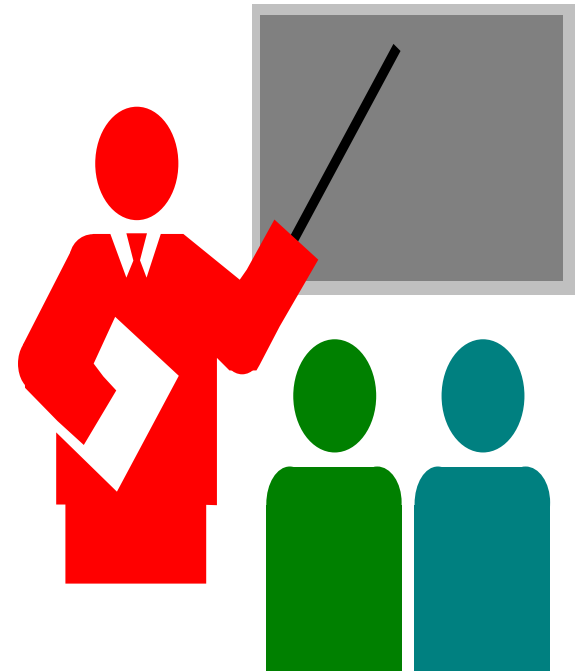


K-12 School Finance

Welcome to Your State School Fund

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Oregon Department of Education



Topics

- ▶ **History of School Funding**
- ▶ **Goals of the School Funding Formula**
- ▶ **Current Revenue**
- ▶ **Components of State School Fund**

History of School Funding

School Funding pre Measure 5 (1990):

- ▶ 60% Local Revenue (property taxes)
- ▶ 30% State Revenue (income taxes)
- ▶ 10% Federal Revenue

History of School Funding

- ▶ Measure 5
 - Passed in 1990
 - Capped property tax rate to \$5 per \$1,000 of market value for public education
 - Required State to cover any local revenue losses to public education

History of School Funding

- ▶ Measures 47 and 50
 - Passed in 1996 and 1997 respectively
 - Cut assessed property values
 - Capped growth of assessed property values to 3% a year

History of School Funding

School Funding post Measures 5, 47, and 50:

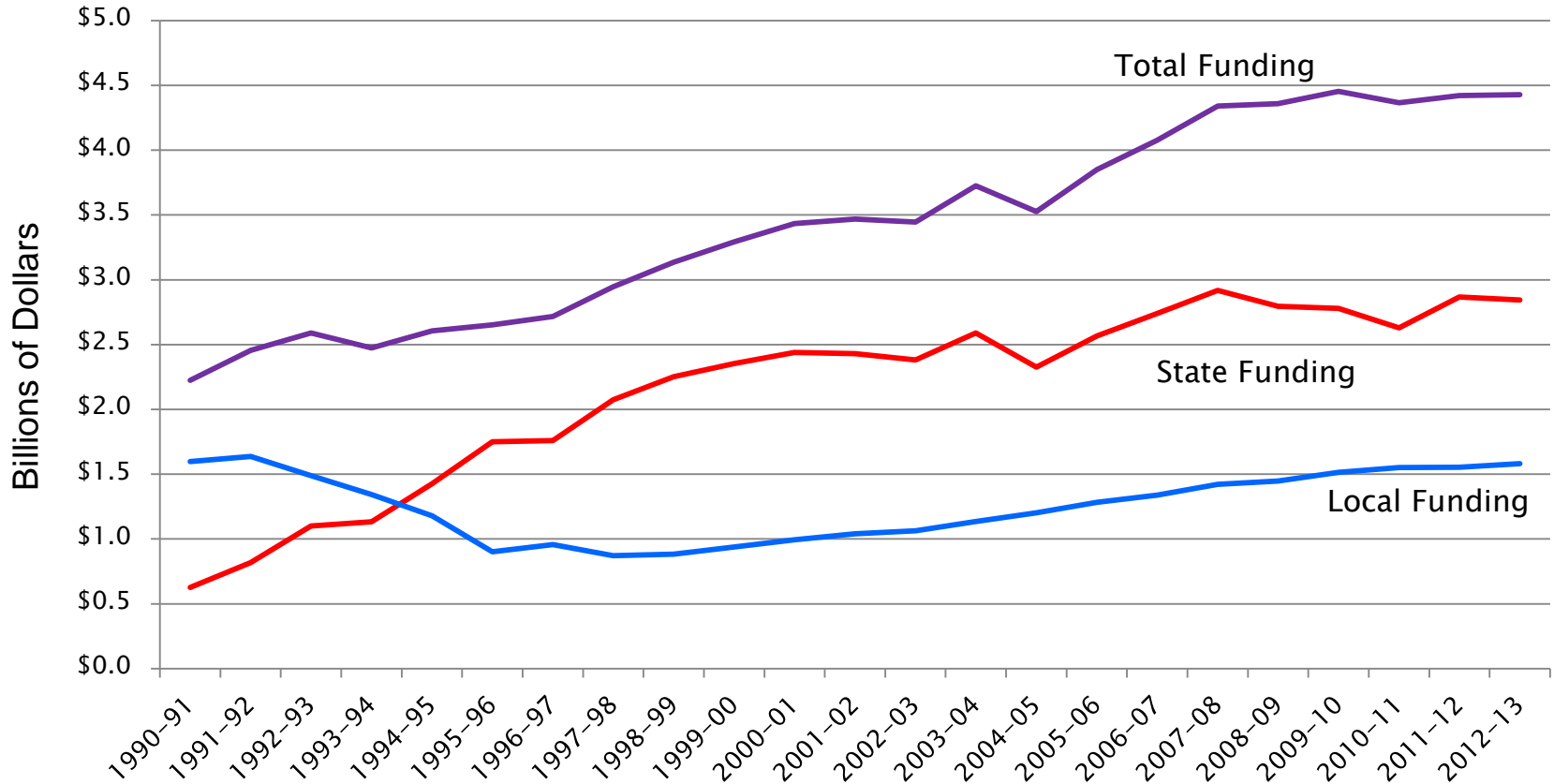
- ▶ 30% Local Revenue (property taxes)
- ▶ 60% State Revenue (income taxes)
- ▶ 10% Federal Revenue

