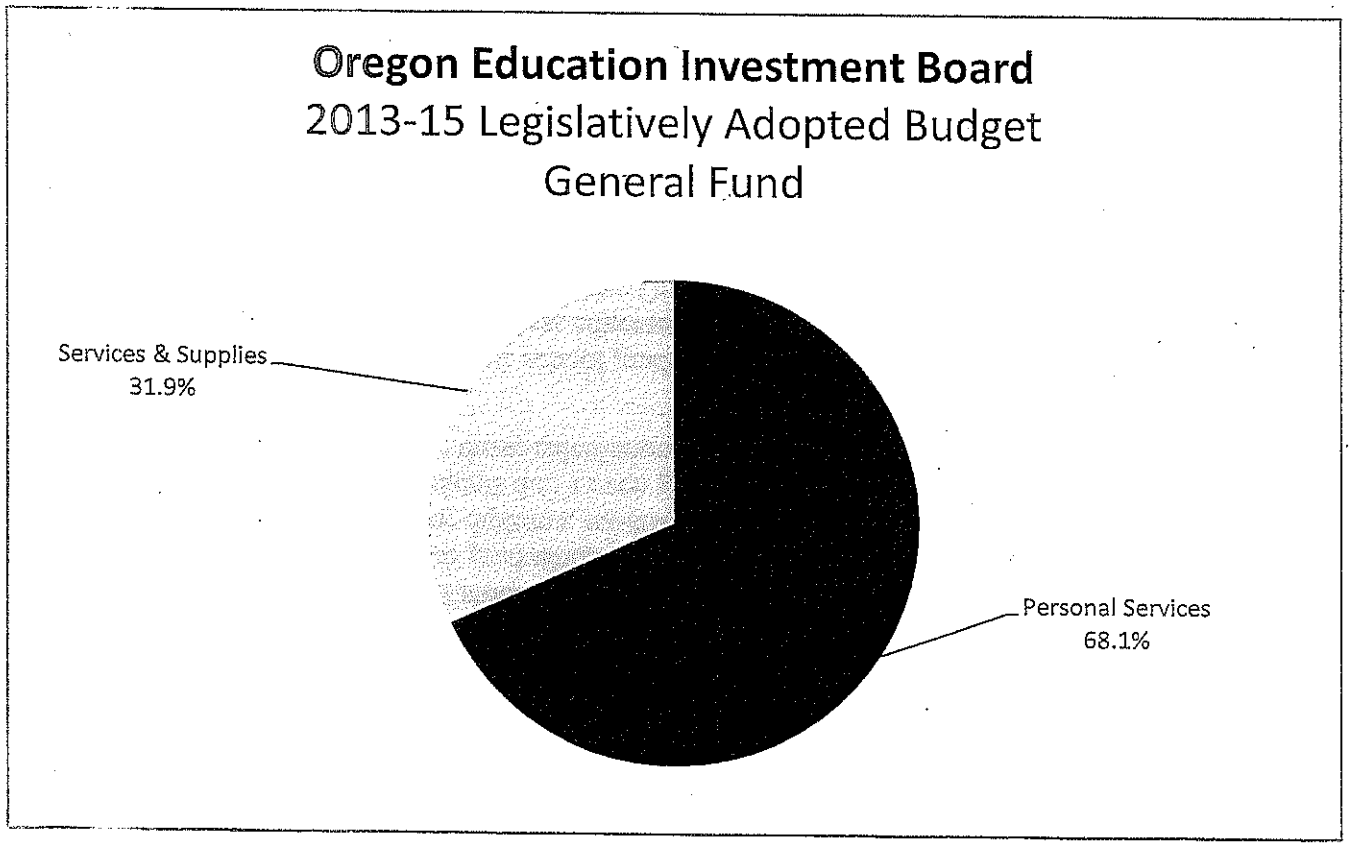
Oregon Education Investment Board
Achievement Compact Final Policy Recommendations
September 2014

