



OREGON EDUCATION INVESTMENT BOARD Outcomes and Investments Subcommittee

Thursday, April 17, 2014

9:00am – 11:00am

Portland State University
506 SW Mill Street, Rm. 710
Meyer Memorial Board Room
Portland, OR 97201

Members: Dick Withnell, Chair, Pam Curtis, Ron Saxton,
Hanna Vaandering, Duncan Wyse

Public call in information:
Dial (888) 204 5984, Code 992939

AGENDA

- 1.0 Subcommittee Welcome & Roll Call
Dick Withnell, Chair
- 2.0 Discuss Governor's Vision and Preliminary Transformational Areas
Nancy Golden, Chief Education Officer
Daniel Ledezma, Governor's Education Advisor
- 3.0 Discuss & Adopt full Budget Strategy & Priorities Document
Dick Withnell, Chair
- 4.0 Review Process & Timeline for agencies / board input
Whitney Grubbs, Chief of Staff, OEIB
- 5.0 Discuss public input strategy
Peter Tromba, Research and Policy Director, OEIB
- 6.0 Public testimony

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

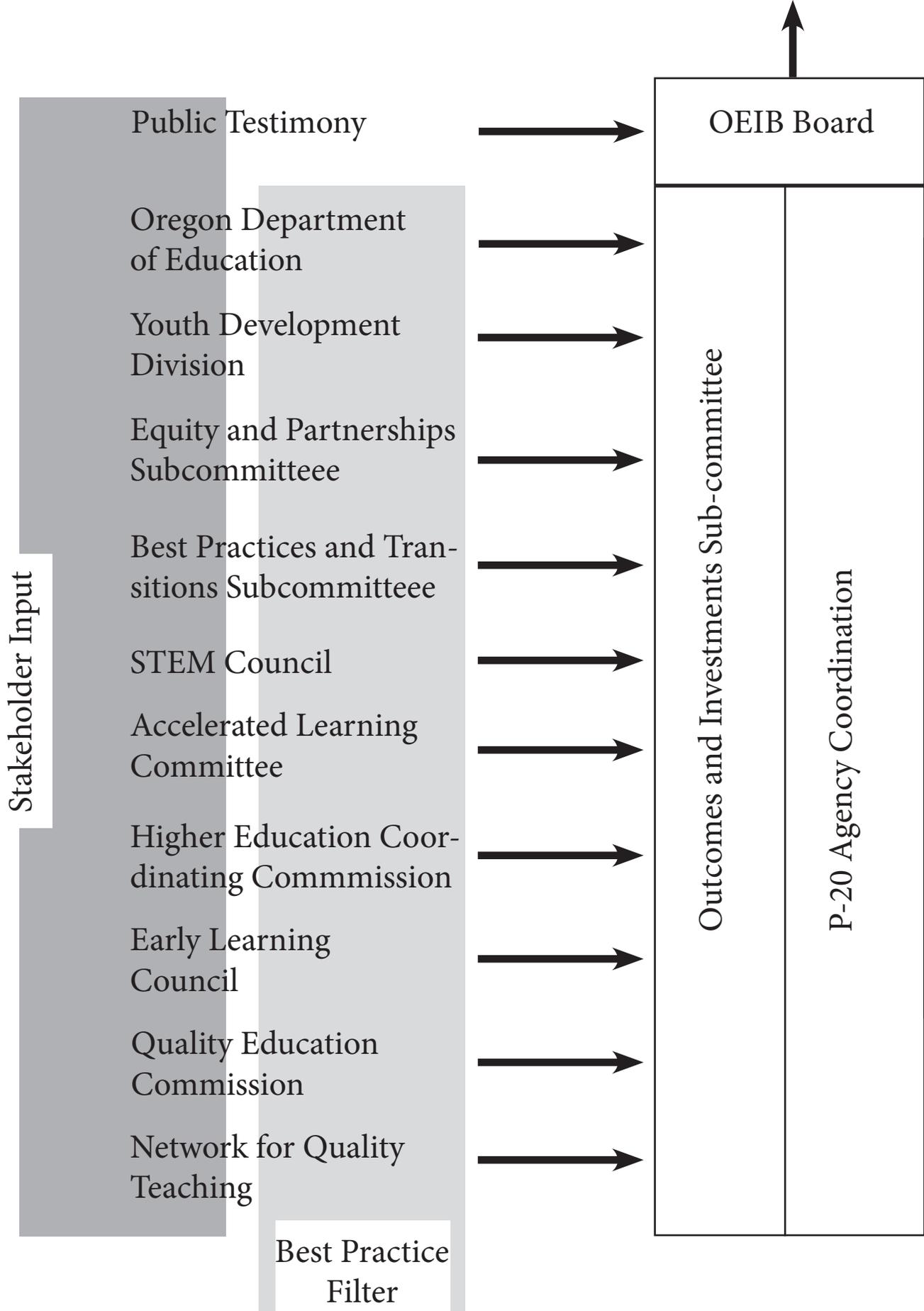
JOHANNA
VAANDERING

DICK WITHNELL

Chief Education Officer
NANCY GOLDEN

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@das.state.or.us. Requests for accommodation should be made at least 48 hours in advance.

