

Office of the Governor  
State of Oregon

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Governor Kulongoski's Education Enterprise  
*Opportunity for all Oregonians*

Providing A First-Rate Public Education for All Oregonians:

Governor Kulongoski wants to enable every Oregonian to gain the knowledge and skills to achieve his or her potential. He knows from his own life experience that education is the great equalizer and the key to opportunity—the opportunity to make our lives more fulfilling, our families more secure and our communities more prosperous.

That's why Governor Kulongoski has worked to build an education system that supports, rewards and encourages quality learning at every stage of a person's education—pre-school through high school, community colleges and universities, job training and apprenticeship programs. He has created a policy for education in Oregon to answer the needs of students, their families and employers throughout the state. He calls it the "Education Enterprise."

The Education Enterprise will end the instability in Oregon's education system and put the days of cutting school budgets behind us. It will end the need to shorten the school year and increase class sizes. And it will bring post-secondary education within reach for low-income and middle-income Oregonians. Most important, the Education Enterprise will put Oregon back on the road to investing in the greatest assets we have—ourselves, our children, and our ability to excel in today's fast-paced, global economy.

The Education Enterprise will make up lost ground in school funding, moving Oregon from 5.0 percent below the national average to 10 percent above the national average over the next four years. During the next three budget periods, we will raise our grade under the bipartisan Quality Education Model from a C-minus, 74 percent—to an A, with 91 percent of recommended funding.

The Education Enterprise will provide adequate and stable funding for all parts of the education system, and deliver significant changes in the way Oregon manages and funds education. Specifically, the Education Enterprise will enable the system to achieve the following critical goals:

- Provide access to Oregon Head Start for all eligible three- and four-year-olds.
- Give schools the resources to reduce class sizes and ensure full school years.
- Attract and retain highly-qualified teachers and other school employees.
- Restore the value of the high school diploma and provide every student the opportunity to take college preparatory courses or technical training classes.

- Replace out of date technology, keep textbooks up-to-date and ensure a full curriculum with programs like music, art, PE and technical training.
- Remove barriers for the *traditional* student who wants a two-year, four-year or postgraduate college degree and open doors for the *non-traditional* student who wants a new skill, regardless of whether that student is 19 or 59.
- Make a college education affordable again by expanding newly-redesigned “shared responsibility” grants for low-income and middle-income families.
- Expand and improve community college programs and facilities to meet the growing needs of Oregon’s workforce, communities and industries.
- Get better value for our investments, by making our public education system more accountable to taxpayers and voters.
- Create better opportunities and a brighter economic future for all Oregonians.

With our economic recovery in full swing, we are in an excellent position to make investment in education a top priority. The Governor believes strongly that Oregon *must* make it a top priority, because education is the key to continued economic growth and sustainable prosperity. Education is the means by which Oregon can enable all its citizens to benefit from our state’s economic growth— not just the elite.

#### I. Creating Stable Funding For Better Schools

The Education Enterprise will—for the first time—establish stable, adequate and predictable funding for Oregon’s public schools. It will enable schools to restore lost academic programs and achieve smaller class sizes. It will assure full school years and up-to-date technology and textbooks. It will make certain that schools have the tools they need to prepare *all* students for post-secondary education, entry into the workforce, and the responsibilities of good citizenship. And it will make post-secondary education affordable again for young and old alike, so learners of every age can advance their skills, find better jobs, and improve their lives.

The Governor’s Education Enterprise commits at least 61 percent of the state general fund revenue every biennium to Oregon’s public education system—pre-K through post-secondary education. It also guarantees a minimum 10-percent increase in funding for each sector of the enterprise every biennium, over the previous budget.

Under the Governor’s plan, the 2007-09 budget will serve as the base for funding education in the future. For each biennium thereafter, every sector of the system—pre-K, K-12, community colleges, universities and the Oregon Student Assistance Commission—will receive a guaranteed minimum increase of 10-percent over the previous budget.

