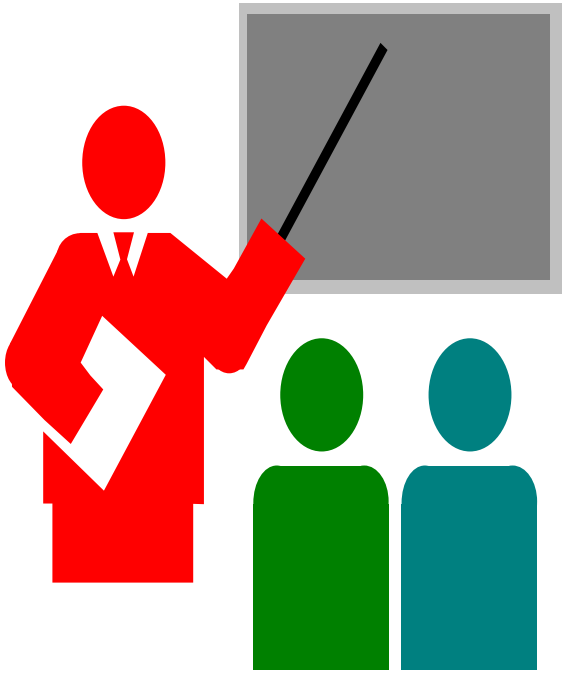
OREGON DEPARTMENT OF EDUCATION

K-12 School Finance

Welcome to Your State School Fund



Michael Elliott
State School Fund Coordinator
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

- 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

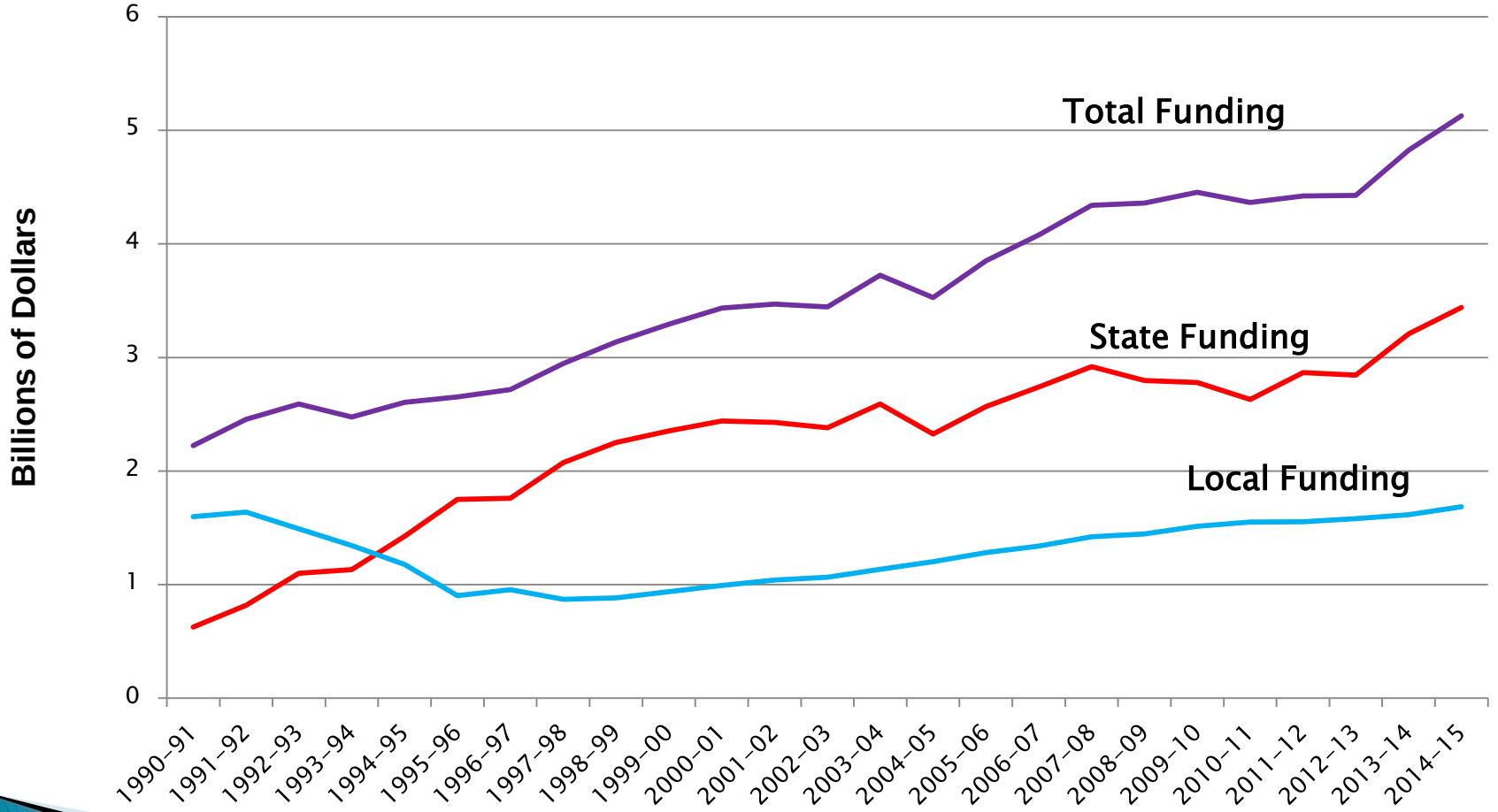
- Measures 47 and 50
  - Passed in 1996 and 1997 respectively
  - Cut assessed property values
  - Capped growth of assessed property values to 3% a year