Governor's Budget



Outcomes & Investments Subcommittee Schedule 2014

May 29: Outcomes & Investments Subcommittee

- Presentation from QEC
- Presentation from ODE / Supt. Saxton
- Presentation from Accelerated Learning Committee

June 19: Outcomes & Investments Subcommittee (this needs 4 hours)

- Presentation from Network Advisory
- Presentation from Best Practices Subcommittee
- Presentation from HECC
- Presentation from STEM Council / CTE / ETIC

July 17: Outcomes & Investments Subcommittee

- Presentation from Early Learning Council
- Presentation from Youth Development Division
- Presentation from Equity Subcommittee

Need to Schedule First Work Session Between July 17-August 12

August 12: OEIB Full Board Retreat – Work Session on Budget

August 21: Outcomes & Investments Subcommittee

- Second Work Session

August – early September: Potential Public Outreach / Input Event(s)

September 9: Full Board adoption of Recommendations



2015-17 BUDGET STRATEGIES & PRIORITIES

EQUITABLE PROGRESS TOWARD 40-40-20 GOAL

Strategy 1:

Coordinated, student-centered education system, from birth through college and career readiness.

- ❖ Age 3 to Grade 3 Success
- ❖ “11-14”: Transition from High School to Post-Secondary
- ❖ Supporting Out-of-School Youth and Youth at Risk
- ❖ Post-Secondary Governance & Coordination / Alignment to Workforce
- ❖ Regional Collaboration

Strategy 2:

Focus state investment on achieving key student outcomes.

- ❖ Increasing, Targeting and Leveraging Investment
- ❖ Build Strong Early Learning System and Target Supports
- ❖ Focus Base Funding for K-12 and Post-Secondary on Achievement of Outcomes
- ❖ Transformational, Innovative and Effective Strategic Investments, such as:
 - Early Literacy
 - CTE / STEM / Arts
 - Post-Secondary Access, Affordability & Support

Strategy 3:

Build statewide support systems.

- ❖ Network for Quality Teaching & Learning
- ❖ Support for School and Institutional Improvement
- ❖ P-20W Policy Database
- ❖ Research and Dissemination of Best Practices/Policies



2015-17 Budget Strategies and Initial Priorities

*Oregonians are prepared for lifelong learning, rewarding work, and engaged citizenship.*¹

Background

The Need

Never before has education been more critical to the lives of Oregonians and to our ability to prosper as a state. In an ever-changing economy, we know Oregon's workforce needs higher levels of knowledge and skills than ever before. With a population that is becoming increasingly diverse, we know improving educational outcomes for our historically underserved students represents our biggest opportunity for growth, as well as the only way to reach our goals. To ensure a strong and vibrant state, Oregonians must commit to a shared sense of responsibility for moving all Oregon students along their educational pathway to lifelong learning, rewarding work and engaged citizenship.

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. From that measure, in 2012, only 68 percent of Oregon students graduated on-time in four years, and only a total of 72 percent graduated within five years. Looking at a more expansive measure of students who earned a regular diploma, modified diploma or GED, one in five students (20 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.

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 high school diplomas. 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

¹ Governor's 10-Year Education Outcome

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emerging into this market need skills and education to compete and therefore need to complete a post-secondary education.

As we know, education is not just about improving personal income and job security. Higher levels of education are associated with better health, longer lives, greater family stability, less need for social services, lower likelihood of involvement with the criminal justice system, and increased civic participation. All are benefits to not only the educated individual and their family, but also help support healthy, thriving communities across Oregon.

Oregon's Equity Imperative

Perhaps the most pressing issue faced by Oregon is that, on nearly all measures, the achievement rates for low-income learners, English language learners, special education students and students of color are significant as compared to the general student population. Our first year of data from the statewide Kindergarten assessment shows a substantial gap in the number of letters and letter sounds that low income or children of color can identify when they enter Kindergarten. This early gap does not close as children progress through school. Last year, the 3rd grade proficiency rate for white students was 74 percent, but for Hispanic students was 45%, for black students was 50%, and for American Indian/Alaska Natives was 55%. While our state 5-year cohort graduation rate is 72.5%, only 60% of English language learners do, and only 67% of students in poverty graduate within 5 years. Low-income high school graduates are roughly one-third less likely to enroll in college immediately after graduation than their higher income peers (38 percent of low -income students vs. 59 percent of students with higher family incomes).

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 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.

Improving performance in every corner of the state while also addressing the disparity in student achievement results that exists for underserved student populations will not only greatly accelerate progress toward the 40-40-20 Goal, but will determine our success in reaching it. Thus, **Oregon must act immediately and courageously to address and overcome the barriers that too often deter students, particularly our students of color and from economically disadvantaged backgrounds, from achieving success in the education system.**

The 40-40-20 Goal

Recognizing the urgency and pressing need to improve educational attainment for its citizens, Oregon has committed not only to improving, but to becoming one of the best-educated populations in the world. In 2011, the Oregon Legislature adopted an ambitious goal to ensure that by 2025:

- 40 percent of adult Oregonians have earned a bachelor's degree or higher.

