

## Governor's proposed budget raids K-12 school funds to grow DHS again

by Dan Lucas

As school districts across the state brace for more budget cuts, state K-12 school funds are again being raided to grow DHS.

For the second consecutive budget cycle, the State School Fund (K-12) is being raided to give to the Dept. of Human Services (DHS). Since the last budget cycle, DHS has been split into DHS and the new Oregon Health Authority (OHA). Last budget cycle, [\\$150 million was taken from the schools and DHS grew by \\$330 million](#). In the [Governor's proposed budget](#), \$225 million more would be taken from the schools and the DHS & OHA General & Lottery Funds would grow by \$333 million more.

This shift towards human services and away from education was noted in Governor Kulongoski's 2010 Governor's Reset Cabinet Final Report.

DHS grew by \$4 billion in the 2009-11 budget (*\$330 million in General & Lottery Funds, \$600 million in Other Funds, and \$3.1 billion in Federal Funds*). \$150 million was taken from the State School Fund to be able to increase the DHS budget.

In Gov. Kitzhaber's current proposed budget, the State School Fund is again raided, this time for \$225 million, to help replace \$1.2 billion in DHS & OHA Federal Funds that are going away. Although \$1.2 billion in Federal Funds are going away, the DHS & OHA budgets proposed are still \$2 billion more than they were two years ago. (*The total DHS & OHA Federal Funds are still \$3.6 billion more than the 2007-09 actuals, and the All Funds DHS & OHA budget is \$2 billion more than the 2007-09 actuals.*)

The \$225 million that Gov. Kitzhaber's proposed budget takes from the schools helps to increase the DHS & OHA General & Lottery Funds by \$333 million - almost the exact amount those DHS funds grew in the previous budget.

The State School Fund isn't the only cut being proposed - the largest All Funds agency budget cut in the Governor's proposed budget is the Employment Department: despite unemployment that's been stuck at over 10% for two years, they are facing a cut of \$2.7 billion and 274 employees. The budget notes *"The reduction is largely due to an anticipated decline in payment of unemployment insurance benefits. The decline in benefits is expected to occur as a result of several factors, including the end of federal extended and emergency benefit programs, increasing numbers of the long-term unemployed exhausting their benefits, and employers slowly beginning to increase hiring."*

### Links:

[\\$150 million was taken from the schools and DHS grew by \\$330 million  
http://oregoncatalyst.com/3310-Looking-at-budget-games-the-Legislature-plays.html](http://oregoncatalyst.com/3310-Looking-at-budget-games-the-Legislature-plays.html)

[Governor's proposed budget  
http://governor.oregon.gov/Gov/docs/priorities/BUDGET\\_Full\\_Budget.pdf](http://governor.oregon.gov/Gov/docs/priorities/BUDGET_Full_Budget.pdf)

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Note: This analysis was done on the combined DSH & OHA budgets, and the Other Funds transferred from OMIP, PEBB & OEGB were factored out.