History of School Funding

Consequences of Measures 5, 47, and 50:

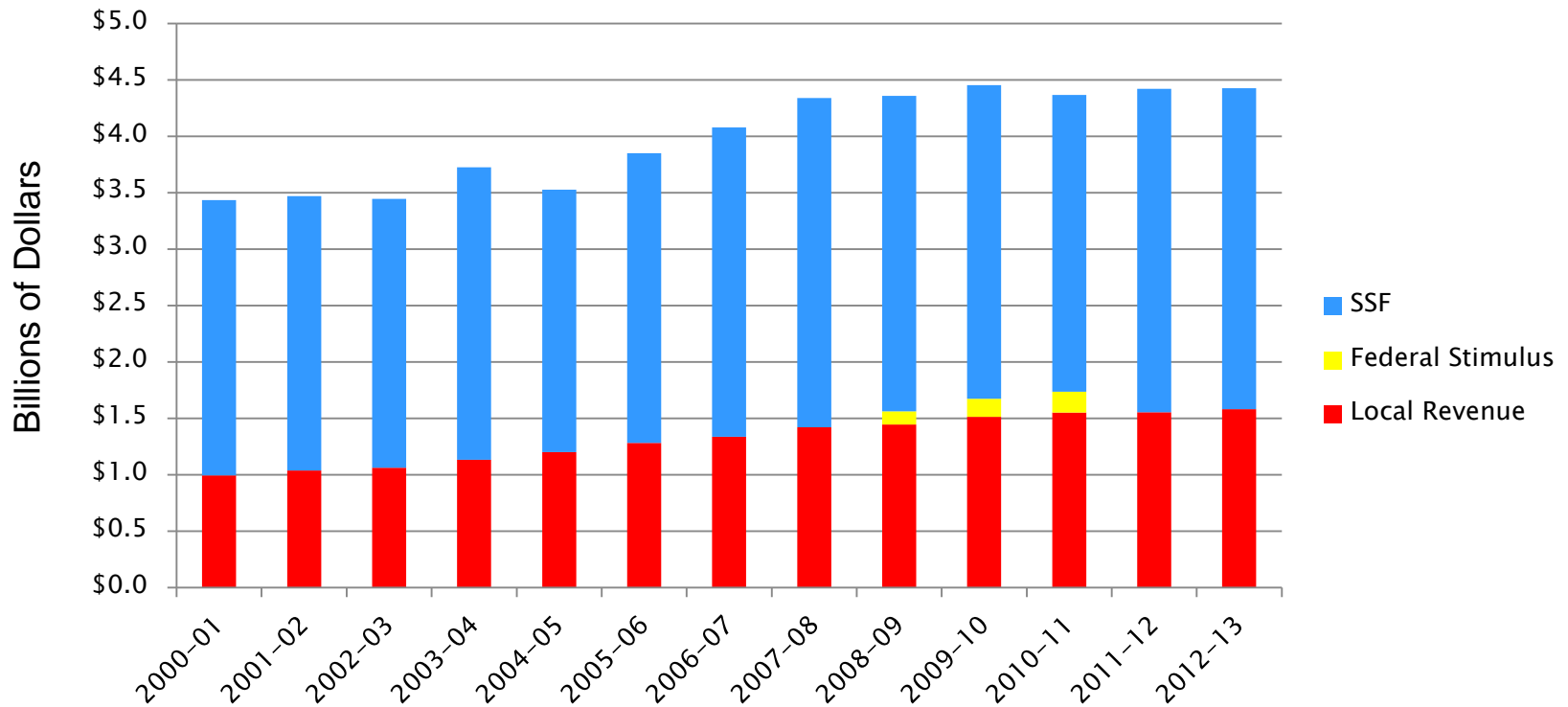
- ▶ Increased volatility of school funding
 - Shifted funding from property to income tax
- ▶ Made state primary source of school funding
- ▶ Equalized funding across districts