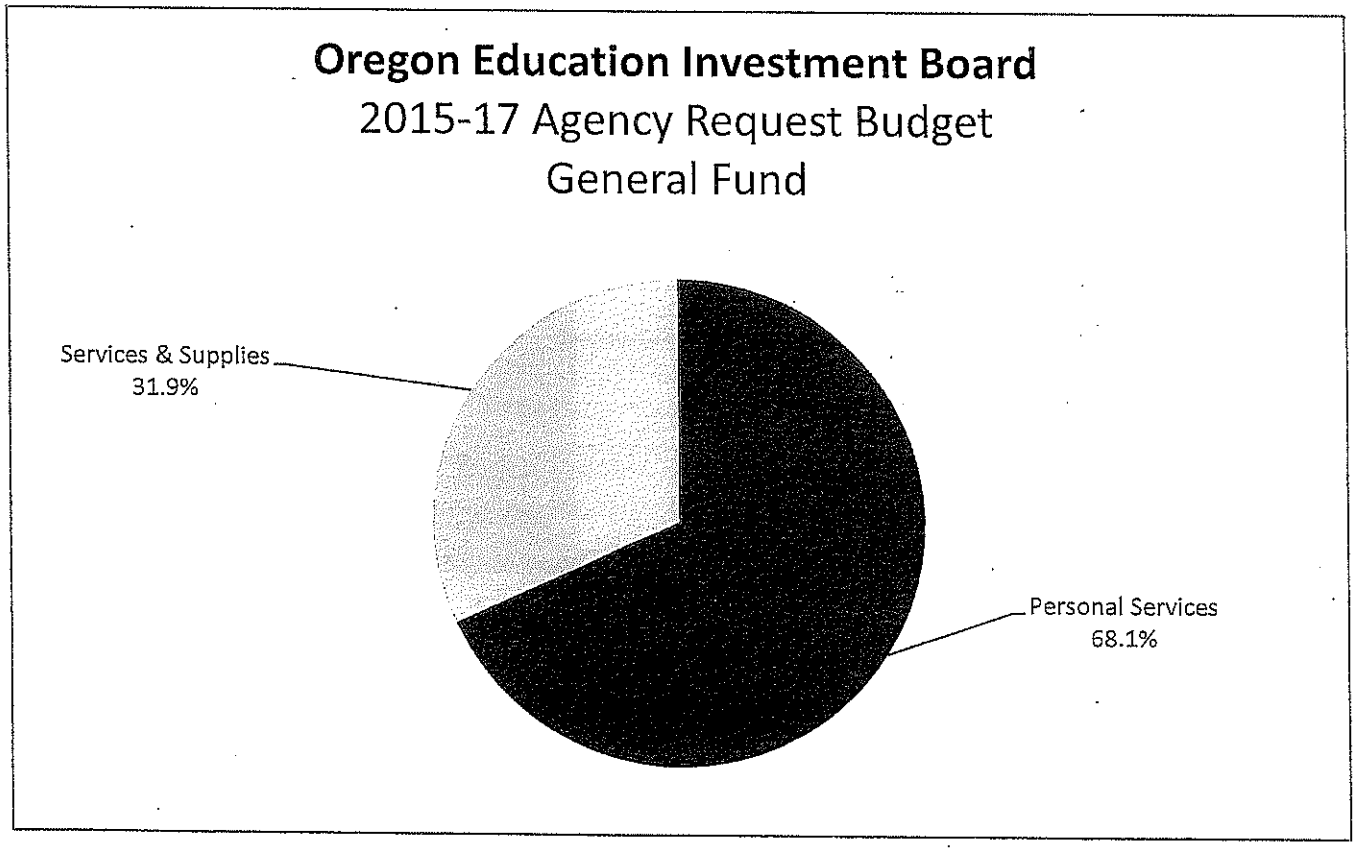
1. Significantly reduce school district, community college, and public university reporting requirements and make the achievement compact process more integrated, meaningful, and actionable
    a. Goal setting in 1 or 2 focus areas only
        i. Does not require change in statute or administrative rules
    b. 3 year goals with theories of action
        i. Does not require change in statute or administrative rules
    c. Timeline that fits with post-secondary institutional processes
        i. Requires change in ORS 326
    d. Analyze how achievement compact work can replace other required reporting
        i. May require changes in statutes and/or rules
2. Provide OEIB focus and investment to produce aligned efforts and increased results
    a. K-12: 3rd grade reading and high school completion
    b. Post-secondary: new productivity metric
    c. Systemic: equity, chronic absenteeism, poverty
3. Maintain achievement compact metrics for measurement of statewide progress and accountability
    a. Oregon Department of Education (ODE): Report cards and new district report card
    b. Higher Education Coordinating Commission (HECC): New institutional report card
4. Improve parent engagement
    a. OEIB will engage with parent, community, and culturally specific groups to review progress towards the achievement compact metrics and solicit suggestions for statewide strategies and focus areas.
    b. OEIB will research existing K-12 district governance structures that exist in parallel with the achievement compact committees to assess redundancy and existing local methods of parent involvement in order to recommend a cohesive system of parent engagement.