History of School Funding

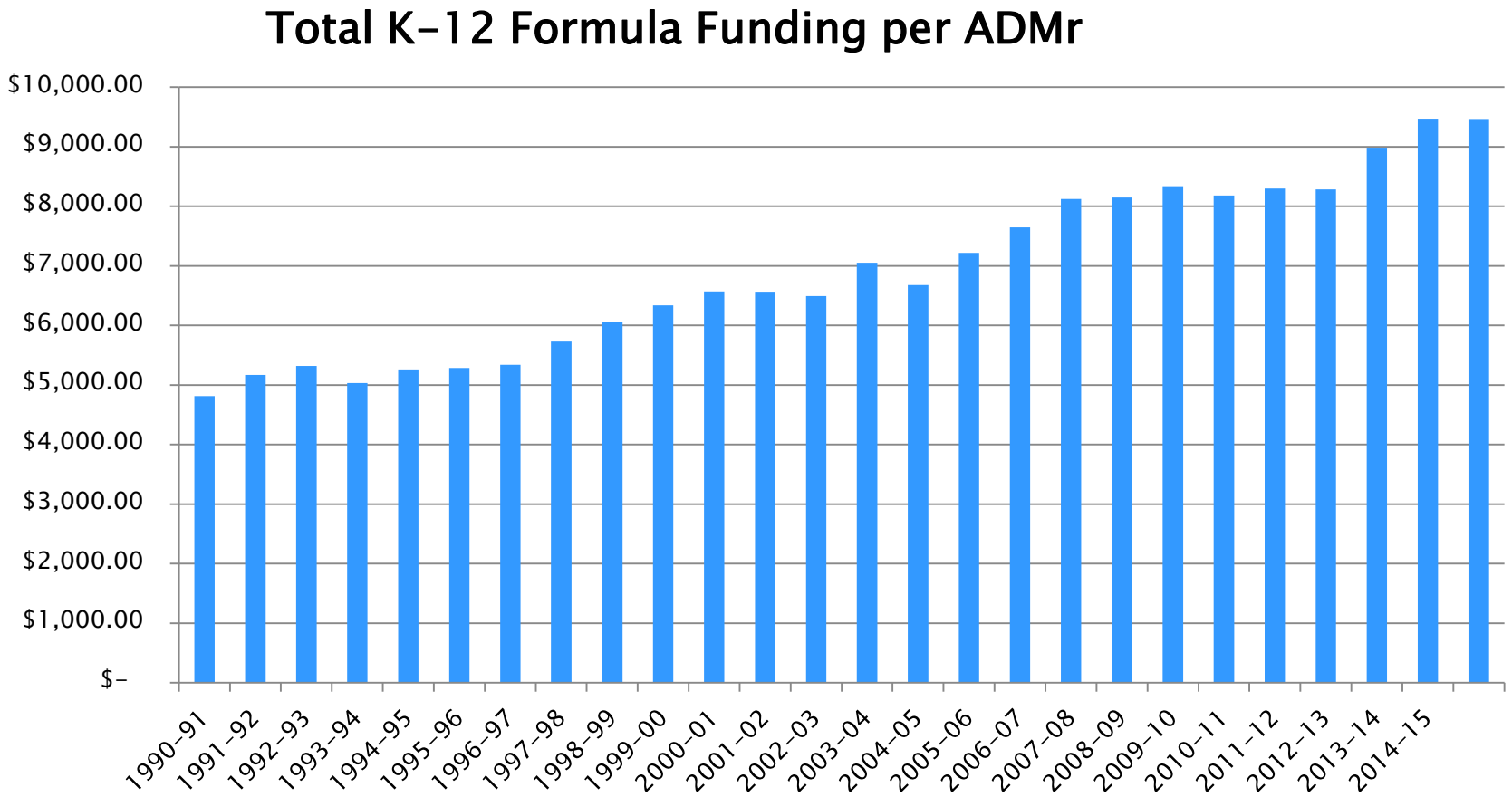
Consequences of Measures 5, 47, and 50:

