

**General Fund & Lottery Spending by Major Program Area, including Federal ARRA Funds to offset General Funds**

(Dollars in Millions)

			2007 - 09					2009 - 11					2011-13				
	2003-05 Actuals	2005-07 Actuals	2007-09 Original LAB	2007-09 Revised LAB	ARRA General Fund Offset	ARRA- inclusive 2007-09 Total	2007-09 % Change Original vs. ARRA-inc.	2009-11 LAB	2009-11 % Change LAB vs. 2007-09	ARRA General Fund Offset*	ARRA- inclusive 2009-11 Total	ARRA-inc. 2009-11 % Change vs. 2007-09	ARRA-inc. 2009-11 % Change vs. 2003-05	2011-13 Gov Rec	% Change from 09-11 LAB	ARRA % Change om ARRA in 2009-11	2011-13 % Change vs. 2003-05
<b>Education</b>																	
K-12 State School Fund	4,914	5,305	6,245	6,014	115	6,129	(1.9)	5,393	-10.3%	343	5,736	-6.4%	16.7%	5,557	3.0%	-3.1%	13.1%
Higher Education	763	820	983	900	56	956	(2.8)	802	-10.9%	69	871	-8.9%	14.1%	924	15.2%	6.1%	21.1%
Community Colleges	416	434	511	505	0	505	(1.2)	439	-13.0%	0	439	-13.0%	5.6%	446	1.6%	1.6%	7.2%
All Other Education	342	371	464	488	0	488	5.2	463	-5.2%	0	463	-5.2%	35.3%	513	10.8%	10.8%	50.0%
<b>Total Education</b>	<b>6,436</b>	<b>6,931</b>	<b>8,203</b>	<b>7,907</b>	<b>171</b>	<b>8,078</b>	<b>(1.5)</b>	<b>7,097</b>	<b>-10.2%</b>	<b>412</b>	<b>7,508</b>	<b>-7.1%</b>	<b>16.7%</b>	<b>7,440</b>	<b>4.8%</b>	<b>-0.9%</b>	<b>15.6%</b>
<b>Human Services</b>	<b>2,333</b>	<b>2,790</b>	<b>3,435</b>	<b>3,209</b>	<b>230</b>	<b>3,439</b>	<b>0.1</b>	<b>3,308</b>	<b>3.1%</b>	<b>701</b>	<b>4,009</b>	<b>16.6%</b>	<b>71.8%</b>	<b>3,795</b>	<b>14.7%</b>	<b>-5.3%</b>	<b>62.7%</b>
<b>Public Safety/Judicial Branch</b>	<b>1,636</b>	<b>2,000</b>	<b>2,383</b>	<b>2,362</b>	<b>0</b>	<b>2,362</b>	<b>(0.9)</b>	<b>2,277</b>	<b>-3.6%</b>	<b>104</b>	<b>2,381</b>	<b>0.8%</b>	<b>45.6%</b>	<b>2,401</b>	<b>5.4%</b>	<b>0.8%</b>	<b>46.8%</b>
<b>Natural Resources</b>	<b>223</b>	<b>301</b>	<b>370</b>	<b>388</b>	<b>0</b>	<b>388</b>	<b>4.9</b>	<b>325</b>	<b>-16.3%</b>	<b>0</b>	<b>325</b>	<b>-16.3%</b>	<b>45.6%</b>	<b>316</b>	<b>-2.6%</b>	<b>-2.6%</b>	<b>41.7%</b>
<b>All Other Programs</b>	<b>342</b>	<b>403</b>	<b>714</b>	<b>512</b>	<b>0</b>	<b>512</b>	<b>(28.3)</b>	<b>550</b>	<b>7.4%</b>	<b>0</b>	<b>550</b>	<b>7.4%</b>	<b>60.8%</b>	<b>598</b>	<b>8.8%</b>	<b>8.8%</b>	<b>74.9%</b>
<b>Total Expenditures</b>	<b>10,970</b>	<b>12,425</b>	<b>15,105</b>	<b>14,378</b>	<b>401</b>	<b>14,779</b>	<b>(2.2)</b>	<b>13,556</b>	<b>-5.7%</b>	<b>1,217</b>	<b>14,773</b>	<b>0.0%</b>	<b>34.7%</b>	<b>14,550</b>	<b>7.3%</b>	<b>-1.5%</b>	<b>32.6%</b>
<b>K-12 % of General Fund &amp; Lottery</b>	<b>44.8%</b>	<b>42.7%</b>	<b>41.3%</b>	<b>41.8%</b>		<b>41.5%</b>		<b>39.8%</b>			<b>38.8%</b>			<b>38.2%</b>			
<b>Total Education % of GF &amp; Lottery</b>	<b>58.7%</b>	<b>55.8%</b>	<b>54.3%</b>	<b>54.9%</b>		<b>54.7%</b>		<b>52.3%</b>			<b>50.8%</b>			<b>51.1%</b>			