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- 40 percent of adult Oregonians have earned an associate's degree or post-secondary credential as their highest level of educational attainment.
- 20 percent of all adult Oregonians 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 educational attainment.

The goal, known as “the 40-40-20 Goal,” adopted into law in 2011, has become shorthand for the efforts of the Legislature, Governor, the OEIB, and other state education boards, commissions, and agencies to significantly improve the education achievement levels and prosperity of Oregonians by 2025. **The 40-40-20 Goal intends to provide a clear target – a “North Star” aligned with Oregonians’ economic, civic, and social aspirations -- against which to generally gauge the state’s educational progress.** The OEIB and Governor are united in the belief that in order for the 40-40-20 Goal to be meaningful, it must be accompanied by the clear understanding that increased levels of attainment of diplomas, degrees and certificates must be achieved equitably, with Oregon’s diversity – of race, ethnicity, gender, home language, socioeconomic status and geography – equally well-represented in each stage.

Building the OEIB

The Oregon Education Investment Board (OEIB) was created in 2011 for the purpose of overseeing a unified system of public education from birth to college & career (SB 909). The legislation specifically charges the OEIB with recommending strategic investments “targeted to achieve the education outcomes established for the state.” Based on these statutory charges, the OEIB developed a strategic plan in 2012, 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.

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

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- 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)

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 (INSERT dollar amount), 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.

Lastly, the 2013-15 LAB provided for the development of a Regional Achievement Collaborative pilot. The purpose of the pilot is to examine the feasibility and impact of having representatives from across the Birth to College and Career continuum 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.

OEIB Strategies & Priorities

Strategy 1: Create a seamless public education system from Birth to College & Career

In the past two and a half years, the Governor and legislature have made significant progress in transforming the state agency system to be more seamless – from creating the OEIB and appointing a Chief Education Officer charged with direction and control of the P-20 system, to establishing the Early Learning and Youth Development Divisions within the Oregon Department of Education, to creating a Higher Education Coordinating Commission that will, for the first time in Oregon's history, oversee community college, public universities, and need-based aid within one agency.

However, to truly create a seamless public education system, focus for the next biennium must be on the student experience – forcing the question of how our state can move from a

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segmented system focused on institutions, to individual pathways that lead all students to successful learning experiences, productive careers and lifelong contributions to the community. To begin building that seamless, student-centered system, OEIB believes focus must be on the following:

- Critical Student Transitions
- Supporting Out-of-School Youth
- A Coordinated Post-Secondary System that Connects with the Workforce
- Invest in Regional Collaboration and Collective Responsibility

Section 1.1 Critical Student Transitions

In order to ensure a coordinated system from birth to college & career, specific attention must be paid to the transition points between educational experiences. Compelling evidence suggests that it is in these transition points – into Kindergarten, middle school, high school, community college and university – that most students fall behind, get disengaged, pushed out, or simply fail to complete. **First and foremost, attention must be paid to strategies that are preventative in nature – investing in early learning, building strong foundations for school attendance and college-going culture, and creating incentives for systems to work together in collective responsibility models.** Second, it is crucial for Oregon to research and examine the factors leading to risk of failure, identify students who have been put at risk, deliver evidence-based interventional strategies, and continuously monitor progress of children and students to ensure they remain on track.

1.1.1: Increased Alignment for Age 3 to Grade 3

To support the 40-40-20 Goal, OEIB is focused on several early milestones in the lives of young learners – that every child is ready for school when they enter Kindergarten and that they are reading at grade level by third grade. In order to meet these goals, we must ensure that every child is put on a trajectory to success as early as possible to prevent achievement gaps from ever forming, and create a seamless transition into Kindergarten to ensure the gains from early support are lasting. Creating this seamless connection between early learning and K-12, from “Age Three to Grade” as the efforts has been called, is a key OEIB priority. In addition to the early learning transformation described more specifically in Section 2.2, priority initiatives in this area include:

- Kindergarten Readiness Partnership & Innovation Fund: The OEIB and the ELC have identified this fund, created by HB 2013, as a key vehicle for linking pre-K and K-12 systems by identifying local practices and programs that serve as models for broader best practices dissemination and continued investment.
- Kindergarten Assessment: Oregon’s Kindergarten Assessment, which provides a snapshot of children’s literacy, numeracy and approaches to learning upon kindergarten entry, has recently concluded its first year of statewide implementation, and data have been released publicly. Assessment data provide a valuable “look forward and look back” for both K-12 districts and early learning practitioners. Critical priorities for the KA include analyzing the data mapped to income & language to make recommendations for early learning and early grades; connecting to other early learning assessments; and continuing to refine and improve this assessment.