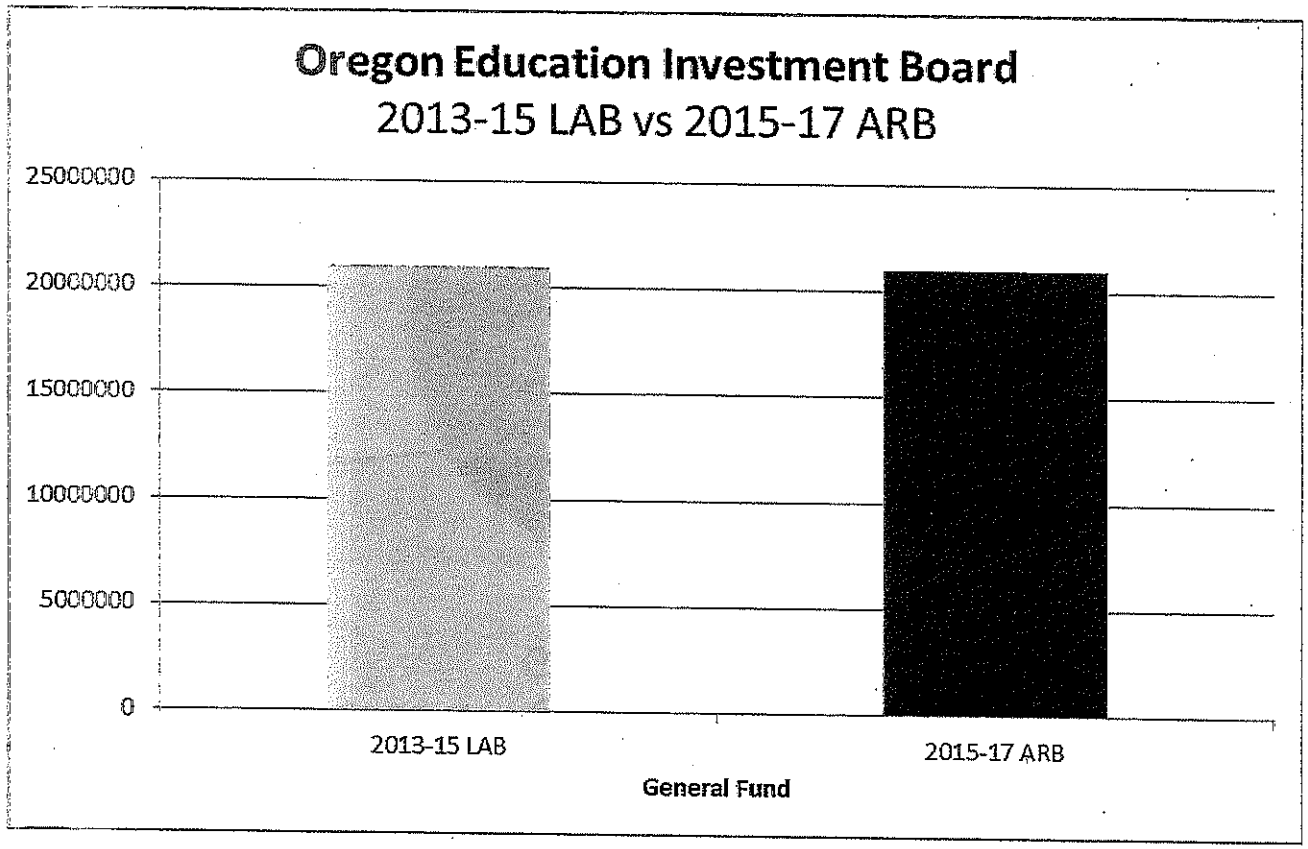
OREGON EDUCATION INVESTMENT BOARD

2015-2017 AGENCY'S REQUESTED BUDGET

Budget Summary Graphics




Oregon Education Investment Board
2015-17 Agency Request Budget
General Fund
Services & Supplies
31.9%
Personal Services
68.1%


Oregon Education Investment Board
2013-15 LAB vs 2015-17 ARB
25000000
20000000
15000000
10000000
5000000
0
2013-15 LAB
2015-17 ARB
General Fund

Summary of 2015-17 Biennium Budget

Oregon Education Investment Board
Oregon Education Investment Board
2015-17 Biennium

Agency Request Budget
Cross Reference Number: 52400-001-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2013-15 Leg Adopted Budget	15	15.00	6,035,608	6,035,608	-	-	-	-	-
2013-15 Emergency Boards	-	-	14,972,691	14,972,691	-	-	-	-	-
2013-15 Leg Approved Budget	15	15.00	21,008,299	21,008,299	-	-	-	-	-
2015-17 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	2,146	2,146	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	15	15.00	21,010,445	21,010,445	-	-	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	15,232	15,232	-	-	-	-	-
Subtotal	-	-	15,232	15,232	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	15,820,210	15,820,210	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	15,820,210	15,820,210	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	59,430	59,430	-	-	-	-	-
State Gov"t & Services Charges Increase/(Decrease)			10,550	10,550	-	-	-	-	-
Subtotal	-	-	69,980	69,980	-	-	-	-	-

Summary of 2015-17 Biennium Budget

Oregon Education Investment Board
Oregon Education Investment Board
2015-17 Biennium

Agency Request Budget
Cross Reference Number: 52400-001-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	(9.75)	(24,003,514)	(24,003,514)	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**15**	**5.25**	**12,912,353**	**12,912,353**	-	-	-	-	-

Summary of 2015-17 Biennium Budget

Oregon Education Investment Board
Oregon Education Investment Board
2015-17 Biennium

Agency Request Budget
Cross Reference Number: 52400-001-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2015-17 Current Service Level	15	5.25	12,912,353	12,912,353	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	15	5.25	12,912,353	12,912,353	-	-	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
101 - Removal of OEIB sunset	-	9.75	24,003,513	24,003,513	-	-	-	-	-
102 - Reconfiguration of ETIC funding	1	1.00	(24,233,677)	(24,233,677)	-	-	-	-	-
Subtotal Policy Packages	1	10.75	(230,164)	(230,164)	-	-	-	-	-
Total 2015-17 Agency Request Budget	16	16.00	12,682,189	12,682,189	-	-	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	6.70%	6.70%	-39.60%	-39.60%	-	-	-	-	-
Percentage Change From 2015-17 Current Service Level	6.70%	204.80%	-1.80%	-1.80%	-	-	-	-	-

OREGON EDUCATION INVESTMENT BOARD

2015-2017 AGENCY'S REQUESTED BUDGET

Oregon Education Investment Board

Agency Summary

Senate Bill 909 (2011) created the Oregon Education Investment Board (OEIB), a 13-member board chaired by the Governor, to ensure that all students in the state reach the education outcomes established for the state. Senate Bill 253 (2011) defined those outcomes to include the "40/40/20" goals for high school and college completion by 2025. Passage of this bill signaled the state's intention to develop one of the best-educated citizenries in the world with the goal that by 2025, 100 percent of Oregon students will have earned an education degree that represents attainment of a quality education. Specifically, the state will achieve the following for Oregonians in 2025: 40 percent of adult Oregonians will have earned a bachelor's degree or higher; 40 percent of adult Oregonians will have earned an associate's degree or postsecondary credential as their highest level of education attainment; and 20 percent of all adult Oregonians will have earned at least a high school diploma, an extended or modified high school diploma, or the equivalent of a high school diploma as their highest level of education attainment. These goals must be achieved equitably, with Oregon's diversity equally well-represented in each stage.

SB 909 charges the OEIB with (1) creating a seamless system of education, including early learning programs, K-12 and post-secondary; (2) developing a statewide longitudinal database in order to measure progress toward outcomes; and (3) recommending strategic investments "targeted to achieve the education outcomes established for the state." Based on these statutory charges, the OEIB adopted a strategic plan in 2013, aimed at ensuring the state reaches the 40-40-20 Goal. The OEIB strategic plan is built on three key strategies:

Strategy 1: Create a coordinated, student-centered education system, from birth through college and career readiness
Strategy 2: Focus state investment on achieving key student outcomes
Strategy 3: Build statewide support systems

The three strategies are overlapping, driven by student learning outcomes, and aimed at transforming – rather than simply adjusting – the state's education system. The strategies represent, for the student, a promise of educational excellence at all levels; for the educator, an invitation to lead and commitment to improving student achievement; for the taxpayer, a return on investment; and to parents, community leaders, employers, policymakers, and educational organizations, a new partnership to strengthen education for every student across Oregon.