3/2/2011

Based on Governor's 2011-13 Recommended Budget and Legislatively Approved 2009-11 Budget including Governor's Allotment reductions and Legislative actions.

Note: Includes 2009-11 budget rebalance plan incorporated in HB 5050.

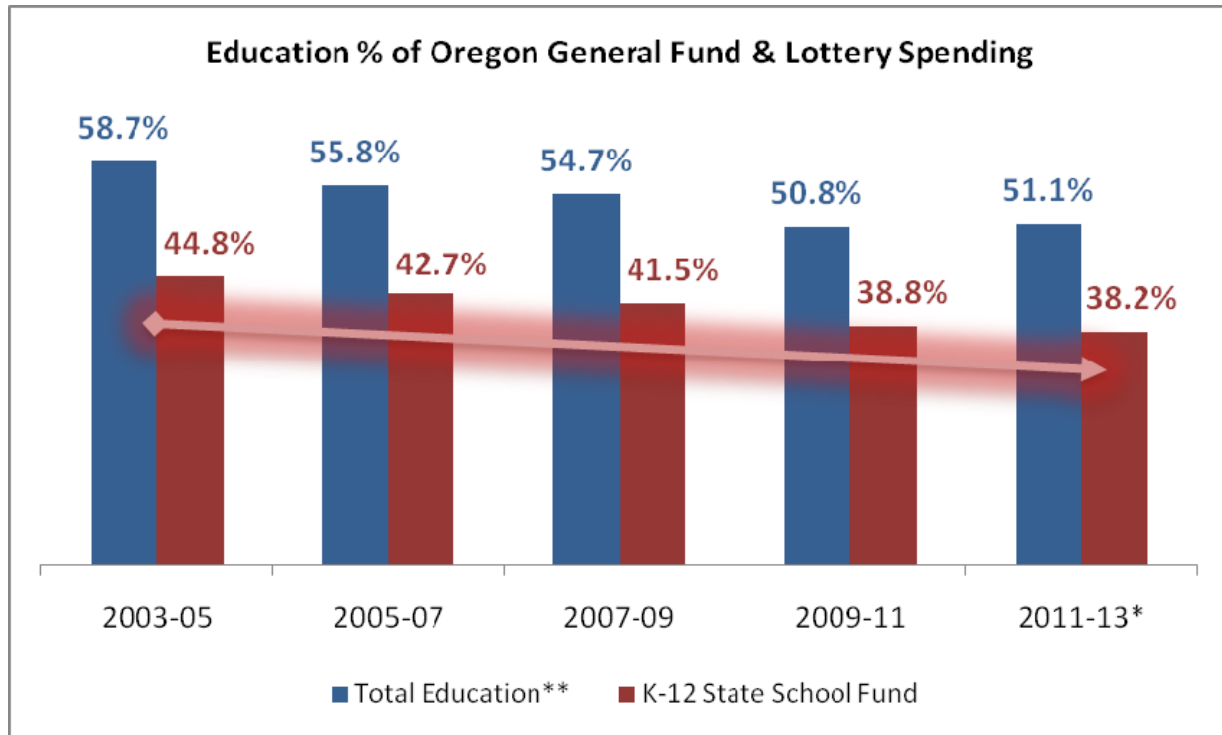
\*Does not include ARRA funds that are not direct General Fund offsets.