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- Implementation of Full Day Kindergarten: Increasing access to free full day kindergarten is a key strategy for eliminating achievement and opportunity gaps in the early elementary years. Starting in 2015, school districts will receive full funding for each student they choose to enroll in full-day Kindergarten. A critical priority should be ensuring that districts are supported to offer high-quality Kindergarten programs, using best practices and high leverage strategies, and provide adequate professional development and support to K and 1st grade teachers in order to ensure the state's increased investment yields results.
- Enhanced Assessment Grant (EAG) Consortium: Oregon is part of a nine state consortium that will develop a common K-3 formative assessment system that will provide teachers with snapshots of individual student learning and development, and use the data to inform teaching and learning. While this work will initially be grant-funded, it should be leveraged among these other strategies to support an aligned system.

A coordinated and collaborative state-level approach to these initiatives will strengthen each initiative individually, while also laying the foundation for increased alignment between Pre-K and K-12 and helping Oregon's communities identify and implement appropriate solutions to meet local needs.

1.1.2: Redesign of Grades 11-14

Oregon's 40-40-20 Goal has focused needed attention on increasing access for Oregon students to college-bearing credits while still in high school. The research is clear that early college access contributes to articulation, success and retention in postsecondary education, and can reduce students' time to a degree or certificate, financial burdens, and the need for remedial/developmental education courses.

Despite steady increases in Advanced Placement and dual credit/dual enrollment courses, offerings in Oregon are still fragmented, confusing to students and their families, and often vary substantially by district and school, creating inequitable access particularly for under-represented students.

Senate Bill 222 tasked an Accelerated Learning Committee with examining methods to encourage and enable more students to obtain college credits while still in high school. The recommendations they are bringing forward will:

- Better align state funding, assessments, and procedures between high schools and post-secondary institutions
- Encourage efficiencies for students and remove unintended barriers;
- Ensure that credits are high-quality, and ultimately lead to degrees; and
- Create more equitable access and affordable postsecondary options for all eligible Oregon students

State funding models for the programs will be proposed that keep costs to students and their families at a minimum and that support the contributions of both high school and postsecondary partners. The course offerings will need to contribute to meaningful course sequences (meeting general education or career and technical pathway requirements) and transfer cleanly across Oregon public postsecondary institutions. More efficient use of students' senior year, early

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advising, and remediation supports for students in high school will be needed to create a more seamless transition for students from high school to postsecondary institutions.

1.2 Supporting Out of School Youth

Each year, more than ten thousand high school students drop out, are pushed out, or simply fail to complete high school – this unacceptable number does not even capture those students whose journey to 40-40-20 ended in middle school or before. These students experience a variety of risk-producing conditions that can be barriers to school and work. Barriers can present themselves as environmental conditions in neighborhoods, families, and peer groups, as well as personally as individual factors such as poverty, teenage pregnancy, community violence, substance abuse, poor quality schools, criminal activity, disability, caregiver responsibilities, and institutional residence.

Overall, of the estimated 465,000 youth age 16 to 24 in the state, nearly 66,500 are not in school and not working. While the reasons for disconnection are unique for each youth, one theme is common among all — it is increasingly difficult to navigate the path from school to work. The economic cost of not having youth engaged in the education system and labor force is too great for our state to ignore.

The OEIB's responsibilities for creating a seamless "Birth to College and Career" system, and managing student transitions for the purpose of ensuring outcomes are achieved, necessitate that it also pay close attention to those students and young adults who don't fit neatly into one category or another. We must ensure the populations of youth who have, or are at risk of, dropping out do not inadvertently fall through the cracks that heretofore may have existed between education agencies. Further, states that have rapidly increased their rates of diploma and degree attainment have done so by an intentional focus on students who have been pushed out or put at risk, who are being served in alternative settings, or who could benefit from alternative pathways such as GED. The 2015-17 biennium should include an investment in strategies and policies aimed at state funding policy that supports community-based efforts to address barriers to education and career success for these populations.

1.3 A Coordinated Post-Secondary System that Connects with the Workforce

As a result of legislation passed in 2011, 2012, and 2013, a single entity – the Higher Education Coordinating Commission (HECC) – is now responsible for ensuring smooth pathways for students between Oregon's private and public colleges, universities, career schools, and financial aid programs. During 2015-17, students should benefit from education innovations pioneered by increasingly autonomous institutions while securing additional advantages from the HECC's broad authorities and responsibilities for coordination across the full higher education system. During 2015-17, the state should complete the transition set in motion by the 2011-13 legislation, ensuring that the HECC is able to fully realize Governor and Legislature's vision for a highly coordinated higher education system using the authorities provided for it under law. In particular, the HECC must:

- Ensure that funding allocations to community colleges, public universities, and state need-based financial aid programs maximize student success;
- Ensure that academic programs at community colleges and public universities are designed and implemented in coordination with each other in order to maximize the state's return on investment and students' opportunity for success;
- Convene and lead higher education institutions to develop common learning outcomes, assessments, and transfer policies in order to ensure "portability" within Oregon's higher education system;
- Succeed with the transition of responsibility for system-wide higher education data and research from silos (CCWD, OUS, ODE, OSAC) to a single agency (HECC).