K-12 Formula Funding 1990-91 through 2012-13



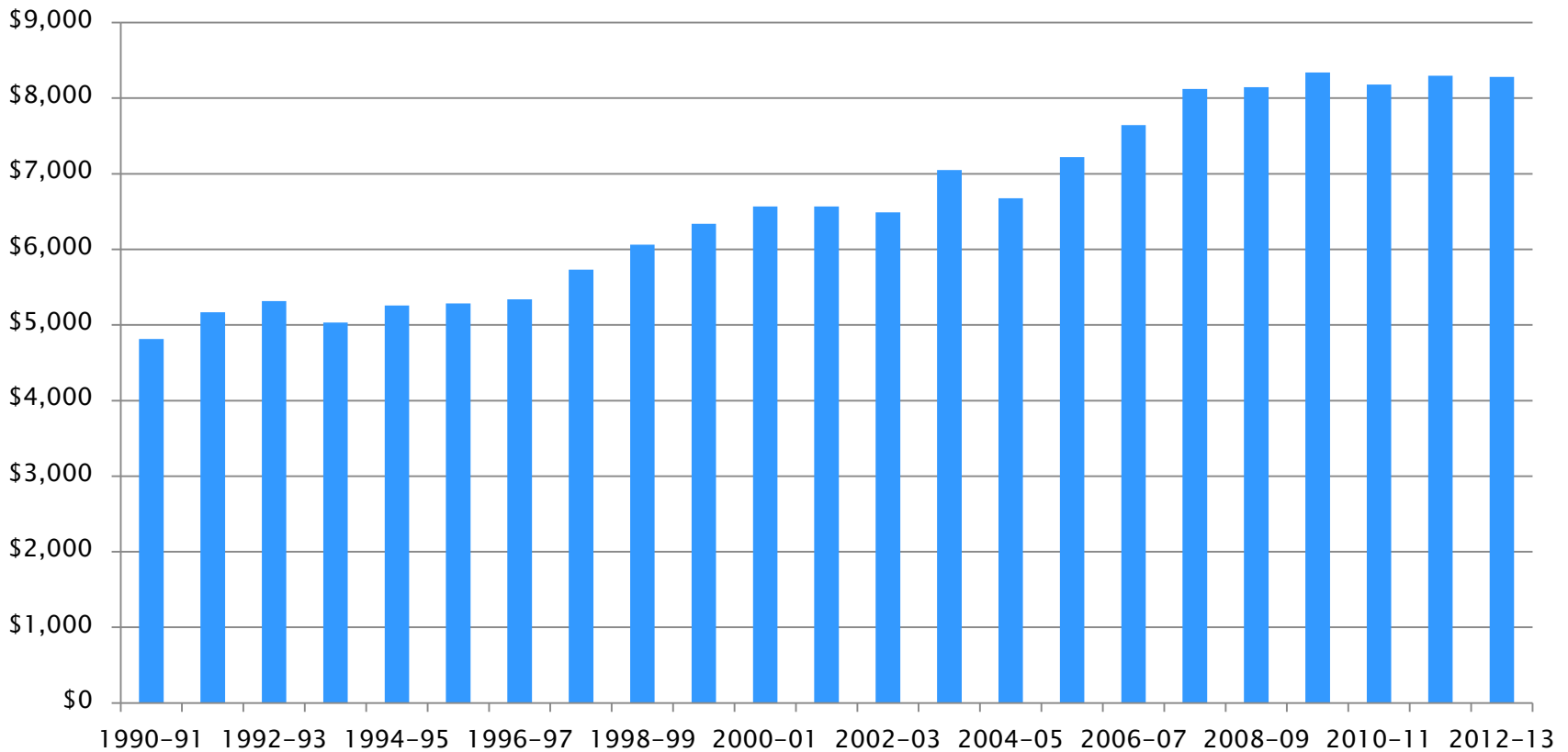
K-12 Funding with Federal Stimulus

Fiscal Year 2000-01 through 2012-13



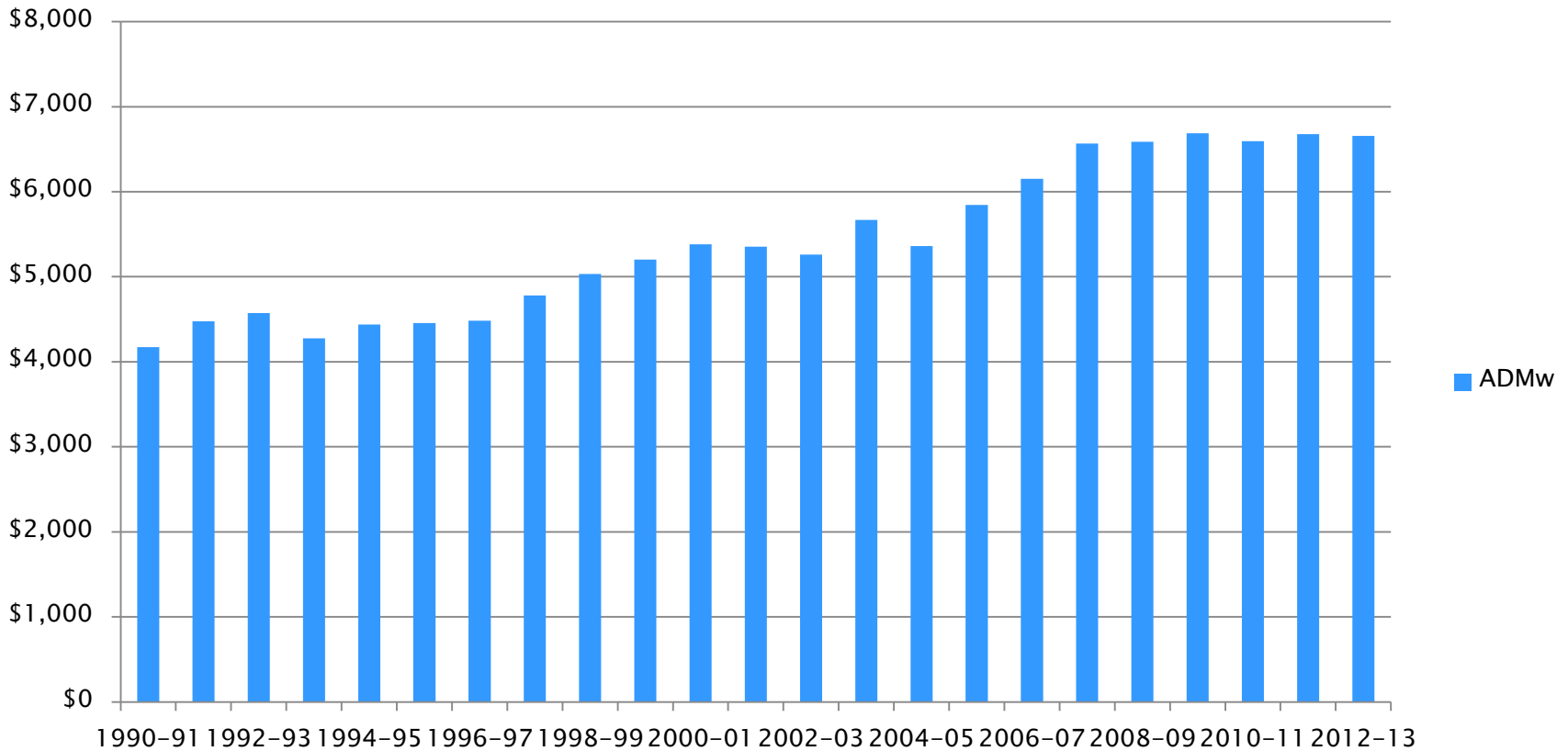
Historical Funding

