

Testimony in Opposition of HB2733

Chair Barnhart and Members of the Committee:

My name is Kevin Strong. I am the business manager for the Sweet Home School District and I am testifying in opposition to House Bill 2733.

I understand that House Bill 2733's supporters are trying to raise additional revenue for their local schools. However, this bill raises numerous concerns including:

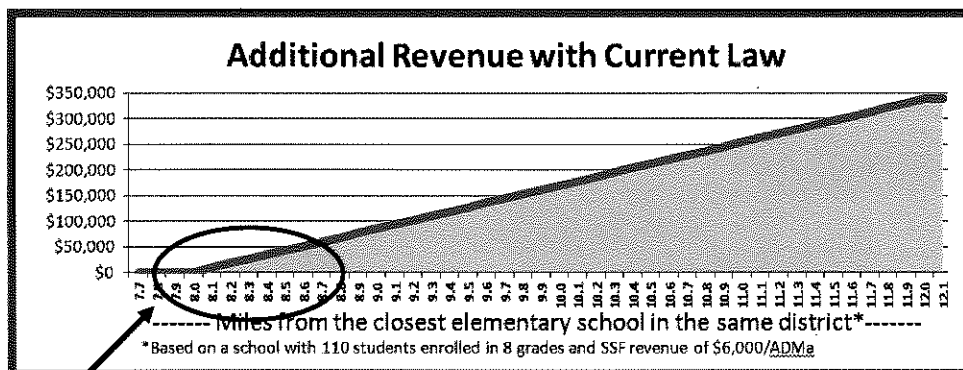
1. A small difference in distance will result in a substantial difference in funding

House Bill 2733's proponents have said the bill will solve an inequity in the funding formula. However, calculations show that the current law's writers understood what they were doing.

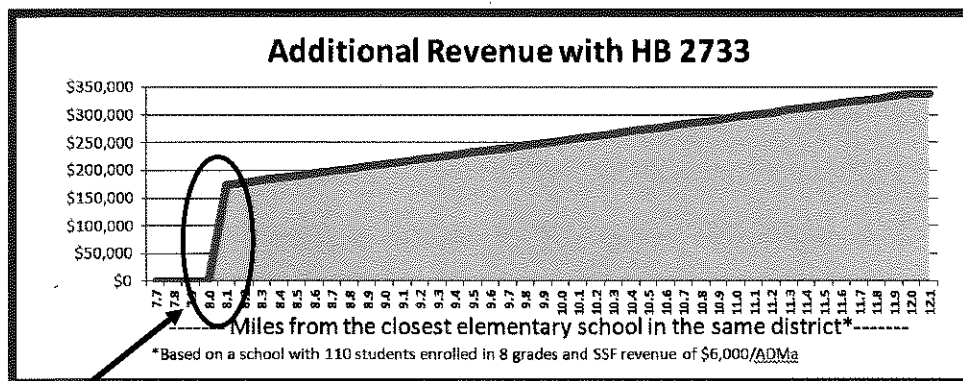
The current law provides an equitable gradual increase in funding as the distance from one school to another school increases beyond 8 miles.

House Bill 2733 will create an inequitable drastic sudden spike in funding for schools just over 8 miles from another school while reducing funding for Oregon schools that do not qualify for the remote school correction.

Adjustments made to the State School Fund formula should be logical. A \$170,000 per year funding difference between schools due to a few hundred feet does not seem logical.



Equitable gradual funding increase as distance grows beyond 8 miles



Sharp spike in funding for schools just beyond the 8 mile mark

2. House Bill 2733 does not appear to benefit the schools and students that are most in need of additional support

23 schools will receive greater funding with House Bill 2733. A relevant question to ask is whether these schools are Oregon's most needy.

As an example, the Helix School District in Umatilla County will gain 22.5 weights in the State School Fund formula with House Bill 2733. I'm sure Helix will appreciate the extra funding. However, when comparing Helix's funding and student demographics to other Umatilla County school districts, one wonders if Helix's students are most in need of additional support.