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Of equal importance to ensuring that higher education contains well-coordinated pathways for students, however, is the need to build better connections from colleges, universities, and career schools to the workforce. In particular, the state must build better systems of support for the “Middle 40” apprenticeships, certificates, degrees, and other credentials that represent such a clear opportunity to better-prepare Oregonians to employment. Under the Governor’s leadership, the HECC and the Oregon Workforce Investment Board (OWIB) have created a 2014 Task Force to more clearly define the opportunities and barriers for more clearly articulating the state’s approach to supporting efforts around the Middle 40. Recommendations for how to share and divide these responsibilities between the HECC, the OWIB, and their associated state agencies must be considered for 2015-17.

Section 1.4 Invest in Regional Collaboration and Collective Responsibility

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. These risk factors include poverty, unstable family backgrounds, substance abuse, criminal records and negative peer associations. Oregon Department of Human Services data for November 2011 indicates that 116,218 children ages five and under received Supplemental Nutrition Assistance Program (SNAP) food assistance, ADD MEDICAID data, and a 2011 US Census report shows that 183,859 children in Oregon live in poverty. If not addressed, these risk factors have an almost linear correlation with school failure, school dropout, substance abuse, social dependency and involvement in the criminal justice system. They also set lifestyle patterns that lead to the chronic conditions that account for most of the costs in the health and criminal system. These factors, known as social indicators, are set during the early years of a child’s life. Ultimately, these social indicators produce a workforce that struggles to compete successfully in a global economy and citizenry that is a liability rather than an asset to Oregon’s future.

Faced with such deep, pervasive and systemic poverty issues, Oregon must acknowledge that investments in education must be leveraged by investments in whole communities. Teachers, parents, businesses, colleges, nonprofits, social services, local governments, and students themselves – all more powerful when aligned and focused on the same outcomes.

Through the Regional Achievement Collaborative (RAC) pilot, OEIB has seen the fruits of collective responsibility across the birth to college & career continuum. In 12 regions across the state – from Multnomah County to Lane County to Southern & Eastern Oregon – education leaders from all levels are joined by business, nonprofit and other leaders to making a shared commitment to improving the achievement compact outcomes for all children and students in a region.

Further, as communities begin to dig in to the root causes of educational disparities and poor achievement, the interconnected nature of education with health, workforce, housing, transportation and other key areas becomes clear. Through the Governor’s leadership, RAC’s are beginning to leverage opportunities across other community-based transformation efforts – such as early learning hubs, Coordinated Care Organizations, Poverty to Prosperity projects and Regional Solutions Centers – sharing resources and aligning outcomes across multiple sectors in the name of achieving regional prosperity.

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OEIB recommends examining innovative regional models of investment and infrastructure to support expansion of Regional Achievement Collaboratives, as well as to incent innovative cross-sector approaches across other policy areas.

Strategy 2: Focus investments on achieving student outcomes

Since its appointment, the OEIB has engaged in deep thinking around the significance of Oregon's 40/40/20 Goal – what policies, partnerships, strategies and investments are necessary to achieve the goal, and what the trajectory to 40/40/20 could be in the context of Oregon's current student demographics and achievement levels. Acknowledging Oregon's long history of local control, and the failure of top-down accountability systems such as No Child Left Behind, the OEIB sought an instrument that incented shared responsibility and harnessed local involvement to create effective and sustained change. Formal recognition of this approach came in 2012 (Senate Bill 1581), with the OEIB's adoption of achievement compacts.

Through the compacts, institutions set ambitious but attainable goals for student success around key outcomes considered critical for student success in college and in the workforce. The key outcomes for K-12 districts include 3rd grade reading & math proficiency, 5th grade math proficiency, 6th grade on track, 9th grade on track, college credits earned in high school, high school completion, and post-secondary enrollment. Key outcomes for colleges and universities include enrollment, persistence (15/30 credits earned) and certificates and degrees awarded. Each of these outcomes is predictive in some critical way of student achievement and career readiness; together, they comprise a compelling snapshot of our collective progress toward the 40-40-20 Goal.

While the achievement compacts have prompted critical conversations, OEIB recognizes that setting goals around key outcomes alone isn't enough to foster lasting, positive change. Institutions, in conjunction with their boards and community leaders, must have the courage to change their strategies, practices and funding priorities to achieve these goals. At all levels, the education system must commit to a laser-like focus on improving the key outcomes, using best practices, and creating high-quality continuous learning environments that will support and motivate students and educators alike. For its part, the OEIB, along with the Governor, the State Legislature and its partner agencies, must put in place policies, systems and supports that can help institutions reach their goals. The state should tackle its issues with unstable and inadequate revenue, continue efforts to contain costs such as health care and prison costs, and use a variety of budget and accountability tools to drive investment toward achieving these outcomes.

The following are critical to achieving the state's 40-40-20 Goal:

- Increasing Investment at All Levels
- Continue Prioritizing Oregon's Early Learning System
- Focus Base Funding for K-12 and Post-Secondary on Improving Key Outcomes
- Make Transformational, Innovative and Effective Strategic Investments

Section 2.1 Increasing Investment at all Levels

It is widely accepted that education in Oregon is underfunded at all levels and fluctuates wildly from biennium to biennium in ways that make reinvestment difficult. From 2009-2013, the Great Recession had a great toll on K-12 education – forcing school districts to cut millions from their budgets, laying off valued teachers and staff, reducing school days, and shutting down schools and programs against the wishes of the community. In post-secondary, Oregon's disinvestment

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has resulted in the loss of valued programs and faculty, as well as an unacceptable shift in costs to students and families through rising tuition.