Total K-12 Formula Funding per ADMr



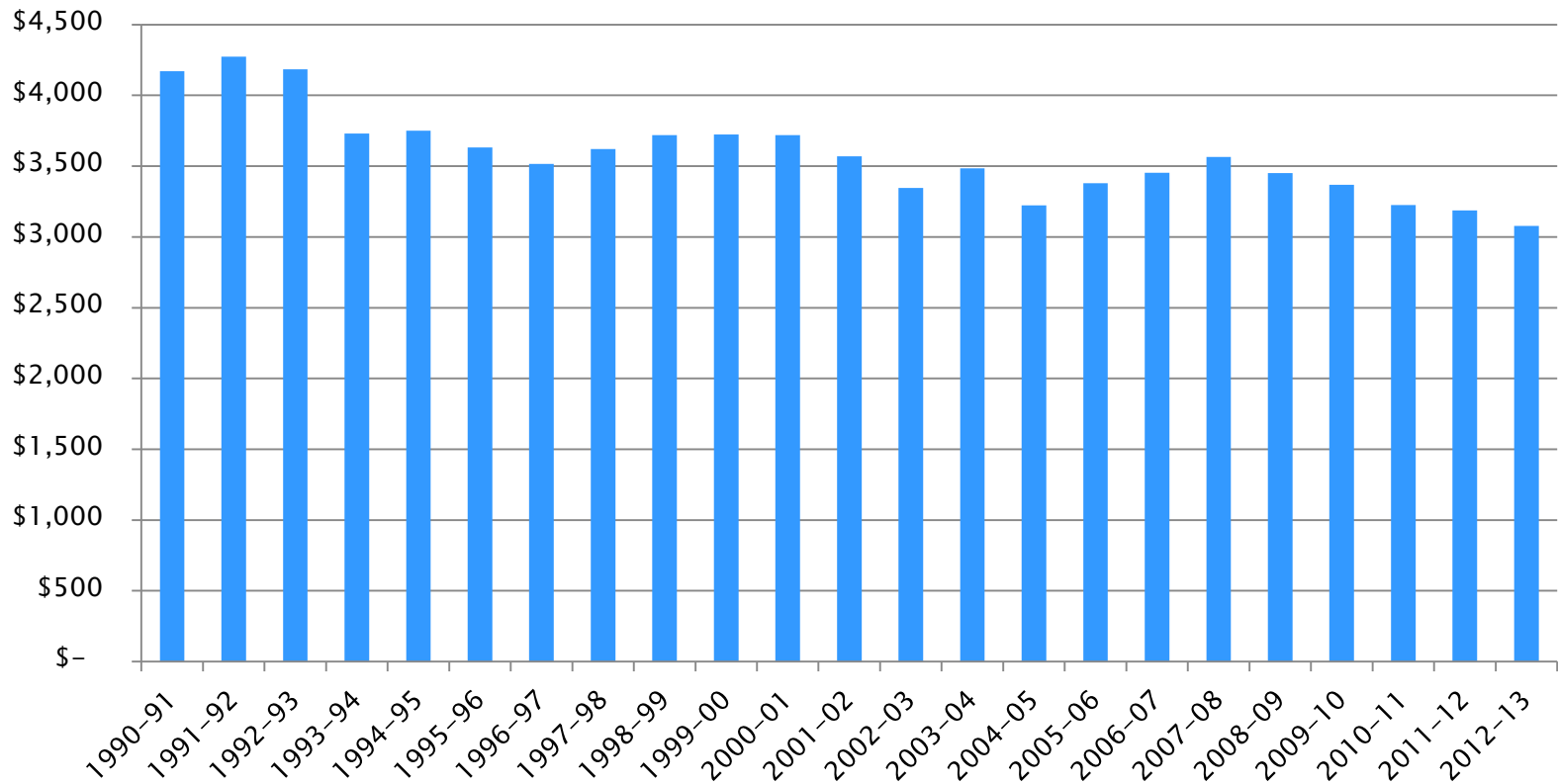
Historical Funding

Total K-12 Formula Funding per ADMw



Historical Funding

**Total K-12 Formula Funding Inflation-Adjusted Per
ADMw**



Goals of School Funding Formula

- ▶ Equalize funding across all districts
- ▶ Equalize funding between districts and education service districts (ESDs)
- ▶ Define equity according to student and district characteristics (weights)