Source: Legislative Fiscal Office



## K-12 Education's Share of State Budget has declined since 2003

The share of Oregon's state general fund and lottery budget allocated to K-12 Education has declined steadily since 2003.



\* 2011-13 based on Governor's Recommended Budget

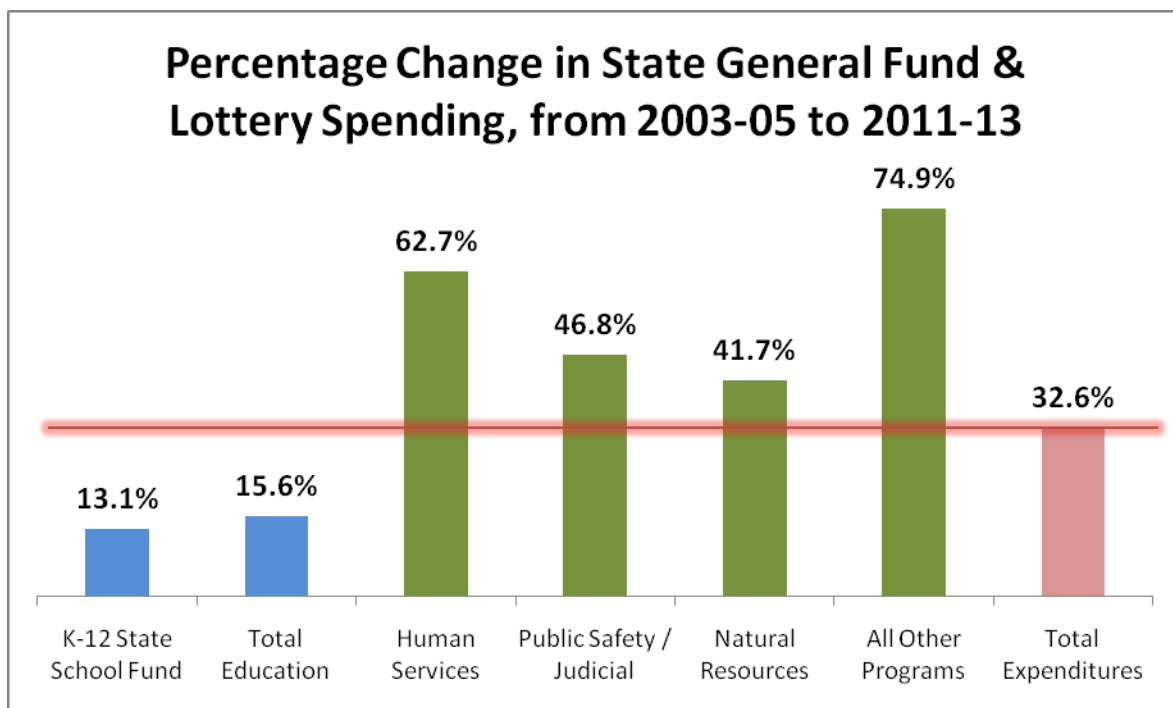
\*\*Total Education includes K-12, community colleges, higher education, and all other education.

Source: Oregon Legislative Fiscal Office.



## Percentage Increase in Education Expenditures has fallen short since 2003

A greater share of Oregon’s state general fund and lottery budget (including federal ARRA and EduJobs funding) has been spent on Human Services, Public Safety and other budget categories – and a smaller share has been spent on Education – since 2003. Oregon’s K-12 public schools (13.1%) and Total Education (15.6%) budgets have received less than half of the average overall increase in the state’s Total Expenditures since 2003. Education has also received less than one-quarter of the percentage increase in expenditures allocated to Human Services, and less than two-fifths of the percentage increase in expenditures allocated to Public Safety, since 2003.