The tide turned significantly in the 2013-15 LAB when education funding increased significantly across all levels. In addition, 2013-15 yielded significant success in terms of controlling costs that had begun to far outpace general inflation, hitting all public education institution budgets hard and shifting resources out of the classroom.

The Governor's 10-year budget strategy for education is based on two important ideas: invest more strategically and invest more. To allow for increased investment in education, the State must move forward on strategies to bend the cost curves of health services and prisons, which are taking up an ever-larger percentage of Oregonians' personal income. Without relieving these cost pressures, investment in education – as a share of Oregonians' personal income, and as a share of the state discretionary budget – is likely to continue to decline. Ultimately, the state strategy must be to continue working to bring the costs of health care and corrections down in order to increase the overall investment in the education system. The state must work to ensure a stable and sustainable base of funding is available to educational institutions, including the early learning system.

Section 2.2 Continue Prioritizing Oregon's Early Learning System

Decades of research confirm early investments are key to later educational success. In a state where nearly half of our children are born on Medicaid, 33% of children entering Kindergarten could name five or fewer letters, and only a quarter of our entering kindergartners did not regularly demonstrate skills such as completing tasks and following directions, the importance of an effective, coordinated system that identifies the needs of children and families at risk, and offers useful assistance quickly, as soon as possible cannot be overstated.

While the state has made significant progress toward building a better coordinated system for early care and education, there is a continued need to focus on and invest in efforts to build the system and improve outcomes for our youngest learners.

Our continued investments should focus on identifying risk factors early and coordinating services and supports that enable learning, ensuring that children enter the education system with the skills and developmental assets needed sets the trajectory for the child complete their high school education.

Specifically, to improve outcomes for children, there is a need for increased focus on and investment in the following core areas:

- Continue to support the implementation of Early Learning Hubs and a deeper level of investment of flexible funds in core strategic areas – in particular supporting infrastructure for service referral and family resource management, strong kindergarten transitions and deepening work with families to support early literacy. In addition to on the ground investments to support Hub strategies and incentivize outcomes, Early Learning Hubs will benefit tremendously from the implementation supports provided through both on the ground coaches and barrier busters, and professionally facilitated learning collaboratives.

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- Support early screenings and intervention efforts, aligned with health care system: Thanks to a strong partnership with the Oregon Health Authority, the state has met its five year goals for increased developmental screening for children ages birth through 3. To continue this momentum, further investment is needed to support coordination of developmental screening across health care and early learning settings and providers.
- Increase access to high-quality early learning programs: Through continued support for the Quality Rating Improvement System (QRIS) the state will continue to increase the supply for formal (licensed) early learning and care providers across the state. Supports should include continued training for providers to move up the quality pipeline as well as supports to increase education levels of early care and education providers and for evidence based professional development strategies. Additionally, an increased focus on quality care for families receiving child care subsidies and other state-funded work support/self sufficiency benefits, is needed.
- Increase support for evidence based services, including home visiting and respite services, that engage and support families as partners in their children's education.
- Leveraging childcare subsidies to support and incent families in choosing high-quality childcare settings.

Section 2.3 Focus Base Funding for K-12 and Post-Secondary on Improving Key Outcomes

Billions of dollars of the state's general fund are invested in education each biennium, with 98 percent of that amount flowing through the hundreds of entities delivering education. For those entities, Oregon's education funding is centered on inputs and enrollments across the education continuum. How many students are served plays a much larger role in an institution's fiscal position than how effectively students are educated. Funding levels for school districts, colleges and universities are based on existing staffing ratios and inflation expectations for salaries, benefits, materials and supplies. Contracts with Oregon Pre-Kindergarten programs are based on the number of children served, not how well those children progress in their readiness for school. Moreover, budgets are too frequently developed, both at the state and local levels, based on current service levels without consideration or prioritization of the outcomes sought to be achieved.

While outcomes-based budgeting has been ascribed various meanings, the critical feature is the intentional focus of dollars to achieve the desired results – setting budget priorities and aligning spending to deliver the specific outcomes desired for students. At the local level, institutions set goals around key outcomes through the achievement compact process. However, the process of setting goals around critical indicators, and defining strategies to achieve these goals, is somewhat meaningless unless it is used to directly inform an institution's budgeting process. While performance on the Achievement Compact is not currently related to the level of funding institutions receive, compact goals should drive budget priorities. Achievement Compacts should incent educational entities to “budget the plan, not plan the budget.”

In early learning, OEIB should ensure that we are differentiating support – targeting the most underserved populations of children and families – and coordinate services to ensure investments are making a difference.