The Governor’s plan also includes funding to restore a meaningful Education Stability Fund (which some call the education “rainy day” fund), giving Oregon the means to mitigate the harm to education that a future economic downturn could cause.

His plan also establishes an “Innovation Fund,” which the state boards of education together will distribute proportionately to support strategic investment at all levels of education.

Recognizing the hardships that extreme budget cuts have inflicted on K-12 schools since the recent recession, the Governor will propose a floor of \$6.0 billion for K-12 in his 2007-09 budget—an increase of 16 percent over current funding.

With enactment of the Education Enterprise, state funding for kindergarten through 12<sup>th</sup> grade will increase by more than \$1.0 billion in the 2009-2011 biennium—*after* adjustments for inflation and enrollment growth. That’s an *increase* of \$909 per student over current funding.

In the 2007-09 biennium, the Education Enterprise would produce the following effects in the these selected school districts, which serve as examples of the effects statewide (using today’s enrollment numbers):

- The Portland school system will receive an additional \$40 million.
- Medford will receive an additional \$10 million.
- Tillamook will receive an additional \$1.8 million.

In the following biennium (2009-11), these increases would *double*.

The Governor’s plan will ensure that the catastrophic cuts to education that occurred in 2002 and 2003 will *never* happen again in Oregon. It will halt the disinvestment in education, and began healing the wounds. And the threat of lost school days, dropped programs, bulging classrooms, and national ridicule will be over.

## II. Providing Equal Opportunity for All Children

Head Start and pre-kindergarten are essential features of a modern public education system. Every child, regardless of economic status, deserves the benefits of early education and a level playing field.

Research has shown conclusively that children who attend Head Start do better in school, from kindergarten through high school. Over the lifetime of a student, society reaps a 17-1 return on its investment in Head Start. We benefit from the higher incomes that Head Start students earn for themselves and their families throughout their lifetimes. And we avoid the costs associated with social safety net services, which means taxpayers spend less on health care for the poor and other social programs.

The Education Enterprise will enable all eligible three- and four-year-olds to attend Head Start, which is the first step in helping every child achieve academic success.

### III. Improving Learning through Smaller Classes and a Full School Year

Over the past 15 years, Oregon's K-12 school districts have struggled with lost funding and deep budget cuts, forcing larger classes and shorter school years. The Governor helped reverse these trends in his last budget. He now has a plan to achieve the high-quality educational environment that our students deserve.

Oregon's Quality Education Model (QEM) calculates the ideal class size for each level of education in a 21<sup>st</sup> century economy and how much the state should spend to bring our schools up to these standards. The Governor's Education Enterprise will enable Oregon to reach the QEM goals, and make our classes small enough to let teachers provide the individualized attention that helps students succeed.

In the successive budget periods, increases in funding would enable all districts to add programs, update textbooks and continue improving their education resources while keeping pace with inflation and enrollment growth.

Passage of the Education Enterprise would enable all K-12 school districts in the state to restore optimal classroom sizes as recommended under the Quality Education Model (QEM)\* and reinstate lost programs and school days by 2009. By 2009-11, under the Education Enterprise, per-student funding will also increase by more than \$900 per student, adjusted for enrollment and inflation.

\*The QEM recommends class sizes of: 20, K-3; 24, grades 4-5; 22-28 in core classes, grades 6-8; 21-29 in core classes, grades 9-12; size appropriate for classes like Band etc.

### IV. Recruiting and Supporting Quality Teachers

Teachers and education professionals play critical roles in today's society. Educators work long days (including many evenings and weekends) to help students achieve the skills they need to succeed. Realistically, high-quality public schools are possible only when schools have high-quality teachers, which means we must provide continuing education not only for veteran teachers, but also for new teachers, who need cutting-edge knowledge and insights to continue in the profession.