\* 2011-13 based on Governor’s Recommended Budget

Source: Oregon Legislative Fiscal Office

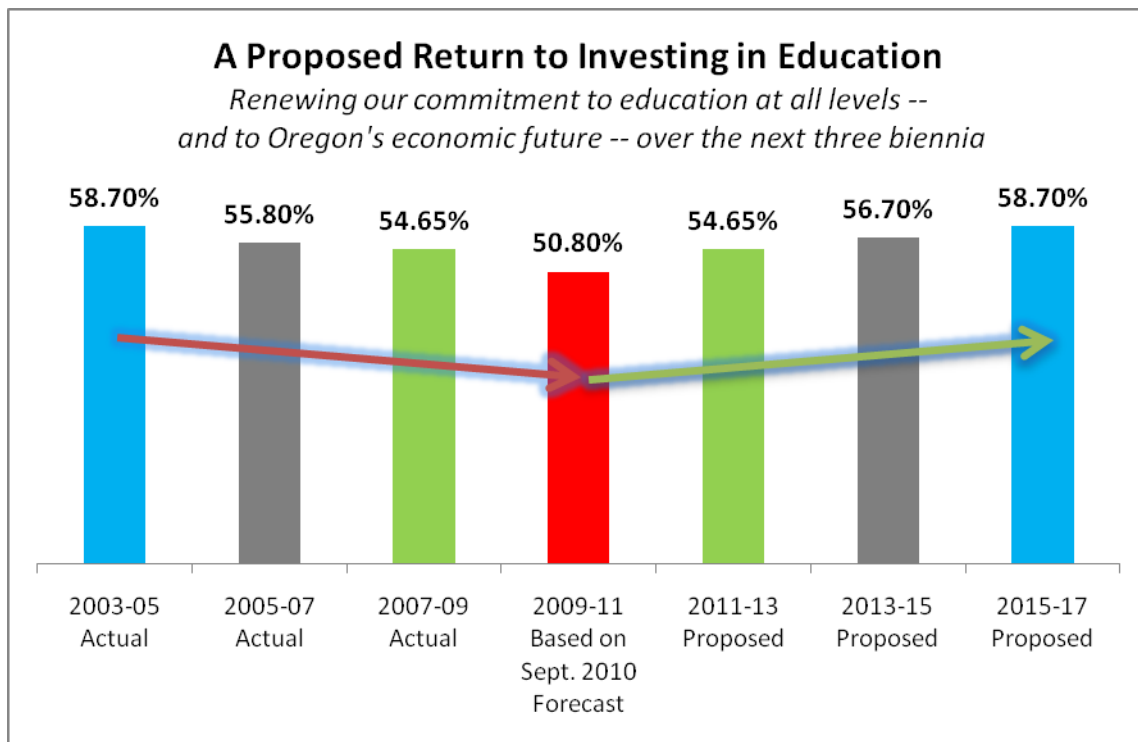


## It's Time to Reinvest in Oregon Education

Over the past three biennia, the share of the State Budget invested in Education has declined from 58.7% to 50.8%. This proposal calls for a return, over the next three biennia, to 2003-05 levels.

This investment not only renews our commitment to Oregon's children, but to our economy. Short-term, spending on education impacts almost every Oregon community, where local public schools are often the major employer. Long-term, expert-after-expert and study-after-study agree that the best economic investment we can make is in education.

Our state budget should invest in education to preserve jobs, invigorate communities and revitalize our future.



Source: Oregon Legislative Fiscal Office.