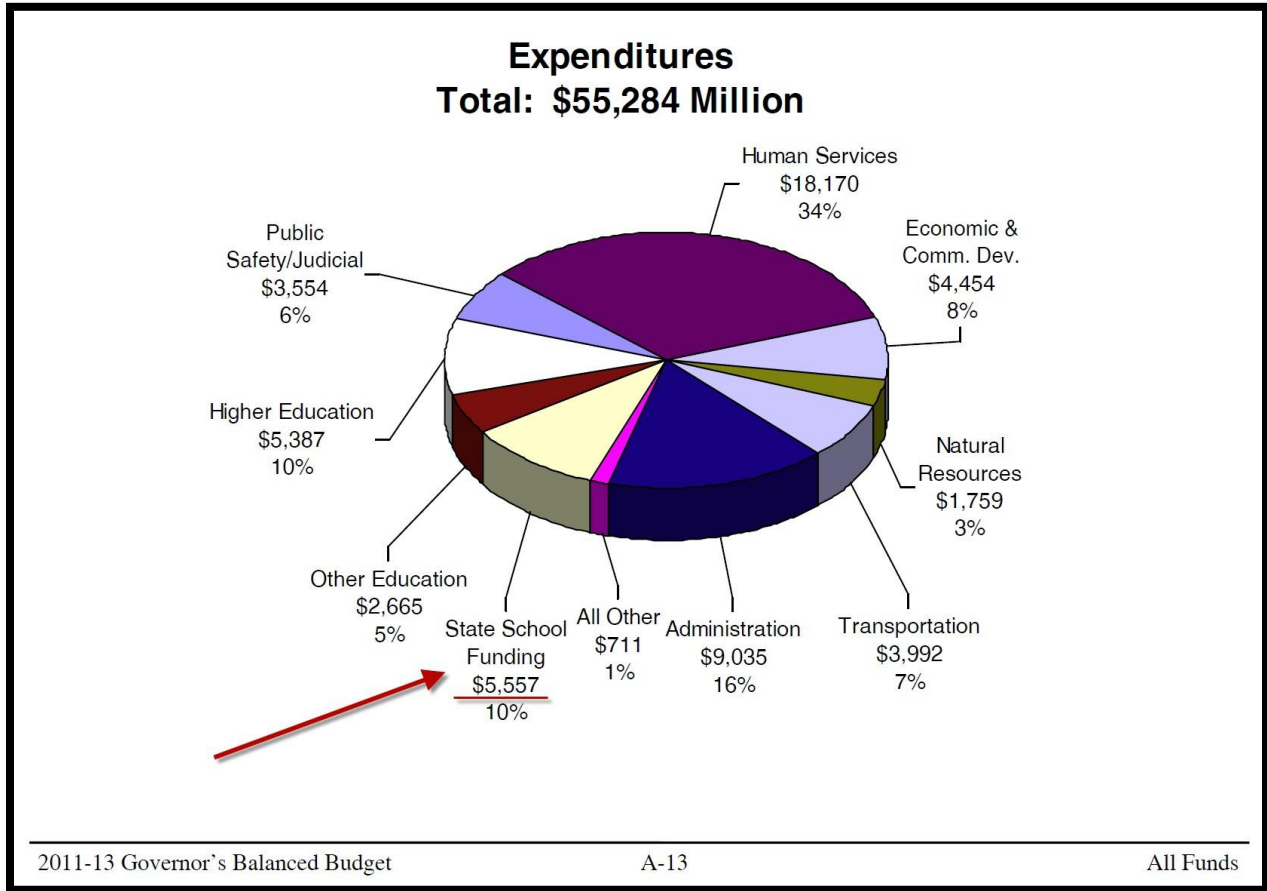
DHS & OHA	2007-09 Actuals	2009-11 Leg Approved Budget	2011-13 Governor's Balanced	2009-11 to 2011-13 Change
General Fund	\$3,112,374,617	\$3,448,379,929	\$3,781,030,256	\$332,650,327
Lottery Funds	\$12,637,762	\$10,903,639	\$11,142,377	\$238,738
Other Funds	\$1,253,920,434	\$1,847,704,559	\$1,835,945,847	(\$11,758,712)
Federal Funds	\$5,967,951,320	\$8,126,673,525	\$6,879,094,956	(\$1,247,578,569)
Other Funds (Nonlimited)	\$38,384,054	\$40,000,000	\$3,254,911,521	\$3,214,911,521
OMIP Other Funds		\$431,000,000	\$0	(\$431,000,000)
PEBB & OEGB Other Funds		\$2,400,000,000	\$0	(\$2,400,000,000)
Federal Funds (Nonlimited)	\$1,351,240,667	\$2,292,650,191	\$2,388,355,948	\$95,705,757
<b>Total Funds</b>	<b>\$11,736,508,854</b>	<b>\$18,597,311,843</b>	<b>\$18,150,480,905</b>	<b style="color: red;">(\$446,830,938)</b>
Positions	10,363	11,543	11,791	248
Full-time Equivalent	9,614.95	11,027.13	11,531.88	505
PEBB & OEGB transfers		109	0	(109)
OMIP transfers		163	0	(163)
<b>Comparable FTE Total</b>	<b>9,615</b>	<b>11,027</b>	<b>11,260</b>	<b style="color: green;">233</b>
<b>Comparable DHS Totals</b>	<b>\$11,736,508,854</b>	<b>\$15,766,311,843</b>	<b>\$15,319,480,905</b>	<b style="color: red;">(\$446,830,938)</b>
<i>in billions</i>	\$11.737	\$15.766	\$15.319	<b style="color: red;">(\$0.447)</b>

Dan Lucas

data from Gov. Kitzhaber's 2011-13 Governor's Balanced Budget (Feb 1, 2011)  
[http://governor.oregon.gov/Gov/docs/priorities/BUDGET\\_Full\\_Budget.pdf](http://governor.oregon.gov/Gov/docs/priorities/BUDGET_Full_Budget.pdf)

2/2/2011

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2009-11 Legislatively Approved (Mar 2010) Budget				
All Funds (Total)	General Fund	Lottery Funds	Other Funds	Federal Funds
5,782,456,003	5,142,497,628	409,811,243	3,637,214	226,509,918

Education, Department of (State School Fund)  
[http://www.leg.state.or.us/comm/lfo/2009\\_11\\_budget/2009-11\\_Budget\\_Highlights\\_Update.pdf](http://www.leg.state.or.us/comm/lfo/2009_11_budget/2009-11_Budget_Highlights_Update.pdf) (C-2)

State School Fund	
\$5.557 billion	2011-13 Governor's Balanced Budget
\$5.782 billion	2009-11 Legislatively Approved Budget
<b>-\$225 million</b>	<b>Net Change</b>

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