- 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 2014-15



Historical Funding



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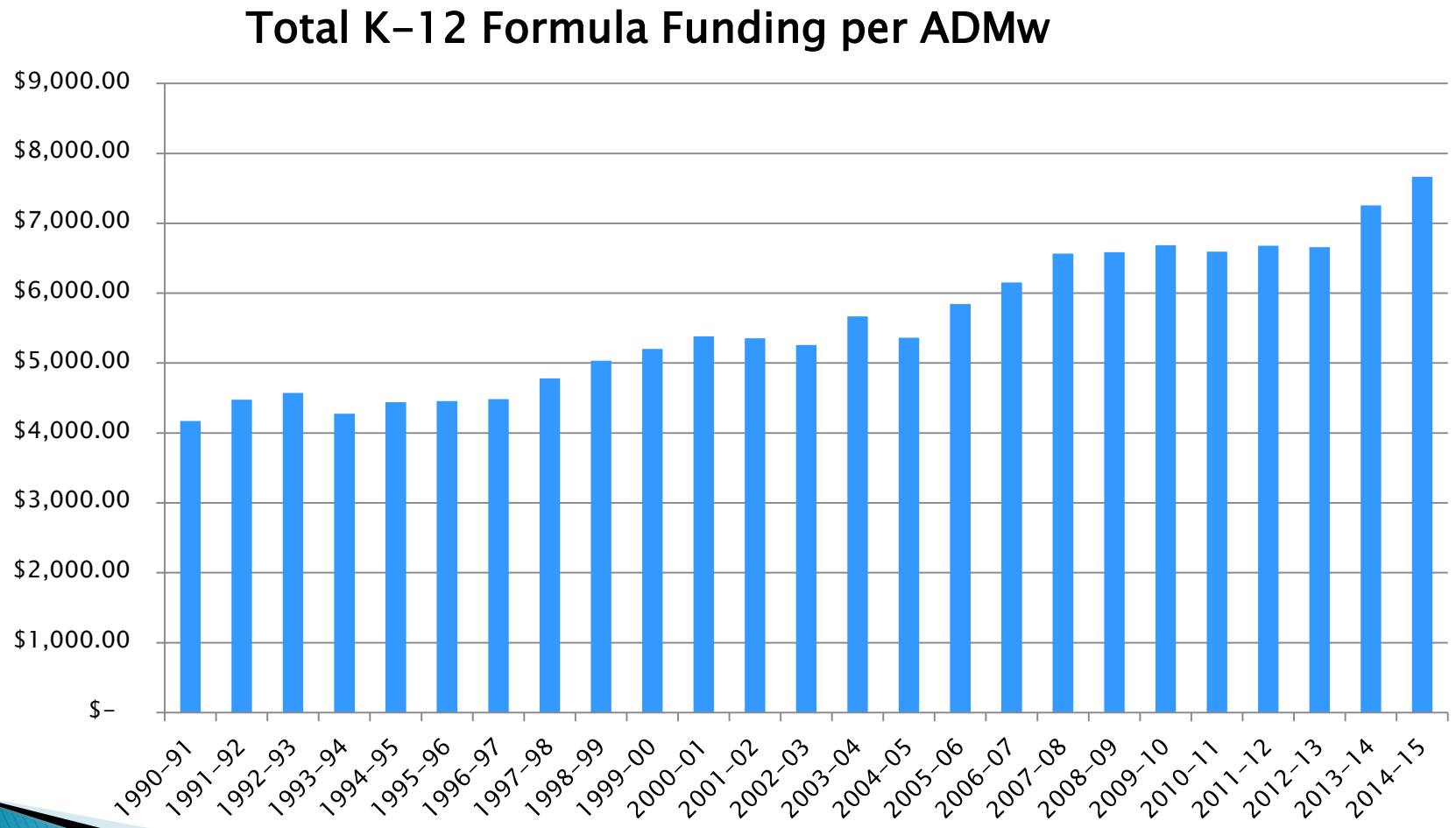