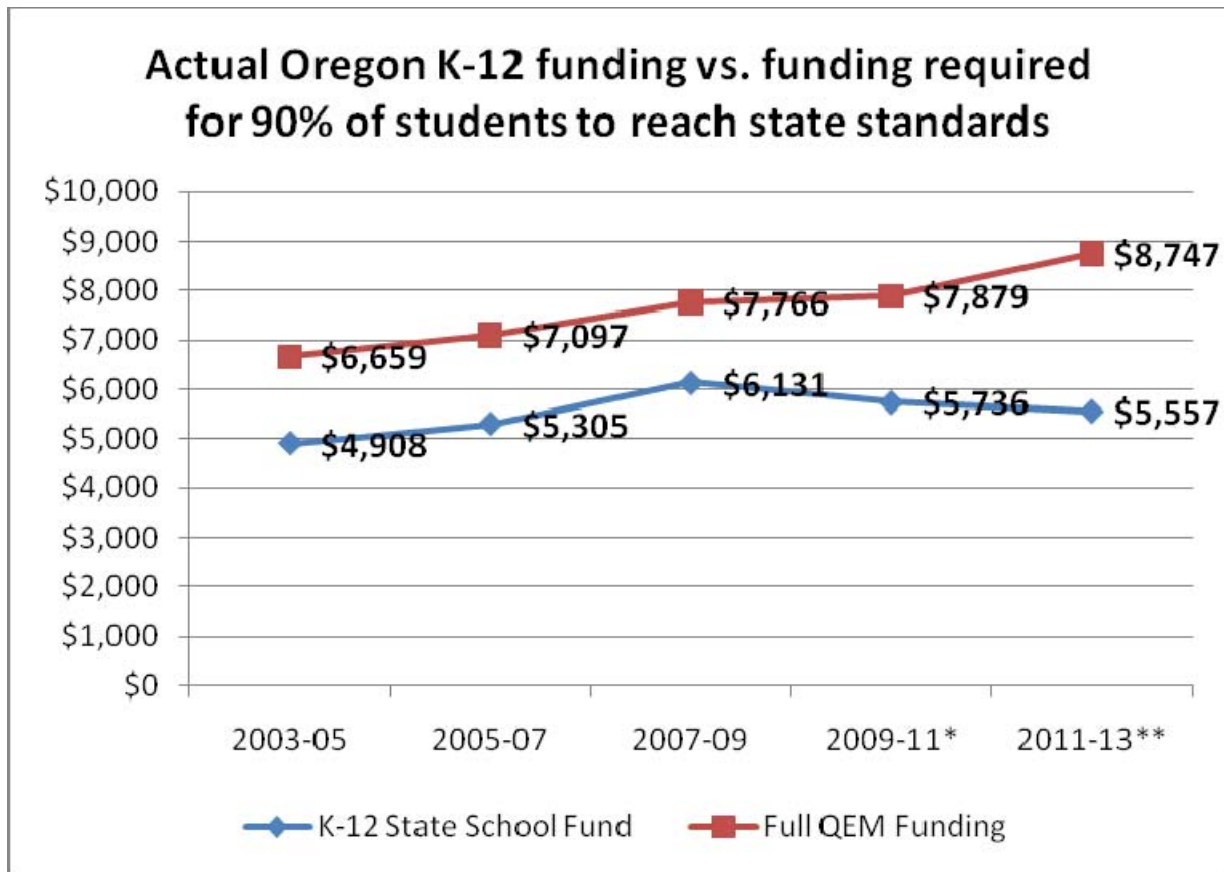
Tentative proposal of COSA and its education partners, including OEA, OSBA, OSSA and others.



## Significant increase in school funding needed to meet state standards

Oregon has steadily raised the bar for student achievement – including new graduation requirements and the upcoming adoption of rigorous national standards – in recent years. But we have done so without making the investment needed to clear the bar.

The Quality Education Commission uses best practices research to determine the K-12 investment needed for 90 percent of Oregon students to reach state standards. In the current biennium, state government is making about 73 percent of the needed investment, based on the Quality Education Model (QEM). For the 2011-13 biennium, that investment is projected to decline to 66 percent.