The Education Enterprise restores the Oregon Mentor Teacher program, which has not received funding for more than 10 years. This program provides a mentor for every new teacher during the first three years on the job, improving the quality of that teacher's instruction and raising the likelihood that he or she will remain in the profession. The Education Enterprise will also provide support for high-quality professional development for all educators, helping them better meet the growing needs of all students.

### V. Restoring Full Curriculums in Our High Schools

Too many students drop out of high school instead of using high school as a launching pad for college job training and careers. Years of budget cuts have taken a tough toll on

our high schools, resulting in obsolete computer labs, poorly staffed libraries, and the elimination of programs that help train students in skilled trades.

High school students need preparation to take advantage of advanced education or training, including programs in certifiable skills for such careers as electricians, millwrights, plumbers and other trades, as well as two-year and four-year degrees in community colleges and universities.

The Education Enterprise will enable Oregon to restore the value of the high school diploma, while reinstating lost programs like music, art, physical education and technical training—so every student graduates high school with the tools to learn a skill, go to college or enter the workforce.

## VI. Opening the Door to Higher Education

The Governor has set an ambitious goal for post-secondary education in Oregon: forty percent of our state's adults will hold bachelor's degrees or higher by the year 2025, and an additional 40 percent will have earned associate degrees or professional certification. He believes strongly that nothing is more important than investing in the public education system, from pre-school through graduate school and job-skills training.

People who live in extreme poverty make up the fastest-growing segment of America's population. Census data shows that lack of education and training is the factor that most clearly distinguishes this segment of the population from all others. That's why Governor Kulongoski has worked to build an education system that rewards and encourages quality learning at every stage of a person's education—pre-school through high school, community colleges and universities, job training and apprenticeship programs.

To broaden opportunities for post-secondary education, the Governor believes Oregon must stop shifting an ever-larger share of the cost to college students and their families. Because tuition and fees have grown faster than Oregonians' incomes, too many families cannot hope to send their children to community colleges, universities, or work-training programs.

In the 1970s, a student could work summers and take a part-time job during the school year to pay for tuition, fees, books and room and board at a state university. Today's student must work almost 50 hours a week year-round to cover those costs. Consequently, students from low- and middle-income families must borrow more, work more, and take longer to earn their degrees. Sadly, many simply give up on college altogether.

Oregon cannot afford to put a college education out of reach for so many people, especially when the family-wage jobs in today's global economy require post-secondary training or a college degree.

Governor Kulongoski appointed a work group of college and university educators, business and community leaders, and directed it to develop a plan that makes higher education affordable again. The Governor endorsed its proposal to restructure the Oregon Opportunity Grant to reflect a *shared responsibility* and *partnership* among students, their families, the federal government and the state to meet college costs and increase access to colleges and universities statewide.

The shared-responsibility strategy will make college truly affordable again for all who have the ability to pursue a post-secondary education. Even students from families that cannot afford to contribute will be able to “work their way through college” again, as generations of students did before them.

The Education Enterprise will phase in full funding of the shared-responsibility model over the next two budget periods, increasing the current investment of \$78 million to \$152 million. Thanks to this investment, by the time this year’s 8<sup>th</sup> graders graduate high school, no student will be priced-out of going to college.

#### VII. Helping Oregonians Continue and Complete Education after High School

The Governor wants *all* Oregonians, regardless of age or financial status, to gain access to affordable, high-quality education and training after high school and throughout their careers. The Education Enterprise will remove barriers for the *traditional* student who wants a four-degree (or higher), and open doors for the *non-traditional* student who wants a new skill, regardless of whether that student is 19 or 59.

The Governor believes students should be able to transfer university credits and community college credits *from* any Oregon campus *to* any other Oregon campus. By his direction, all 24 community college and university campuses have joined to establish a single set of standards for the first 45 credit hours (the first academic year), and they have begun working to align the standards on the second 45 credit hours.

This reform, undertaken in the spirit of the Education Enterprise, lets Oregon students transfer classes between institutions—to any one of the seven universities and 17 community colleges. It also tells high school teachers what Oregon’s universities and community colleges expect of high school graduates. And it enables more high school students to complete advance classes that count both toward high school graduation and college credit.