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To truly leverage base funding for achievement of traditionally K-12 outcomes, OEIB should commit to providing additional support and communication to school districts in completion of the achievement compacts. In addition, the OEIB should engage deeply in examining the system for potential for formula redesigns, such as in the 11-14 system redesign described in Section 1.1.2 or funding for English Language Learners, as well as particular outcomes for which some level of “incentive” funding could serve to more rapidly lead to improve, such as closing the achievement gap for 3rd grade reading, or ensuring 9th graders are on track with attendance and credits.

In post-secondary, HECC has committed to working with community colleges and 4-year universities to recommend models for the distribution of budgeted funds to institutions, paying attention to: (1) what is not working well under the current formulas; (2) rewarding the desired outcomes and eliminating barriers to effective achievement; and (3) providing enough lead time for institutions to respond to changes. This model must ensure that costs are not simply redistributed to students and families, but rather incent reduced costs, achieve new efficiencies and/or accelerate completion.

Section 2.3: Transformational, Innovative and Effective Strategic Investments

The current strategic investments have successfully mobilized school districts and community-based organizations in many corners of the state: focusing the conversation on best practices, incenting partnerships and collaboration, and accelerating improvements in key outcomes in places where the investments were more deeply felt. However, as OEIB embarks on the 2nd round of strategic investments, some considerations must be: (1) how to streamline and focus the investments; (2) how to ensure they incent change at all levels, not just K-12; (3) whether tools other than Requests for Proposals (RFPs) can help make the process more effective and less burdensome; (4) how to ensure investment flows to successful nonprofit and community-based organizations and other culturally specific providers; and (5) how we differentiate the purposes of base funding – which the state passes to education institutions specifically for the purpose of achieving key education outcomes – with strategic investments.

2.3.1 Strategic Investment Criteria

Strategic investments must be transformational, innovative and effective, designed to radically redesign the education system such that the promise of the 40-40-20 Goal can be achieved for each and every Oregonian. Identifying some key criteria, or more aptly characteristics, of strategic investments will provide OEIB a framework from which to prioritize strategic investment concepts for the Governor’s, and legislature’s, ultimate consideration. Education agencies, institutions, stakeholders and partners should consider the following:

- Models that are highly transformative, leading the state toward a new vision for education, and that promote flexibility and innovation
- Preventative models that will reduce costs and improve outcomes further along the pathway, and models that have a significant return on investment (high yield for low cost)
- Models that have a strong possibility for scaling across the larger system or a multiplier effect
- Models that produce powerful results, such that communities will be strongly compelled to continue funding the activities over time

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- Models that leverage other state and private investments

2.3.2 Leverage Points for Consideration

All sections of this Budget Priority paper identify key priorities and strategies for which investment should be considered. In addition, there are several key leverage points that the OEIB believes are critical for strategic investments:

- Implement Evidence-Based K-3rd Grade Reading Strategies, Particularly in Struggling Schools & Districts: Karen to add content
- Post-Secondary Access and Affordability: Even after taking financial aid into account, it costs Oregon students and their families approximately twice what it did a decade ago to attend in-state public colleges and universities. This financial toll – which is significant even for students that fully qualify for federal and state need-based grants – represents perhaps the single greatest barrier to student success in Oregon higher education. To significantly deepen the college-going culture across the education continuum, Oregon must ensure that post-secondary education is accessible, affordable, and represents a clear return on investment for all learners who earn a high school diploma. To meet the access and affordability challenge requires the OEIB and HECC to (a) work with institutions, including K-12 districts, to straighten certificate/degree pathways and reduce time-to-completion; (b) develop state investment strategies, including potential targeted investments for outside-the-classroom supports such as enhanced counseling/advising, that help students efficiently navigate post-secondary education; and (c) refine and enhance the state's investment in institutions and need-based aid in order to increase affordability, especially for those most at-risk of being priced out of higher education.
- Science, Technology, Engineering & Math (STEM), Career and Technical Education (CTE) and the Arts: Expand the development and support for statewide network of Regional STEM Hubs to create a collaborative network that will foster greater communication, exchange of ideas and intellectual resources, and more effective implementation of evidence-based practices to enact local solutions to local needs; consider investment in the STEM Investment Fund and CTE Revitalization Grant Fund to increase access to evidence-based STEM and CTE programs during and beyond the school day—particularly for students of color and high-needs communities and incentivize the design, implementation, and evaluation of high-probability, emerging approaches and practices.

Strategy 3: Build State Systems of Support and Accountability

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. In addition, critical state support must come through further developing the Network for Quality Teaching, providing an accountability to support continuous improvement in schools and institutions, and a

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policy database and research consortium to research and disseminate information about best practices and the effectiveness of key investments.

- Network for Quality Teaching & Learning
- Support for School and Institutional Improvement
- P-20W Policy Database
- Research and dissemination of best practices

Section 3.1 Network for Quality Teaching & Learning

Of all the in-school factors influencing a student's success, effective teaching is the most significant. Oregon's investment in education must prioritize supporting early learning educators, teachers, administrators, school personnel specialists, and post-secondary faculty in doing their best work to improve student achievement, at every stage of public school education. Oregon needs a strong pipeline of instructional leaders who can positively impact teaching and learning and who mirror our schools' culturally and linguistically diverse learners. Oregon is moving in the right direction with its initial \$45 million investment in high quality educator preparation models, mentoring for new hires, ongoing and meaningful performance evaluations and professional development.

