

Testimony on SB 453
Senate Finance and Revenue Committee, March 2, 2011
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Chair Burdick, members of the committee. Thank you for your interest in SB 453, which clarifies and updates the weighted funding formula for small schools.

My name is Kara Olmo. My address is 818 Slagle Creek Road, Grants Pass, Oregon.

I support SB 453

I am testifying today on behalf of a workgroup that was formed in 2009 to clarify that the 8 mile rule should only apply to schools in the same district. The workgroup consists of:

Kara Olmo, Trustee, Three Rivers Schools Foundation
Dan Huber-Kantola, Superintendent, Three Rivers Schools District
Leslie Meier, Board Member, Three Rivers School Board
Rick Levine, Past President, Rogue Community College

It is our belief that this legislation is needed to preserve the intent of the small school funding correction that was included in the landmark school funding equalization passed by the 1991 legislature. Clarifying the language is a critical fix for Oregon's remote, small, rural schools that are struggling to remain open. It is our contention that funding equalization for our small, remote schools was the intent of the original legislation and a legislative fix is necessary to extend funding equalization to these schools as intended, particularly those small, remote schools that were in existence at the time the 1991 legislation became effective.

History of school funding equalization

The 1991 legislature passed this important piece of legislation, mandating funding equity between all Oregon school districts. According to "Research Report # 8-01" prepared by the Legislative Revenue Office in November of 2001, "every district should get the same amount per student, adjusted only for unavoidable differences in cost." The K-12 equalization formula utilizes a system of weighted factors to quantify these unavoidable differences in costs, resulting in a weighted average daily membership (ADMw) that ensures equitable funding for all school districts in Oregon.

Small school funding correction

Remote small schools were one of the weighted factors included in this landmark legislation. In doing so, the legislature recognized both the unavoidable higher costs as well as the intrinsic value of Oregon's small, rural schools.

No new dollars are necessary to assure equity

The small school weighted funding is a redistribution of statewide school funds. It does not result in the expenditure of any additional dollars.

This is not a new idea

Supporters of Applegate School, a K-8 school located in Jackson County and part of the Three Rivers School District, have been lobbying for a legislative fix since at least 2001, when SB 509 was introduced.

Two components of SB 453

SB 453 will accomplish two things:

- It will clarify that in order to qualify as a small remote school the school must be located further than 8 miles from the closest school in its district. This will allow a few small schools in Oregon, who have been unfairly denied this funding, to qualify for the additional weight.
- It will update the qualifying date to be classified as a small school to 2011. This update will provide additional funding to small remote schools throughout the state that did not qualify due to the previous qualifying date.

This is a critical fix

We continue to lose our small schools. Our workgroup formed after our rural school district was forced to close one of its small schools that was not receiving the small and remote funding. This simple fix would have helped our school district offset the additional costs associated with keeping this small and remote school open. Wolf Creek Elementary did not qualify for the small school correction because it was located less than 8 miles from Glendale Elementary. Glendale Elementary is served by a different school district in a different county, so when Wolf Creek Elementary was closed, the students had to be bussed an additional 27 miles to the closest elementary school within their district. This involved travel over 2 mountain passes and resulted in very long bus trips (an hour or more in good weather) for very young children. More small, remote schools are at risk as districts desperately try to cope with reduced funding. Oregon's rural schools and their surrounding communities are engaged in a life or death struggle for survival. We must act quickly to protect our rural schools and communities. This benefits not only residents of our rural communities, but all Oregonians.

A district line is a barrier

The current statute makes an exception to the 8 mile rule in the event that there is a physiographic condition that makes transportation to another school not feasible. If a school is closed, the school that the students are relocated to is not necessarily the closest, but the closest one in the same district. The district lines should constitute a barrier similar to a physiographic condition as students are not permitted to cross it to attend school.

Rural schools role in economic growth

In addition to my role as a Trustee of the Three Rivers Schools Foundation, I own a vineyard and winery in the Applegate Valley that is located near a small school that will benefit from this legislation. Oregon's rural landscape provides the setting for one of the state's leading economic growth industries. The Oregon Wine Industry is fast becoming a major contributor to the state's economy with an estimated direct and indirect economic benefit of more than \$1.4 billion to the state. Our wine industry and small family farms, many of which are situated in our rural lands are providing new employment opportunities, tourism growth and are at the center of many of our rural communities. In order for these industries to attract new young participants, we need a

stable infrastructure. Our small schools are at the center of this need. It will be very difficult to attract a new generation of farmers and business owners to our rural communities in the absence of local, quality, public education.

For example, in the Applegate Valley we are very committed to growing our economy. We are experiencing economic growth stemming from our agricultural sector. As business owners we understand the need for a strong community to support our growing industry. We also understand that we cannot depend solely on the state for the funds for our small school. In 2009 a group of business owners and concerned citizens created Friends of the Applegate School which draws on community members for support. In 2010 we raised over \$15,000 for music, farm and art programs. In 2010, the Friends of Applegate School along with the Three Rivers Schools Foundation and the Three Rivers School District worked together to receive a grant for \$826,000 to retrofit our historic 100 year old schoolhouse.

The school that we are committed to saving is at risk. It currently serves 110 students, is a K-8 that has received an "exceptional" rating and is located 7.5 miles from the nearest school. The school that is 7.5 miles away, although our students would not be allowed to attend this school, its presence currently prohibits our school from qualifying as a small remote school. We do not believe this was the intent of the 8 mile rule.

The benefits for students attending rural schools in their own communities have been well documented and include:

- Increased high school graduation rates
- Higher academic success
- Decreased impact of poverty on student achievement
- Shorter commute times to school which positively impact student achievement and engagement, increase participation in extra-curricular activities (which is linked to academic success), and improve family connections

Summary of Facts

- The K-12 equalization formula mandates equity in school funding
- Small, remote schools were recognized as a factor requiring added weight
- No new dollars are required and the impact on other districts is negligible (or and does not impact larger schools and districts unfairly)
- This is a critical fix which preserves the intent of the K-12 equalization formula
- Since students are not allowed to cross district lines to attend school, the district line should be considered a barrier similar to that of a physiographic condition that prevents students from attending the nearest school.
- It is vital to rural schools, communities and the economy

Please support SB 453 and the important role that Oregon's small rural schools play in our communities and industries throughout our state.

Thank you for this opportunity to testify. We look forward to working with this committee and other legislators on this important issue.