



A Pathway for Funding Oregon Schools in 07-09

- Ensuring a full school year for most students
- Investing in Main Streets throughout Oregon

2007-09

• Projected Shortfall •

Source	Projected Shortfall	K-12's Share	Already Cut by K-12	Remainder of K-12's Share
Leg. Fiscal Office 2/2/09	\$800M	\$322.3M (\$456/ADMw)	\$61.2M	\$261.1M (\$393/ADMw)
Leg. Revenue Office 2/7/09	5% of biennial rev.	\$266.5M (\$402/ADMw)	\$61.2M	\$205.3M (\$309/ADMw)

• Available Resource: Education Stability Fund* •

Education Stability Fund	**Portion Going To:			
	Higher Ed	Comm Coll.	All Other Ed.	K-12
\$393M	\$47.1M	\$24.4M	\$18.4M	\$299.1M
Balance remaining for K-12 after filling LFO Projected Shortfall				\$38.0M
Balance remaining for K-12 after filling LRO Projected Shortfall				\$93.8M
Additional Education Stability Fund Revenue Projected for 2009-11 (\$211M)				\$160.5M
Total Education Stability Fund for K-12 Projected for 2009-11 after filling Projected Shortfall				\$198.5M-\$254.3M

Why Tap the Education Stability Fund in 2007-09?

• It ensures a full school year for most Oregon K-12 students.

Although some districts had no option but to cut school days as a result of the governor's mid-year across-the-board reduction, most were able to either make cuts in other ways or use reserves. If further reductions are required, most districts report that they will be forced to close schools early. How early? That depends on the size of the cuts and the budget circumstance in each district, but schools may shut their doors days, weeks or, in many cases, a month or more before the scheduled end of the school year. School closure also raises many questions, including: "Will seniors be able to graduate?" and "How do unemployment and other 'shuttering' costs compound the problem?"

For a district-by-district look at 2008-09 cuts already taken, as well as budget planning for 2009-10 in these uncertain times, please visit:
<http://www.cosa.k12.or.us/finance/200910impactofproposedoregonk12funding.html>

• It prevents further cuts in services to Oregon's neediest children.

Cutting school days not only deprives students of a full year's education, but it also deprives low-income students of breakfast and lunch and disrupts families. What's more, schools may be legally required to continue services or provide extended-year services to special education students this year or risk the loss of federal funding.

• It impacts jobs and Main Street in almost every Oregon community.

With four months remaining in the biennium, a 5% cut is the equivalent of a 30% cut in the rest of this school year. Since employee costs make up about 85% of school budgets, that leaves districts with little choice but to cut days or staff (or both). These options reduce the income of school employees – which, in turn, significantly impacts the state's many Main Streets, since the local school district is one of the largest employers in almost every Oregon community (see other side).

*The Oregon Constitution says that the Education Stability Fund is to be used "for the public purpose of financing public education in Oregon."

**Based on percentage of General Fund and Lottery dollars going to Education sectors, 2007-09, (Source: Legislative Fiscal Office)