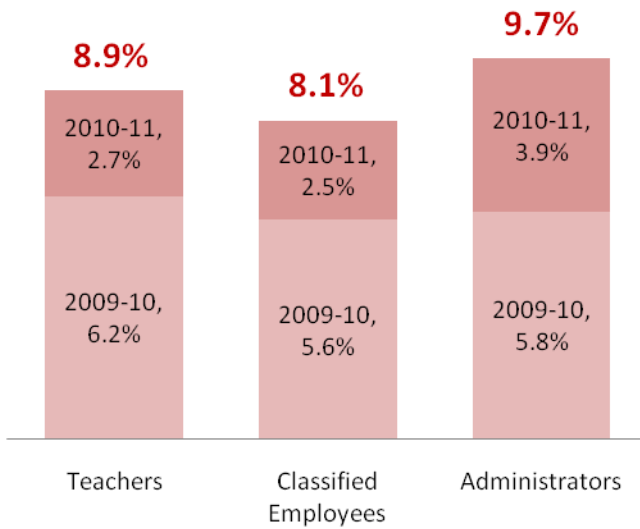


\*\*2011-13 based on Governor's Recommended Budget

Sources: Oregon Legislative Fiscal Office and QEC/QEM 2002-2010 reports.

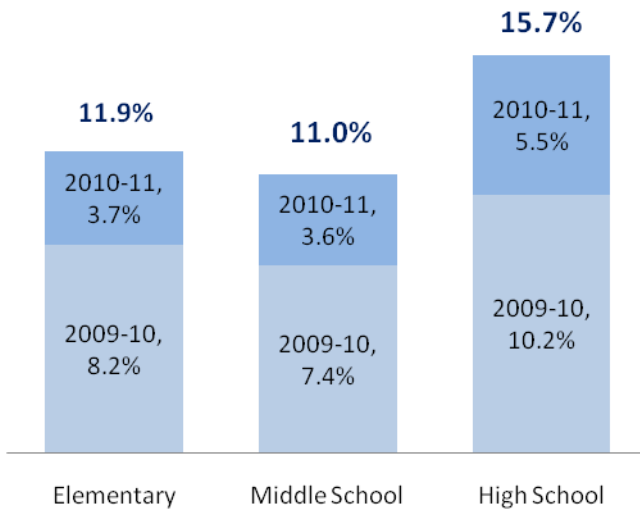


### % of Oregon School Jobs Lost over the last two years



Source: COSA/OASBO School Budget Surveys, Sept. 2009 and 2010

### % Increase in Oregon Class Size over the last two years

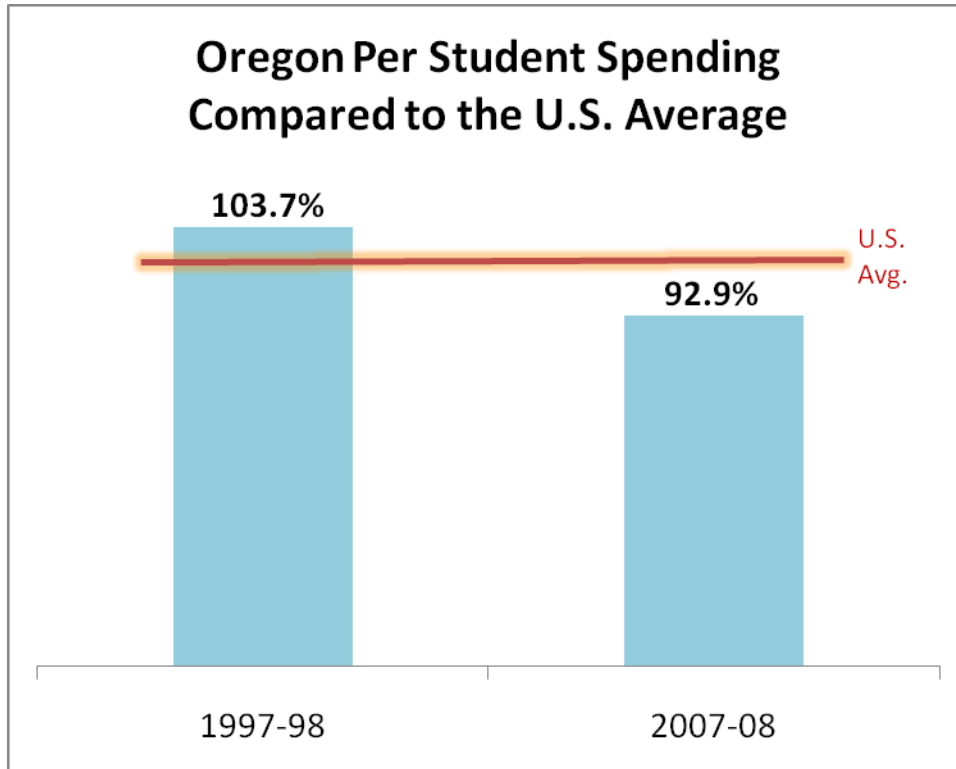


Source: COSA/OASBO School Budget Surveys, Sept. 2009 and 2010



## Oregon's Education Spending is declining compared to nation

Oregon's per student spending on education has declined from 15<sup>th</sup> in the nation in 1997-98, to 29<sup>th</sup> in the nation in 2007-08 (the most current available data), according to the National Center for Education Statistics. In 2007-08, Oregon was spending only 92.9% of the national average on K-12 education, compared to 103.7% of the national average in 1997-98.