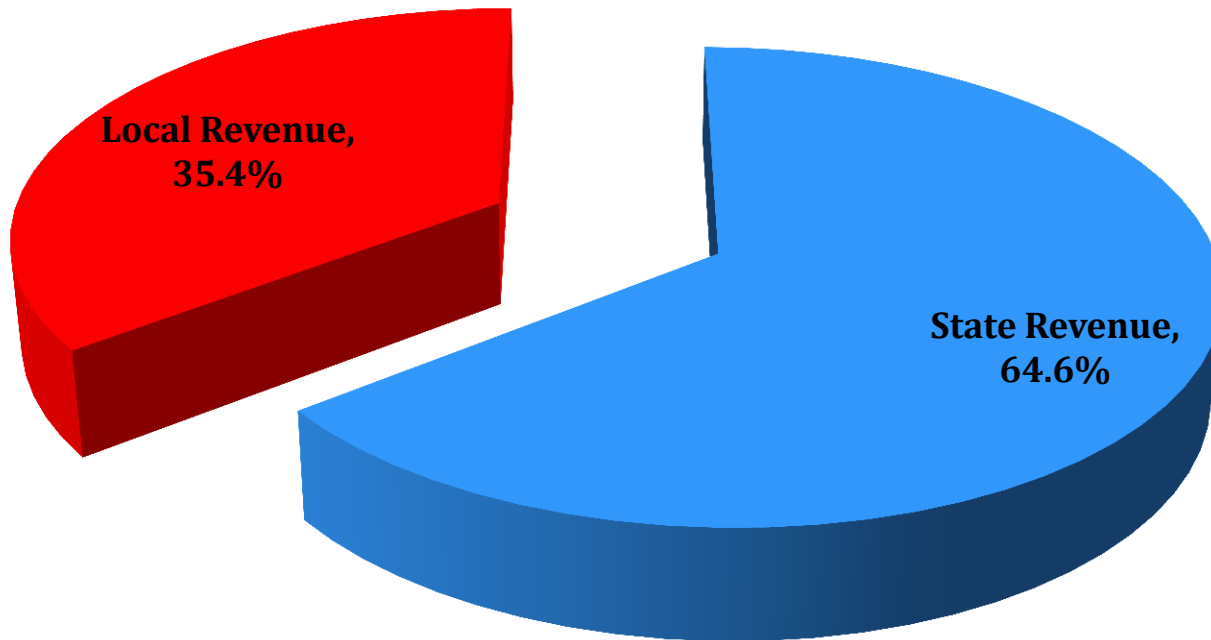
Distribution Principles

- ▶ Equalize district funding:
 - Distribute all state funding
 - Account for all local revenue
- ▶ Equalize District and ESD funding:
 - Districts receive 95.5%
 - ESDs receive 4.5%
- ▶ District Equity:
 - More weights receive more funding
- ▶ Local Control:
 - Districts control spending decisions unless Legislature states otherwise

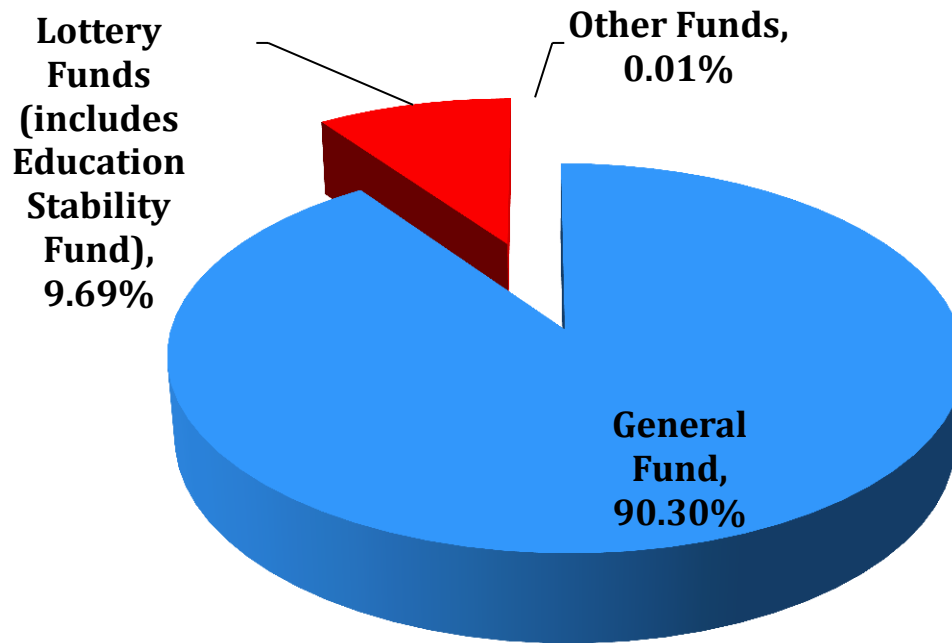
Formula Is Not

- ▶ A general cost reimbursement
- ▶ A revenue entitlement per student
- ▶ An assurance of funding stability or adequacy
- ▶ A measure of student outcomes
- ▶ An accountability system