BUDGET NARRATIVE

In 2012, the Legislature approved the establishment of achievement compacts between OEIB and each school district, ESD, community college and public university in the state. A primary purpose of the achievement compacts is to focus all parties on key outcomes, and memorialize a shared responsibility between and among the state, educational institutions and communities to achieve those outcomes. Through the achievement compacts, institutions set goals around critical educational outcomes, chosen because research and evidence have shown them to be highly predictive of student success. The outcomes adopted by the OEIB include:

- More children entering Kindergarten ready to learn
- More 3rd graders reading at or above grade level
- Fewer 6th graders who are chronically absent
- More 9th graders finishing on track with credits and strong attendance records
- Increased numbers of students getting college credit in high school
- Increased high school completion rates and college enrollment rates
- Increased certificate & degree attainment
- Closing achievement gaps that exist on all outcomes for underserved students (students of color, economically disadvantaged students, students receiving special education services, and non-native English speakers)

The achievement compacts represent a shared commitment by the State and each education entity to achieve ambitious, but attainable interim steps in the trajectory towards the 40/40/20 goals. The compacts expect each education entity to adopt transformational practices, policies, and budgets. To aid this effort, the State must (1) build a learning continuum, rather than a collection of disconnected institutional silos, (2) align funding with the levels, strategies, and practices that produce the necessary outcomes, experienced equitably, (3) ensure that Oregon's educators are well-prepared and well- supported, (4) remove barriers to local innovation, (5) identify, support, and if necessary, intervene to improve struggling education entities, (6) research, identify and disseminate best practices, and (7) along with education entities and other partners, engage in two-way communication with the public about these efforts.

SB 909 directs the OEIB to hire a Chief Education Officer (CEdO). Following the 1-year service of Dr. Rudy Crew, in October 2013, the OEIB hired Dr. Nancy Golden to serve as CEdO. While the small staff that support the Chief Education Officer were originally a unit of the Governor's Office, in the 2013 session, the Legislature approved the creation of OEIB as a stand-alone agency. $6,035,608 was appropriated for the OEIB agency, which is comprised of the CEdO, a small professional staff, and a P-20 Policy & Research Consortium, with policy direction provided by the OEIB Board.

The OEIB's overarching outcome is to ensure all Oregonians are prepared for lifelong learning, rewarding work, and engaged citizenship. Never before has this goal been more important to the lives and well-being of Oregonians and its communities. Education cements shared values, enriches culture and expands the personal horizons of individuals. Education advances family life, civic stability and democratic ideals. It provides opportunity for all, no matter their race, home language, disability or family income.

Further, as knowledge and innovation become the prime capital in this global economy, education increasingly determines the fortunes of individuals, communities and nations. Each year, well-paid jobs requiring only a high school diploma—the millwork or manufacturing jobs of the past—are replaced with new jobs that increasingly demand post-secondary education, technology skills and advanced training above the high school level. The shift is happening quickly. Over the next decade, 61 percent of all Oregon jobs will require a technical certificate, associate's degree or higher level of education. This proportion will only accelerate by 2025. Today, Oregonians with associate's degrees earn at least $5,000 per year more than those with just a high school diploma. Those with bachelor's degrees earn approximately $17,000 more per year. Eighty-nine percent of family wage jobs—jobs paying more than $18 per hour—will require a technical certificate/associate's degree or higher level of education. Students emerging into this market need skills and education to compete and therefore need to complete a post-secondary education. To revitalize Oregon's economy, the workforce needs higher levels of knowledge and skills than ever before. The task of improving Oregon's education system is as daunting as it is imperative. Every year, 40,000 children are born in Oregon. Of those, roughly 40 percent are exposed to a well- recognized set of socio-economic, physical or relational risk factors that adversely affect their ability to develop the foundations of school success.

Oregon's cohort graduation rate tells us the percentage of students who entered high schools— as freshman or as later arrivals—that graduated with a regular diploma in four or five years. The overall four-year graduation rate for Oregon is 68.5% and for students of color less than 60% Looking at a more expansive measure of students who earned a regular diploma, modified diploma or GED, one in five students (21 percent) still does not complete within five years. And far too many Oregon students don't even get captured in the cohort graduation or federal dropout rates because they leave school even before the ninth-grade starting point for those calculations.

Currently, Oregon ranks 47th among states in the share of high school graduates who head to college, with only about half of students enrolling. Oregon's current generation of young adults—ages 25-34—is less educated than their parents' generation, with fewer earning a certificate or degree beyond high school. In addition to being less educated than older Oregonians, this generation is less educated than the national average and is falling behind compared to other countries. Currently, only about 46 percent Agency Request of young Oregonians have a post-secondary degree or certificate.

Perhaps the most pressing issue faced by Oregon is that, on nearly all these measures, the achievement rates for low-income learners, English language learners, special education students and students of color are significantly lower as compared to the general student population. Oregon's next generation, those of school and preschool ages, include greater proportions of students of color, students who are not native English speakers, and students from economically disadvantaged households. It is vital to ensure student success among all populations across the continuum through a focus on Oregon's changing demographics and demonstrated ability to well-serve the needs of all student populations and the growing percentage of Oregon's high school graduates needing basic skills upon entry into community college.

Working-age adults are 25-64 years old; young adults are 25-34 years old. According to census data, 87 percent of young Oregonians reported having a high school degree. This may be because they completed high school later in life or, given the high numbers of educated people who move into Oregon, even more likely that represents many who obtained their diploma in other states or countries. Source: ECONorthwest analysis of data from the U.S. Census Bureau (American Community Survey), the Oregon Department of Education, and the National Student Clearinghouse

Mission Statement

OEIB's vision is to advise and support the building, implementation and investment in a unified public education system in Oregon that meets the diverse learning needs of every pre-K through post-secondary student and provides boundless opportunities that support success. By doing so, we ensure 100% high school graduation by 2025 and ensure that Oregon students are college and career ready. 40-40-20 Goal: 40% completing 2-year degree, 40% completing 4-year degree and 20% career ready.