The creation of a Network for Quality Teaching and Learning has just begun now to support professional learning that is ongoing, collaborative in nature, and aligned to the needs of educators to better serve students. Full implementation of the Network is needed to:

- Enhance educators' ability to innovate and enquire into one's practice
- Improve access to instructional expertise and resources
- Promote the scaling up of the most effective practices across the state
- Support and structure more effective professional development opportunities
- Link to other community-based efforts such as Regional Achievement Collaboratives, Early learning Hubs, and STEM Networks
- Develop stronger connections with postsecondary partners preparing educators and conducting research on key issues in education

Efforts to build capacity, enhance the collaborative professionalism of educators to support student learning will change the culture of schools and districts across Oregon and put us on a clear path to the 40-40-20 Goal.

Full implementation must include professional development for educators across the system designed to support them in meeting the needs of all learners at all ages, including those living in poverty, earning with disabilities, learning English as a second language learners and students of color. With that focus, efforts to build capacity, enhance the collaborative professionalism of educators, promote the learner as individual will change the culture of schools and districts across Oregon and put us on a clear path to the 40-40-20 Goal.

Section 3.2 Support for School and Institutional Improvement

A key strategy of the OEIB is to create a Birth to College and Career system that supports and motivates students, teachers and communities. The collective responsibility for educating each

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and every Oregon student rests not only with educators and leaders at all levels, but also with parents, community organizations, business leaders, education agencies, policymakers and students themselves. The OEIB's obligation is both to promote shared responsibility and inspire communities across the state to act with urgency to improve outcomes, and to ensure that our state has in place a system to support and intervene where the needs of children and students are not being adequately met.

Oregon is committed to advancing an accountability system that includes broader measures, motivates and supports improvement rather than simply demands it, and requires communities to become active participants in improvement and accountability. In addition, the system as a whole must be prepared to offer support and, where necessary, an increasing level of prescriptive intervention for those institutions who are not meeting their obligations to Oregon's learners. In the past two years, the OEIB has entered into an Achievement Compact with each K-12 district, community college, and post-secondary institution, which represents a shared commitment to achieve key outcomes considered critical for student success in college and in the workforce. The purpose of the Achievement Compacts is to drive educators, governing boards and communities to set ambitious but achievable goals and then shift resources and develop strategies to achieve those goals. For the state, the compacts represent a commitment to enact strong policies, remove barriers and provide investment and support.

The OEIB is committed to providing increased flexibility and room for innovation for those that demonstrate success. However, for districts and institutions that consistently fail to make progress on key outcomes, particularly where our most vulnerable children and students are concerned, the Chief Education Officer has charged each level of the system with creating an accountability framework that is clear and aligned.

In K-12, the Chief Education Officer has asked ODE and the State Board of Education to work with stakeholders to:

- (a) Design and implement an accountability system of progressive interventions for schools and school districts that do not demonstrate improvement; and
- (b) Provide technical assistance to schools and school districts that do not demonstrate improvement.

Students of color, English language learners and students in poverty are vastly overrepresented in the lowest performing schools and districts. For that reason, investing in a strong system of K-12 accountability aimed at supporting continuous improvement, is an OEIB priority.

Section 3.2 P-20W Policy Database

The state should continue to invest in creating a statewide, longitudinal database to ensure (1) that longitudinal student information and outcome data is available at the provider and policy-maker level; and (2) and to support the dissemination of best practices across outcomes.

Existing federal investments are supporting the Oregon Department of Education, with support from all other education agencies, in creating a statewide longitudinal data system and research function that will compile longitudinal student data (without student identities attached) from every level of education. The database will provide return on investment calculations to provide a useful diagnostic tool, one that allows educators and the state to better identify the

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investments that are both cost effective and effective for replication or expansion: what works for students, and how best to invest limited public dollars.

The early childhood system is charged with developing an integrated data system that brings together data from early learning, health, and human services at the level of the child, provider, and community to streamline services, guide resource allocation, and provide accountability for early childhood investments. The data system will interface with the statewide longitudinal data system, thus providing robust data on children from birth through higher education.

Section 3.3 Research and dissemination of best practices

To ensure that decisions and budgets are built around outcomes, the state must invest in the capacity to not only collect data, but to research that data and provide much deeper analysis of what is working across the continuum. Research and data will allow educators to become more rigorous about predicting the likelihood of dropping out on a student-by-student basis and understanding which conditions—inside and outside the school—raise the odds of graduation. Teachers need reliable and vetted resources proven effective with the learners in their classrooms, particularly those that are at risk for low achievement.

Further, the state must build a viable and effective strategy for disseminating research and best practices to all educators and communities. For too long, educators in Oregon have been left without a central way to collaborate with other educators across the state facing common challenges. The collection and distribution of a high quality, comprehensive body of knowledge, expertise and research on proven or promising practices is essential to support an education system that continually improves itself.