Current State and Local Revenue



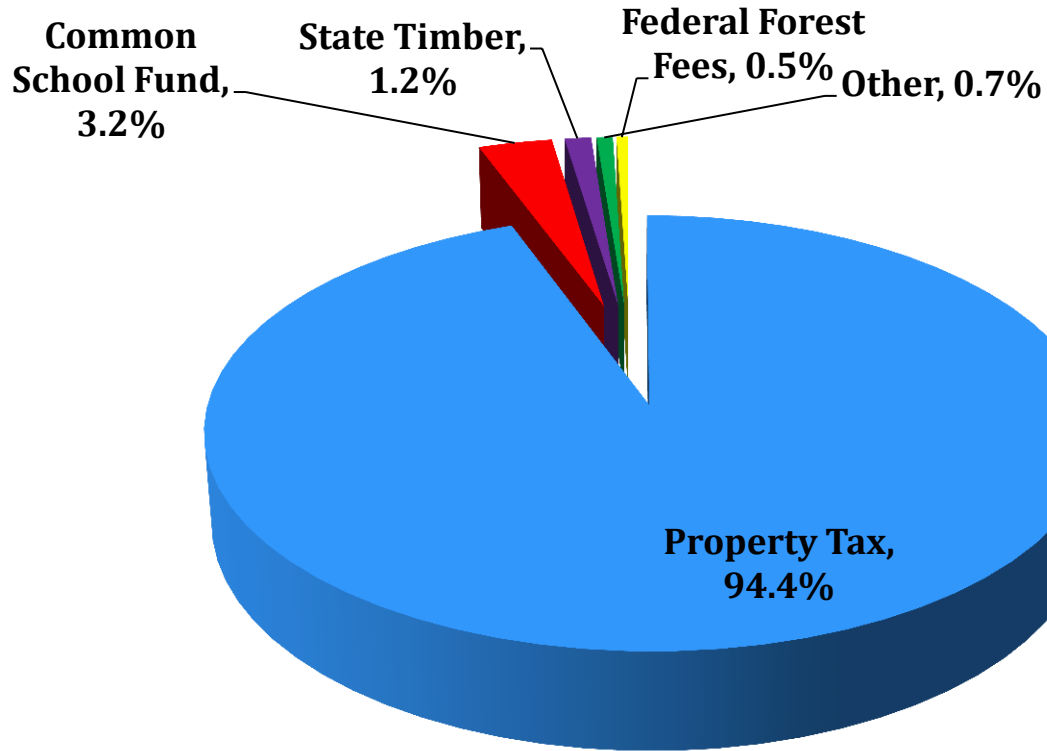
State Revenue (\$5.713 B)



2011-13 Biennium

Includes \$125 million School Year Subaccount Funds

Local Revenue



Estimated for 2011-13 biennium

District and ESD Revenue

- ▶ Of the \$5.713 billion in state revenue
 - 95.5% goes to Districts
 - 4.5% goes to ESDs
- ▶ All local revenue stays with the school district or ESD where collected

State School Fund Components

- ▶ Carve-outs
 - Money set aside for specific purposes and grants
- ▶ Weights
 - Variables used to determine each district and ESD's share of state school fund

State School Fund: Specific Programs

- ▶ **Talented and Gifted Education**
 - \$350,000 per biennium
- ▶ **Speech Pathology Program**
 - \$150,000 per biennium
- ▶ **Long Term Care and Treatment and Oregon School for the Deaf**
 - Approximately \$20 million per biennium
- ▶ **Oregon Virtual School District**
 - \$1.5 million per biennium

State School Fund: Sub-Grants

- ▶ **Small High School Grant**
 - \$2.5 million per year
 - Ends June 30, 2013
- ▶ **High Cost Disability Grant**
 - \$18 million per year
- ▶ **Facility Grant**
 - \$25 million per biennium
- ▶ **Transportation Grant**
 - Based on eligible transportation costs