Statutory Authority

The OEIB Board was created and charged with hiring a CEdO pursuant to Chapter 519, Oregon laws 2012, Sec. 1 & 2 (SB 909) The authority of the CEdO to direct and control the creation of a unified system of education was established by Chapter 26, Oregon laws, Section 14 (SB 1581). In 2013, the Legislature appropriated dollars to OEIB pursuant to SB 5548-A, creating OEIB as a stand-alone agency.

Program Descriptions

Office of the Chief Education Officer

The Oregon Education Investment Board is responsible for building a seamless, more rigorous accountable P-20 system which begins with **eliminating the silos** between early learning, K-12, and post-secondary education and training and **making the connections** between:

- **Pre-school Health/Nutrition** and Kindergarten Readiness
- **Kindergarten Readiness** and Third Grade Reading Proficiency
- **Third Grade Reading Proficiency** and High School Graduation
- **High School Graduation/Degree Attainment** and **Income Mobility**

Thus, the activities of the Office of the Chief Education Officer center around the following:

(1) Staffing the OEIB Board and its subcommittees to complete their work;
(2) Supporting the Chief Education Officer in her critical role of directing and controlling the P-20 Education System, including the Early Learning Systems Director, the Deputy Superintendent of Public Instruction, and the Executive Director of the Higher Education Coordinating Commission;
(3) Focusing the state on key education outcomes, through achievement compacts, and developing, directing and disseminating key best practices and policies to ensure the state reaches its outcome goals; and
(4) Creating a motivated and engaged public.

The OEIB's staff and brief description of duties:

Chief Education Officer: Oversees the creation, implementation and management of an integrated and aligned public education system from birth to college & career. Supporting key educational transitions for students; alleviating barriers to achievement; recommending strategic investments to the Governor and legislature that are outcome driven. All recommendations to be aligned with OEIB's commitment to the Equity Lens.

Executive Assistant to the CEdO: Provides support to the Chief Education Officer and the OEIB team on scheduling, meeting coordination and community relations initiatives.

Chief of Staff/Legislative Director: Deputy to the Chief Education Officer, lead policy advisor, speaks on behalf of the Chief Education Officer, works with CEdO to develop and recommend education policy to the legislature for implementation in agencies and institutions across the education continuum. Works directly with legislators around legislation, policies and investment.

Office Manager and assistant to Chief of Staff: Manages all aspects of the OEIB office including: technology; new staffing and orientation; budget and contract adherence; essential trainings and supports various meetings for the OEIB staff. Provides support to the Chief of Staff/Legislative Director.

Board Administrator: Serves as the liaison between the OEIB staff and the Oregon Education Investment Board; supports all aspects of board meeting coordinating and ongoing communications to Board Members. Serves as the Oregon Administrative Rules Coordinator for OEIB, reviewing proposed statutes based upon current statute or legislative changes. Track bills through the legislative process and recommends agency policy and OAR revisions. Maintains the OEIB website.

College & Career Readiness Director: Policy related to educator preparation and post-secondary transitions; college and career readiness. Emphasis on recruitment, preparation, licensure, mentoring, professional support and evaluation of educations; successful completion of post-secondary certificates and degrees in community colleges, state's public universities and private institutions; access and affordability for post-secondary students.

Equity and Community Engagement Director: Coordinates initiatives and policies related to the transition of students, improving early literacy outcomes, promoting equity, and building community & family engagement. Identify best practices to improve outcomes for underserved students including developing policy recommendation on chronic absenteeism, over identification of students for special educations, and students being pushed out of schools.

STEM Director: Works with STEM Investment Council, Oregon Department of Education and post-secondary institutions to develop a long-term statewide plan for improving science, technology, engineering, math and career/technical outcomes through targeted investments and business/community partnerships.

Communications Director: Leads strategic communication and outreach strategies to effectively engage Oregonians in the policy work of OEIB; manages all media and community relations efforts and acts as a spokesperson as needed. Oversees the Statewide Reading Campaign.

Assistants to the Directors: Supports Office Manager and provides administrative support, scheduling, meeting coordination and preparations.

Research & Policy Unit

The Research & Policy Unit supports the Oregon Education Investment Board (OEIB) and the Chief Education Officer to fulfill the statutory charge to recommend to the Governor and Legislature policy and strategic investments to achieve Oregon's 40-40-20 goals for education. On behalf of the OEIB, Governor, and Legislature, the Research and Policy Unit conducts and synthesizes research, evidence-based models and best practices to evaluate the impact of recommended strategic investments, policy and initiatives across the P-20 public education system. The Research and Policy Unit is also responsible for inter-agency coordination and implementation of the State Longitudinal Data System for P-20 public education.

Research and Policy Director: The Research and Policy Director manages the Research & Policy Unit and is responsible for building a resource allocation model for strategic investment and policy prioritization, developing a research agenda in conjunction with consortium partners and public and private entities, and assessing the use and effectiveness of achievement compacts submitted to the OEIB and Chief Education Officer by P-20 education institutions. The Research Director leads the Steering Committee for the State Longitudinal Data System for Education, and is staff to the Equity and Partnerships and Outcomes and Investments Subcommittees of the Oregon Education Investment Board.

Research & Policy Deputy Director: Serves under the direction of the Research & Policy Director and assists in the creation of return on investment models and developing a research agenda for best practices and evidence-based models for improving key education outcomes for students of color, English language learners and rural students. The Deputy Director is the OEIB's lead researcher for work relating to culturally responsive practices to support equitable outcomes, and represents the Oregon Education Investment Board on the Government to Government.