Pendleton, Milton-Freewater, Athena-Weston and Helix School District Comparison

District	Free and Reduced Percentage ⁽¹⁾	Homeless Percentage ⁽²⁾	English Language Learner Percentage ⁽³⁾			Average Teacher Experience ⁽³⁾	Number of Students in Foster Care ⁽⁵⁾	Number of Pregnant/Parenting Students ⁽³⁾	Students per Square Mile ⁽⁴⁾	General Purpose Grant Funding	General Purpose Grant Funding
			Special Education Percentage ⁽³⁾	Average Teacher Experience ⁽³⁾	Per Student Without HB 2733 ⁽⁵⁾					Per Student With HB 2733 ⁽⁵⁾⁽⁶⁾	
Pendleton	50.2%	4%	1.9%	14.8%	15.62 years	16	10	4.1	\$7,892	\$7,892	
Milton-Freewater	74.7%	1%	21.4%	10.6%	14.83 years	12	8	5.0	\$8,457	\$8,457	
Athena-Weston	52.9%	1%	0.0%	14.7%	15.88 years	5	0	1.6	\$8,868	\$8,868	
Helix	38.6%	0%	0.0%	6.5%	13.45 years	0	0	1.3	\$10,397	\$11,259	

Sources:

1. Oregon Department of Education "2011-12 Students Eligible for Free or Reduced Lunch"
2. Oregon Department of Education "Enrollment Percentages by Homeless by District 11-12"
3. Oregon Department of Education 2013-14 State School Fund Grant Estimate as of 3/30/2013
4. Student count from the ODE 2013-14 SSF Estimate as of 3/30/2013 (ADMr). District square mileage information from proximityone.com
5. General Purpose Grant / ADMr from the Oregon Department of Education 2013-14 State School Fund Grant Estimate as of 3/30/2013
6. Additional Helix weight for the Remote Rural Elementary School Correction from Oregon Department of Education (Michael Elliot) 4/1/2013 email

When compared to Pendleton, Milton-Freewater and Athena-Weston, Helix has the lowest percentage of students eligible for free and reduced lunch, the lowest percentage of homeless students, the lowest percent of English Language Learning students, the lowest percentage of students in special education, the lowest percentage of students in foster care and Helix ties for the lowest percentage of pregnant and parenting students. In spite of the student demographic information, Helix is scheduled to receive between \$1,529 and \$2,505 more per student per ADMr from the State School Fund General Purpose Grant next year than the other school districts even without House Bill 2733. With House Bill 2733, the gap grows to between \$2,391 and \$3,367 more per student next year.

Likewise, the Perrydale School District in Polk County already receives more funding per student from the State School Fund General Purpose Grant than the nearby Amity School District in Yamhill County even though Perrydale has a lower percentage of students eligible for free and reduced lunch, a lower percentage of homeless students, a lower percentage of English Language Learning students, a lower percentage of students in special education and a lower percentage of student in foster care. The funding gap will grow even larger if House Bill 2733 passes.

3. House Bill 2733 penalizes school districts that are trying to be more efficient

Many rural school districts have already consolidated schools to help cut costs. House Bill 2733 asks them to give up an even greater portion of State School Funds to help subsidize districts that have decided to keep their qualifying schools open.