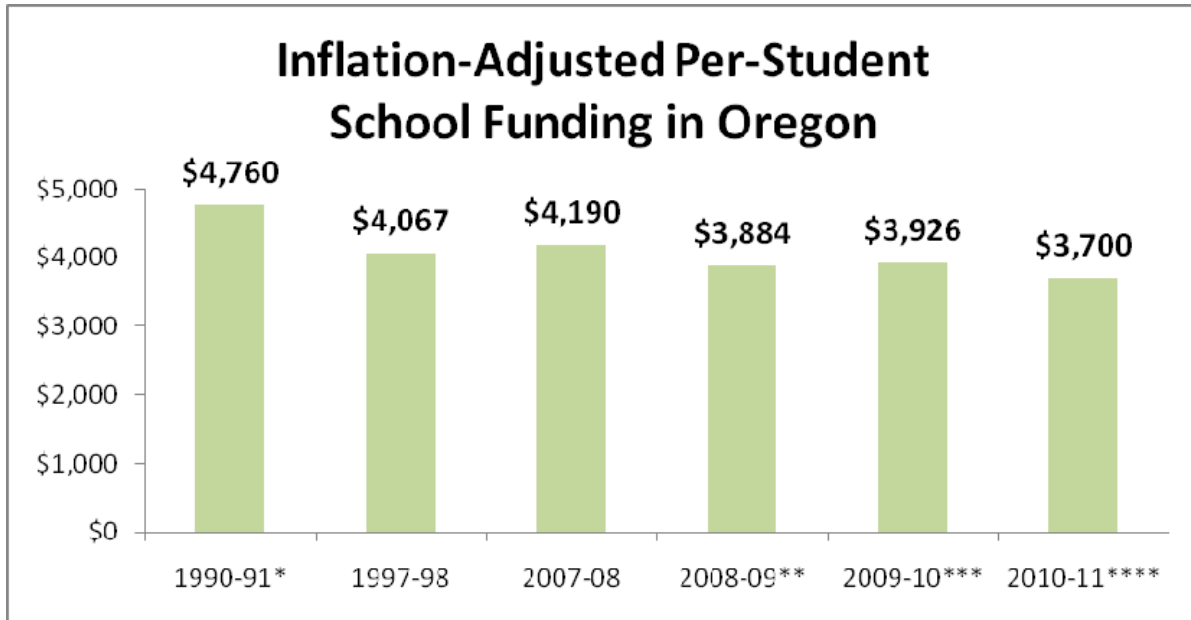


Source: National Center for Education Statistics



## Adjusted for inflation, Oregon now spends far less per student

Adjusted for inflation, Oregon now spends more than \$1,000 per student – about 22 percent – less on K-12 schools than it did in 1990-91, according to the Oregon Department of Education. These calculations are based on the Oregon Education Sector Price Index, which is a weighted average of education cost increases and viewed as the most accurate measure of inflation in the education sector.



Inflation-Adjusted Formula Revenue per Average Daily Membership (ADM<sub>r</sub>), using Oregon Education Sector Price Index.

\*First year of Measure 5

\*\*Preliminary

\*\*\*Forecast

\*\*\*\*Estimated

Source: Oregon Department of Education.