Research Analysts: Serves under the direction of the Research & Policy Director and Deputy Director to gather, analyze and summarize educational research on behalf of the OEIB, Legislators and Governor. Lead researcher for work relating to the improvement of post-secondary teaching practices and analyses of best practices in Science, Technology, Education, and Math programs from pre-school to post-secondary. Provides research for policy development.

Project Manager, State Longitudinal Data System (SLDS): Serves under the direction of the Research and Policy Director as the coordinator for the core interagency SDLS project team and the State Longitudinal Data System Steering Committee. The project manager is responsible for the creation and organization of all project materials, including detailed plans and budget, risk assessment, system requirements.

Database Integration Specialist: Works under the direction of the Research and Policy Director and is responsible for the design of the State Longitudinal Data System, coordinating the collection of data from other State agencies which maintain student data. The data Integration Specialist develops algorithms to connect data between agencies to build longitudinal student records, and serves as the designer of the SLDS portal.

Statewide Literacy Campaign

Pursuant to HB 3232, the 2013-15 LAB included, as part of the strategic investment package in early reading, an appropriation of $250,000 to the OEIB to lead a statewide literacy campaign.

The Statewide Literacy Campaign was designed to heighten awareness for the importance of early reading to putting students on track for lifelong success. A key component of the initiative is strategies to engage and galvanize Oregonians to support families to ensure students across the state are proficient readers by 3rd grade. The initiative is designed to be a vehicle that knits together all of the efforts and investments from birth to 3rd grade that are preparing students for kindergarten and 3rd grade reading proficiency.

The campaign is primarily targeted towards parents and families, particularly those who experience the most significant barriers to supporting their children with literacy building at home. The effort includes messaging and calls to action for community and culturally specific organizations, libraries, school districts, Early Learning Hubs, Regional Achievement Collaboratives, and businesses to take specific action to support families and students with literacy skill building.

Communication and engagement strategies have been developed to complement the work already being done by parents, educators and community partners through existing statewide efforts. The campaign plan was designed to leverage existing efforts both within the education system as well as from community partners around the state to carry the messages and engagement activities designed for parents.

The statewide communications efforts provided under the Statewide Literacy Campaign, launched under the name *StORytime, Every day Everywhere* approaches communication about reading differently. It empowers parents to use myriad ways to support their children that can be incorporated into daily life, easily fit into busy schedules, allow for low-literacy levels, and encourage teaching in multiple languages.

The first phase of the campaign, which is being launched in September 2014, will support more focused, community driven launch in five designated focus communities. The next biennium will include an expansion to statewide efforts and to additional focus communities who experience similar barriers as those selected in the first phase.

Regional Achievement Collaboratives

The 2013-15 LAB provided for the development of a Regional Achievement Collaborative pilot. The purpose of the pilot is to provide capacity for regions that commit to bringing together representatives from across the Birth to College and Career continuum to engage collectively around the compact outcomes. The twelve (12) regions engaged in the pilot are also building collective responsibility, by engaging community leaders, businesses, social service providers and parents, thereby broadening responsibility for student learning and success beyond school walls.

In 2013-15, $500,000 was appropriated for the purpose of providing capacity to the Regional Achievement Collaboratives (RACs). OEIB provided between $40,000 – 50,000 to 12 regions. The RACs used the funding to support coordination, capacity, and RAC programming.

An additional $250,000 was appropriated to support statewide convening's of the RACs, as well as other peer-to-peer learning events. The OEIB has successfully completed 2 statewide convening's – a "Kick-off" event in September in Salem, which was attended by nearly 200 RAC partners and education leaders; and a "RAC Summit" in August in Bend, which was attended by more than 150 education and community leaders from across Oregon. 87% of the attendees completed participant evaluations and rated the Summit as valuable or very valuable to their work.

In the 2015-17 biennium, OEIB is requesting continued funding of the RAC project. The intent is for a Request for Qualifications to be issued in July 2015 to any region / community who did not have a pilot project, with the intent of funding an additional 2-4 RACs. In addition, modest ($30,000-40,000) continuation grants would be available to existing RACs who can demonstrate commitment to continued collaboration and achievement of key student outcomes. At least 2 additional statewide convening's would be funded through the RAC project, as well as continued project management, communication, and learning collaborative support.

Environmental Factors

Oregon's investment in education per student from kindergarten through high school (K-12 education) is less today than it was in 1990. Today, revenue dedicated per-pupil for K-12 education is $9,147. However, when adjusted for inflation using the Education Sector Price Index developed by the Oregon Department of Education, revenue dedicated per-pupil for K-12 education has dropped from $4,551 in 1990 to $3,724 in 2013. Postsecondary education has seen an actual reduction is state support over the same time period. State support for our community colleges and universities has declined by 34 percent on a per student basis over the past five years. As a result, Oregon ranks 47th of the 50 states in state appropriations per student in our public postsecondary institutions, according to the most recent study released by the State Higher Education Executive Officers in 2014.

The dire financial situation has forced school districts and post-secondary institutions to cut millions from their budgets in the past four years,

laying off valued employees, reducing school days, and shutting down schools and programs against the wishes of the community. In K-12, the federal government has, in an attempt to improve the quality of education, burdened the state with federal mandates, paperwork and budget restrictions. Further, over the last 20 years, increases in health insurance costs and fluctuations in the state's PERS expenses have resulted in increases in these costs that far outpace general inflation, hitting all public education institution budgets hard and shifting resources out of the classroom.

Entrenched interests, fear and suspicion, fatigue from many years of top-down reforms, and a strong tendency to blame rather than share responsibility has led to an environment in which improvement is not only difficult, it can seem impossible.

Initiatives and Accomplishments

In 2013 and 2014, the OEIB has

- In 2013-15, for the first time, the Governor's Recommended Budget was built by examining what investments were likely to achieve this set of key outcomes rather than by simply adjusting "current services levels." Working together, the Governor and Legislature were able to significantly increase funding for education at all levels to support our youngest Oregonians by advancing the early learning hub system, and to agree on changes to post-secondary governance that will allow increased autonomy while promoting improved access and outcomes for Oregon's students.