School Board Votes to Merge Crawfordsville and Holley Schools to Save Funds

Crawfordsville Elementary to close 158 years after its founding in 1853

- February 2011

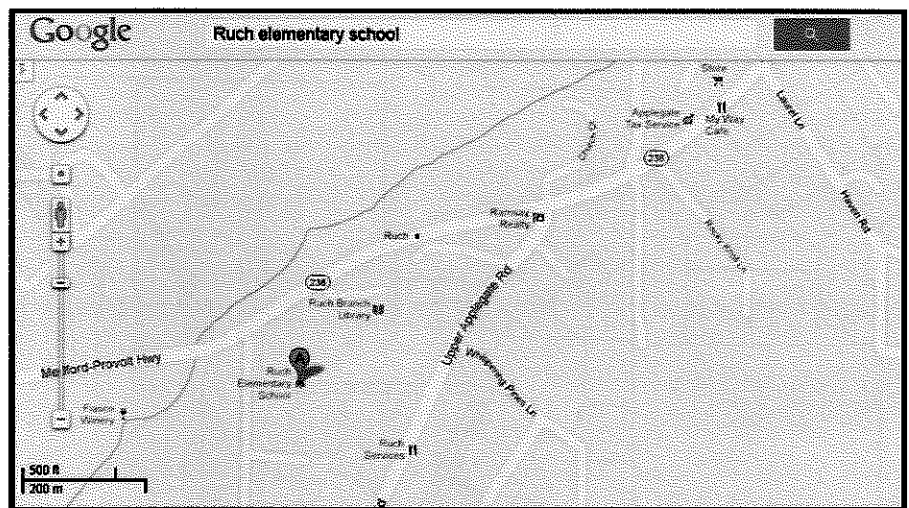
Crawfordsville Elementary School will close and students will attend school elsewhere due to a cost cutting decision made by the school board.

4. House Bill 2733 provides further incentive for school districts to make decisions that may not best utilize tax dollars

Due to the Remote Elementary School Correction, a district may choose to continue operating a school that is more than eight miles from the next closest school while closing another school that actually costs less to operate to avoid losing the State subsidy. In effect, the Remote Elementary School Correction can penalize school districts for making wise spending decisions.

5. Many of the schools that will benefit the most from House Bill 2733 are not that remote

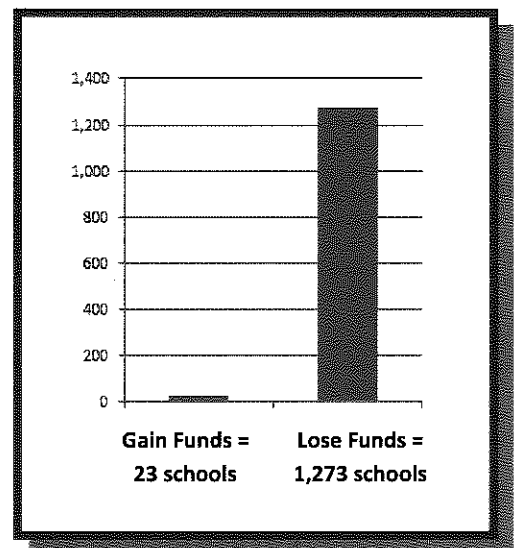
Prior to 2011, Ruch Elementary School in the Medford School District did not qualify for the Remote Elementary School Correction because it was within 8 miles of Applegate Elementary in the Three Rivers School District. However, a bill was passed in 2011 changing the calculation so the distance from schools in neighboring districts no longer mattered. Ruch now qualified as remote because Jacksonville Elementary, the next closest school in the Medford School District, is just over 8 miles away. With House Bill 2733, Ruch's funding from the Remote Elementary School Correction will triple.



Territorial Elementary in the Junction City School District is another school that does not necessarily seem remote. The school is located within 8 miles of Elmira Elementary School in the Fern Ridge School District and the school is a relatively short drive from Eugene, Junction City and Elmira. With House Bill 2733, Territorial's funding from the Remote Elementary School Correction will balloon by a factor of 20.

6. Most Oregon schools will lose funds due to House Bill 2733

According to the Oregon Blue Book, our state has 1,296 public schools. If House Bill 2733 passes, 1,273 of Oregon's schools will receive less funding while 23 schools will receive more.



7. The Legislature should review the State School Fund formula to determine what is working well and what can be improved before voting for the changes in House Bill 2733

I would encourage you to take a comprehensive look at all the adjustments within the State School Fund and determine what is working well and what can be improved before voting for the changes in House Bill 2733. We owe it to Oregon's students to make sure that limited available resources are wisely allocated.

Thank you for considering these concerns.

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