State School Fund: Sub-Grants

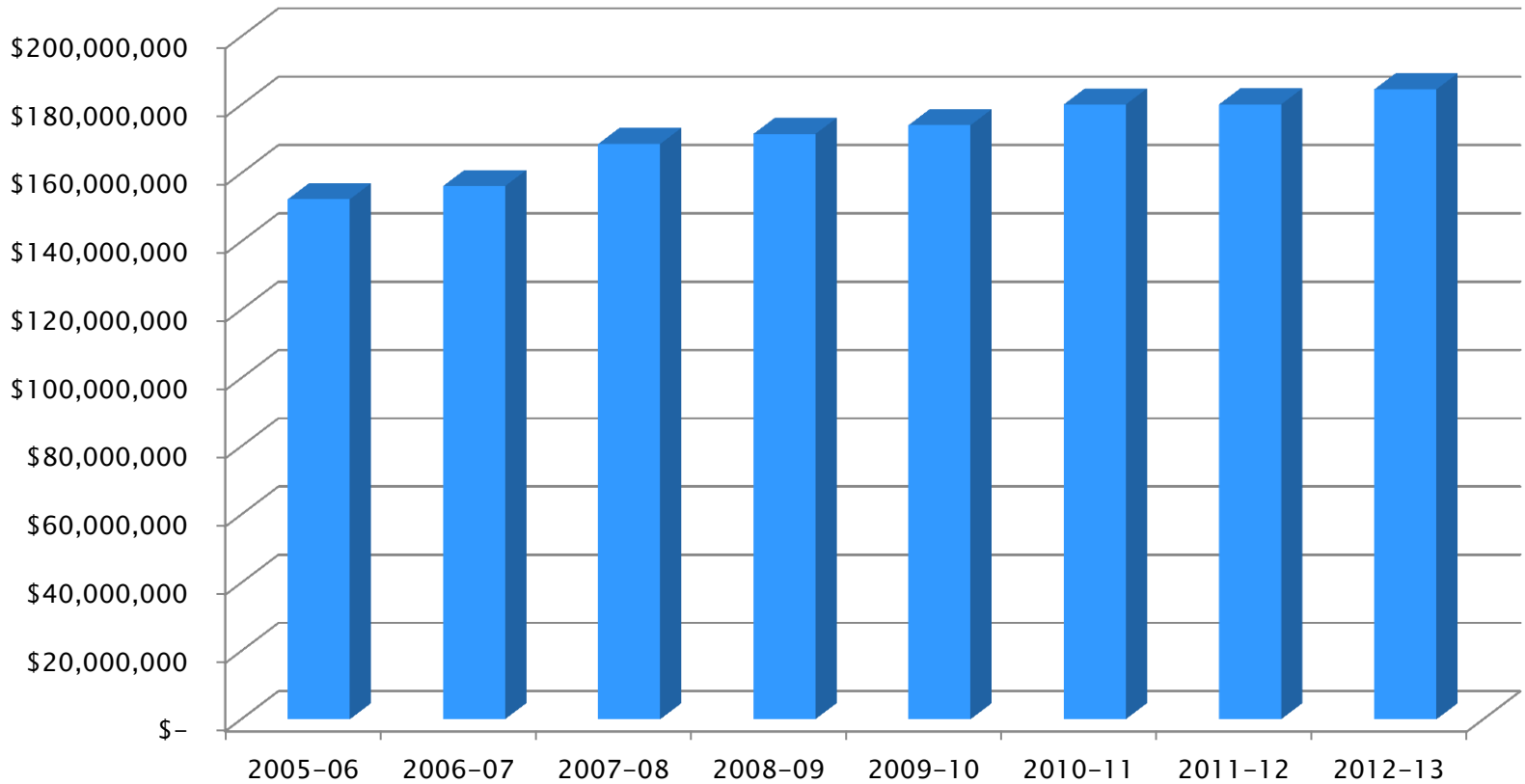
- ▶ **High Cost Disability**
 - Reimburses districts for costs over \$30,000 per IEP student
- ▶ **Facility Grant**
 - Pays up to 8% of construction costs for new classroom furnishings
- ▶ **Small High School Grant**
 - Provides additional funds to small high schools

State School Fund: Sub-Grants

- ▶ **Transportation Grant**
 - Reimburses eligible transportation costs
 - Reimbursement rates set by costs per ADMr
 - Reimburse at 70%, 80% or 90% of eligible costs

Transportation Grant

Transportation Grant from 2005-06 to 2012-13



2011-12 and 2012-13 Estimated

Student Weights

- ▶ Average Daily Membership (resident)
 - Up to 1.0 weight
- ▶ Students eligible for Special Education
 - 1.0 weight up to 11% ADMr
- ▶ Special Education Students above 11%
 - Variable
- ▶ ESL students
 - 0.5 weight

Student Weights

- ▶ **Pregnant and Parenting Students**
 - 1.0 weight
- ▶ **Students in Poverty**
 - 0.25 weight
- ▶ **Students in Foster care**
 - 0.25 weight
- ▶ **Students in Neglected/Delinquent Programs**
 - 0.25 weight

School Weights

- ▶ Remote Small Elementary School correction
 - 8 miles from nearest elementary school in same district
 - No more than 28 students per grade
- ▶ Small High School Correction
 - No more than 350 students for 4 grades
 - No more than 267 students for 3 grades

School Weights

- ▶ Union High School
 - 1.2 weight per resident Average Daily Membership
- ▶ Elementary School District
 - 0.9 weight per resident Average Daily Membership

Weights

Category	Additional Weight
IEP	1.0
ESL	0.5
Pregnant and Parenting	1.0
Poverty	0.25
Foster Care	0.25
Neglected/Delinquent Students	0.25
Union High School Students	0.2
Elementary District Students	-0.1

Extended District ADMw

- ▶ Compares current year ADMw with prior year ADMw
- ▶ Uses the greater ADMw for funding purposes

Teacher Experience

- ▶ Recognizes that more experienced teachers may have increased costs
- ▶ Calculation (District Average – State Average)
- ▶ Teacher Experience Factor may be positive or negative value

District Formula

- ▶ (District extended ADMw * (\$4,500 + [\$25 * (teacher experience difference)] * funding ratio) – Local Revenue
 - District extended ADMw: District Weights
 - \$4,500: minimum funding
 - Funding Ratio completely distributes all State School Funds

ESD Formula

- ▶ Total of component school district grants *
4.5%; or
- ▶ \$1 million; whichever is greater

What to Remember

- ▶ Formula combines local revenue and state revenue
- ▶ Formula driven by weights
- ▶ Goal of Formula is to ensure that 1 weight = 1 weight
- ▶ Weights describe specific characteristics of students and districts

Questions?