The Governor’s Education Enterprise calls for reinvesting in the base budgets of Oregon’s universities, ensuring enough high-quality professors, classrooms and labs to train more students. The Enterprise would also adopt new systems for delivering classes, with greater use of such resources as “distance learning” and dual-enrollment programs that enable students to take classes at a university and a community college simultaneously.

## VIII. Expanding the Capacity of Our Community Colleges

Community colleges play a pivotal role in Oregon's public education system. High school students can take advantage of community college training programs even before they graduate from high school. In addition to offering the traditional two-year associate degree, community colleges connect with the university system by offering course work for students that can count toward four-year degrees, and many offer their classes to high school students who need more challenging courses. They provide critical skills training and workforce-development services for workers and industry. And finally, they answer the public demand for special-interest training that citizens ask for within their respective service areas.

The Education Enterprise recognizes these diverse missions, and seeks to enable community colleges to expand their programs, as well as their physical capacity, to meet the growing needs of Oregon's workforce, communities and industries.

Our community colleges also serve another population by providing "pathway programs" that enable adults to get the specific training they need, while earning credit toward an associate's degree or professional certification. In addition, they provide critical skills training and workforce-development services for workers and industry, answering the public demand for specialized training that employers need to sustain a competitive workforce and employees need to advance within their professions and occupations.

The Education Enterprise recognizes and supports the diverse missions of our community colleges. It will enable them to expand their programs, as well as their physical capacity, to meet the growing needs of Oregon's workforce, businesses, communities and industries. In 2005, the Governor provided the first capital investment in community college campuses in more than 25 years, directing \$500 million in bond-supported building programs in the current biennium for both universities and community colleges.

By 2009-2011, the Governor's Education Enterprise will increase funding for community colleges by more than \$160 million to make more programs available to a broader range of Oregonians. This investment will allow our community colleges to strengthen their partnership with high schools providing a professional technical education, and give high school students who don't plan to pursue a degree a more meaningful education in pursuit of a professional skill certificate. The Governor is also committed to continuing the investment through bonding to meet the capital construction needs of community colleges.

## IX. Showing Taxpayers What Their Investments Will Produce

The Governor will insist on budget coordination among all sectors of the education system to pursue a single purpose— *producing graduates who are educated to think critically and independently, enabling them to contribute to Oregon's economic and social wellbeing*. This means ending the turf battles that have traditionally occurred

among the various sectors of the system. It will also help eliminate wasteful redundancy among high schools, community colleges and universities.

The Governor will propose combining the health plans of Oregon's 198 school districts to reduce health care costs, which will save approximately \$40 million a biennium—money that districts can spend on academic programs, textbooks, and classroom materials.

Currently, school districts conduct public hearings before approving their budgets. They also carry out annual financial audits. The Governor will take steps to ensure the public is aware of these accountability measures, and encourage voters and taxpayers to take a serious role in overseeing their local districts and elected board members. The Governor wants Oregon's community colleges and universities to make sure Oregonians are aware of their budget and auditing practices.

In addition, the Governor supports *strengthening performance audits* of school districts by giving this function to the Oregon Department of Education. This measure will make certain that districts do business in the most efficient and economical way. The Governor believes that these audits, along with an annual report by local school boards, should go into a formal report to the public every three to four years, ensuring that communities receive reliable, understandable information on how their local school districts spend their money. The Governor will also develop ways to help community colleges do a better job of evaluating their business and service functions in order to improve efficiency and effectiveness.

#### X. Goals and Performance Measures Deliver Accountability

The Governor has structured the Education Enterprise around a set of clear goals and performance indicators to direct future investments. It will provide schools, colleges and universities with clear targets and expectations. Over the next six years, the Governor's Education Enterprise will track improved skill development, workforce and college readiness for Oregon's young and adult students to ensure the wise and efficient investment of tax dollars.