- The 2013-15 Legislatively Approved Budget (LAB) for education also included a set of strategic investments developed by the OEIB and Chief Education Officer. This $74 million in investments – in strategies to improve early literacy, support 9th graders to be on track, ensure students have opportunities for STEM, STEAM and CTE, and support educators – were selected to rapidly improve performance on the compact outcomes, close achievement gaps, encourage collaboration, leverage resources, and provide the state a platform through which to replicate best practices across the state.

- Hired Dr. Nancy Golden as the state's 2nd Chief Education Officer – bringing a proven track record of leadership, collaboration, and vision

- Developed the OEIB quarterly Scorecard, a public document that tracks the Board's progress on strategies and metrics that are included in the OEIB Strategic Plan.

- Worked closely with Oregon Department of Education on the implementation of approximately $75 million in strategic investments in early reading, guidance & support for post-secondary aspirations, connecting to the world of work, and supporting a network for quality teaching and learning.

Criteria for 2015-2017 Budget Development

The OEIB's budget was developed with the following criteria in mind: (1) efficiency and flexibility; (2) ability to implement the OEIB key strategies:

- Create a coordinated, student-centered education system, from birth through college and career readiness (0-20), to enable all Oregon students to learn at their best pace and achieve their full potential. At the state level, this will require integration of Oregon's capacities, articulation across PK-20, relief from mandates, and more strategic use of resources to encourage and support successful teaching and learning across the education continuum.

- Focus state investment on achieving student outcomes: The state must define the core student and community outcomes that matter in education, start early in ensuring young children are ready for school, support districts education institutions in setting goals around those core outcomes and take mutual responsibility for achieving the goals. The state must drive state and local investment strategies toward achieving these outcomes for students, being much more intentional about investing in the programs, services, tools, leverage points and the community strategies that will make the biggest difference for effective teaching and learning and student success.

- Build statewide support systems: The state's role is not to deliver education, but rather to invest in and support the thousands of institutions and providers across the state that do. To succeed, Oregon must engage educators and leaders, students and families, communities, and employers to achieve the educational excellence envisioned for Oregonian students. The state will continue to set standards, provide guidance, and conduct assessments, coordinated along the education pathway. Nevertheless, the state must also focus on researching what works, providing a structure to support continuous improvement, improving educator effectiveness, and increasing support for educational entities and their educators.

Major Information Technology Projects/Initiatives

SB 909 (2011) directed the OEIB to provide an integrated, statewide, student-based data system that monitors expenditures and outcomes to determine the return on statewide education investments. The OEIB has defined the purposes of this database as (1) ensuring that longitudinal student information and outcome data is available at the provider and policy-maker level and (2) supporting teaching and learning, providing information to students and parents, and supporting the identification and dissemination of best practices across outcomes.

In February 2014, the Ways and Means Education Subcommittee received a business case from the Oregon Education Investment Board (OEIB) for a Statewide Longitudinal Data System P-20 for Education (OEIB-SLDS). The business case recommended a particular solution for Oregon, with an initial cost estimate of $8.6 million over three years, of which $750,000 has been allocated in the current biennium.

In response to that recommendation, HB 5201 (2014) contained a Budget Note to the OEIB directing it to coordinate work with the Oregon Department of Education (ODE), the Higher Education Coordinating Commission (HECC), other education related agencies, and the Office of the Chief Education Officer to produce an additional set of deliverables and evidence of specific activities:

1. Produce a refined business case.
2. Produce a detailed project budget and schedule for design, development and implementation of the OEIB-SLDS.
3. Select and contract with an independent Quality Assurance contractor to: complete quality control reviews of the refined business case and foundational project management documents; complete a project risk assessment.

The OEIB will report to the Emergency Board in December 2014 with project deliverables sufficient to request up to $3.5 million.

Essential and Policy Package Narrative

Policy Package 101 – Removal of OEIB Sunset

Package Description

In creating the OEIB through SB 909 in 2011, the Legislature included a sunset provision that removes the OEIB and position of Chief Education Officer as of March 15, 2016. With the support of the Governor, the OEIB will bring Legislation in the 2015 Session seeking to remove the sunset from OEIB. However, because the sunset is currently in law, the OEIB's base budget request is for only the first 8.5 months of the next biennium – July 1, 2015 – March 15, 2016. The continuing 15.5 months of the biennial budget – March 16, 2016 – June 30, 2017 – are contained in Policy Option Package 101, which is contingent upon the Legislature voting to remove the sunset provision.

Policy Package 102 – Reconfiguration of ETIC Funding

Package Description

Since 1997, by Oregon Statute 351.663, the ***Engineering and Technology Industry Council (ETIC)*** has advised the Oregon State Board of Higher Education (SBHE) on the investment of a fund to meet the urgent engineering education needs of Oregon's high technology industry. The fund has been continuously renewed during legislative sessions since establishment, primarily due to the consistent advocacy of the industry members. ETIC consists of senior executives from high technology firms. The size of the council varies, but is currently at 15 voting members. Representatives from key industry associations and public universities are included as non-voting members.

In the 2013-15 biennium, the ETIC funds totaled $29 million. The funds are invested in the following institutions: Oregon Health & Sciences University (OHSU), University of Oregon (UO), Oregon State University (OSU), Portland State University (PSU), Oregon Institute of Technology (Oregon Tech), Southern Oregon University (SOU), Eastern Oregon University (EOU), and Western Oregon University (WOU). The majority of the funding, approximately $20 million, is currently invested in OSU and PSU, which have the largest engineering schools. Currently, the funds are broken down into 2 different types of investments: (1) "Sustaining" funds, which are allocated to the institutions for the purpose of sustaining engineering programs; and (2) "Innovative" funds, which are awarded to the institutions on the basis of an Request for Proposal process.

BUDGET NARRATIVE

In 2014, through HB 4020, the Legislature moved ETIC funding and oversight from the Oregon University System to the OEIB, effective July 1, 2014. This mid-biennium transfer was viewed as important for several reasons: (1) the OEIB's mission of using investment in education to produce outcomes is aligned with ETIC's goals; (2) the STEM Council, created through HB 2636 (2013) which is currently overseen by OEIB, is charged with overseeing a comprehensive plan for STEM investments; and (3) OEIB was seen as a temporary "safe harbor" in order to buy some time to discuss the future of ETIC.

The Governor's office has approved drafting of a legislative concept to be advanced by OEIB that will dissolve ETIC, in order to allow the STEM Council to advance the needs of the engineering and technical industries in the context of a large state plan for improving STEM (science, technology, engineering and math) outcomes. This Policy Option Package does the following: (1) transfers $24,451,274 (approximately 80% of the current service level for the ETIC fund) to the Higher Education Coordinating Commission (HECC), to be included in the support fund for Oregon's public universities and allocated pursuant to an allocation model HECC develops and approves; and (2) adds one additional staff member to support administration of the $6,112,818 (approximately 20% of the current service level for the ETIC Funds). The STEM Program Manager (Program Analyst 4) will work under the direction of the OEIB Director of STEM to administer the remaining distribution of the ETIC funds.

Engineering and Technology Industry Council FY15 Funding Allocation Recommendation

Draft to be approved by ETIC 9/5/14 and submitted for OEIB approval 9/9/14.

2013 Legislative Assembly, HB5031-A, 2013-15 Approved Budget
OUS Engineering Technology and Industry Council (ETIC) $29,030,827

ETIC 2013-2015 Allocation	$29,030,827
FY14	$14,225,105
FY15	**$14,805,722**

FY15 ETIC Recommended Allocations	Sustaining	Renewable	Total
OUS/Eastern Oregon University	175,480	0	175,480
OUS/Oregon Institute of Technology	539,532	352,763	892,295
OUS/Southern Oregon University	204,418	0	204,418
OUS/Western Oregon University	288,545	0	288,545
Oregon Health and Science University	0	330,000	330,000
Oregon State University	7,498,884	568,673	8,067,557
Portland State University	2,924,844	576,856	3,501,700
University of Oregon	0	1,299,109	1,299,109
Unallocated		46,618	46,618
TOTAL	**$11,631,703**	**$3,174,019**	**$14,805,722**

Purpose of ETIC Fund (from ORS 351.663 as amended in 2014):

The Engineering and Technology Industry Council is established. A majority of the council members are representatives of high technology companies in Oregon. The council shall be consulted on the work plans and resource allocations for engineering education.

(2) The council shall establish criteria and measurements that will be used for determining investments made from the account established under section 5 of this 2014 Act

(3) The criteria and measurements established by the council shall include:

(a) Responding to the urgent engineering educational needs of Oregon's fast growing high technology industry.
(b) Increasing this state's faculty and program capacity to meet the graduate level, professional education needs of engineers working in Oregon's high technology industry through investments in public and private institutions.
(c) Creating additional opportunities for Oregonians to pursue education in electrical engineering, computer engineering and other engineering disciplines critical to the advancement of Oregon's high technology industry.
(d) Investing relatively scarce state financial resources to:
(A) Address the high technology industry's most demonstrated and pressing needs;
(B) Produce the greatest amount of educational benefits with the least short- and long-term costs to the public;
(C) Avoid duplicating existing public or private resources; and
(D) Leverage existing and future private resources for the public benefit.

ETIC FY15 Sustaining Funds

These funds are for existing programs initiated under ETIC during past biennia that qualify for sustaining funding. Funds are explicitly directed to continue the progress towards ETIC goals of 2x graduates and 5x external research dollars within disciplines meeting ETIC's core mission.

To quality as a sustaining program, the funds must be for on-going faculty support that cannot be removed without jeopardizing graduate production; used solely for qualifying disciplines including computer science, electrical engineering, computer engineering and other engineering disciplines as identified by the ETIC council; and be a follow-on of ETIC programs funded prior to 2012.

ETIC FY15 Renewable Fund Awards

OHSU	2015-02	Dorsa/Quantitative Bioscience & Biomedical Engineering	330,000
OIT	2014-07	Aboy/New Program Development & Capacity Increases for High-Demand Engineering & Technology Degrees	236,093
OIT	2014-08	Chiasson/Grid Integration of Renewable Energy Sources	50,000
OIT*	2014-11	Rytkonen/Oregon Power Engineering Education Project	66,667
OSU	2014-09	Stone/Graduate Program in Robotics	292,000
OSU*	2014-11	Cotilla-Sanchez/Oregon Power Engineering Education Project	66,667
OSU*	2015-01	Fiez/Oregon Cybersecurity Consortium	60,000
OSU	2015-05	Jensen/Center for Systems and Software Evolution	150,003
PSU	2014-01	Harrison/New Beginnings Initiative: Helping College Graduates Migrate to Careers in Computing	195,000
PSU*	2014-11	Bass/Oregon Power Engineering Education Project	66,667
PSU*	2015-01	Feng/Oregon Cybersecurity Consortium	60,000
PSU	2015-08	Harrison/Educational Outreach to the Columbia Gorge	59,049
PSU	2015-10	McNames/Oregon Center for Interconnected Devices	167,696
PSU	2015-11	Campbell/Project-Based Radio Frequency Analog Education	28,441
UO	2014-10	Berglund/Graduate Internship Program in Bioinformatics and 'Big Data' Genomics	110,000
UO*	2015-01	Butler/Oregon Cybersecurity Consortium	60,000
UO	2015-13	Berglund/ETIC FY15 Renewable Year Two	1,129,109

*indicates collaborative proposal with other universities $3,127,392