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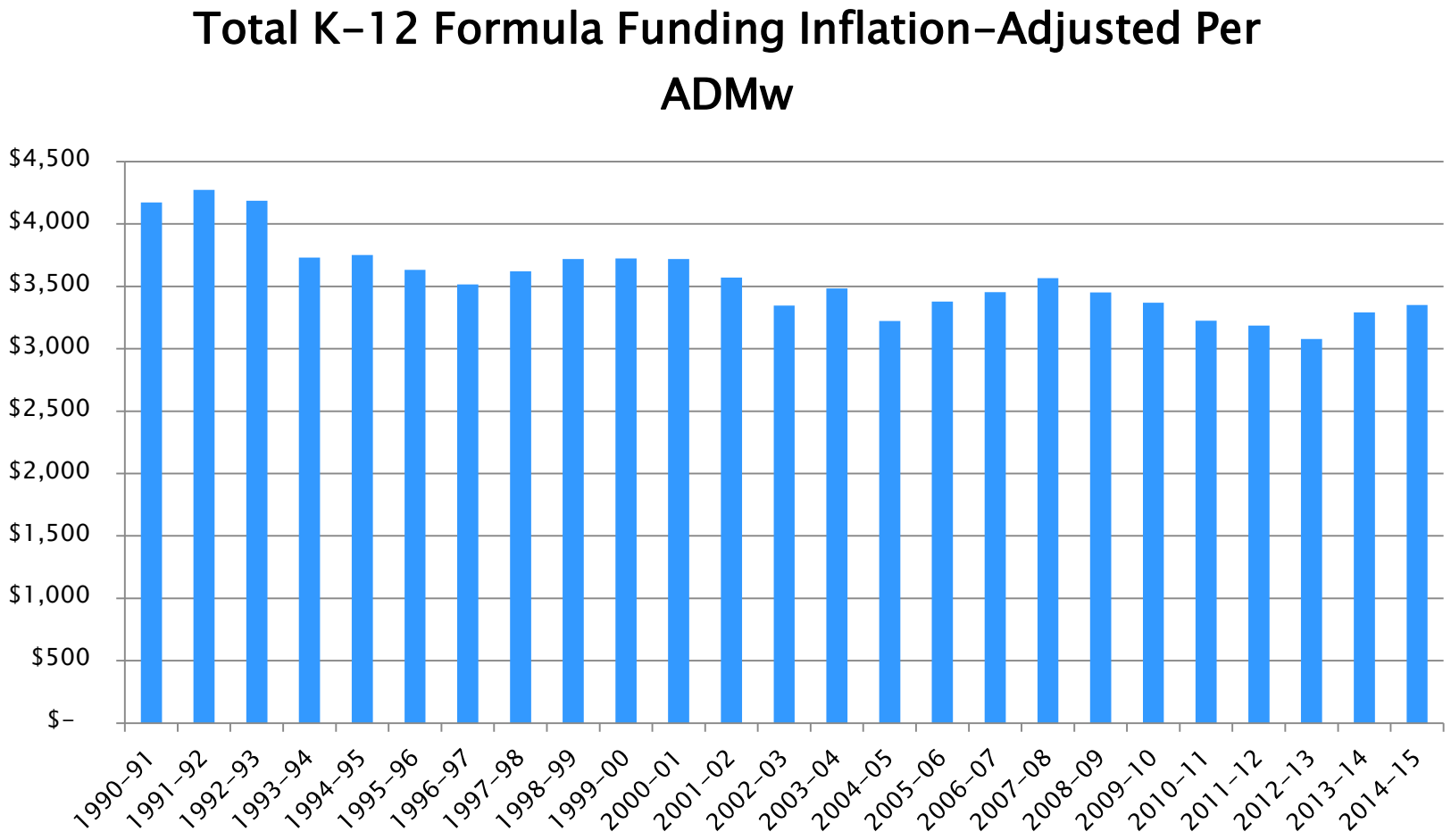
Historical Funding



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)

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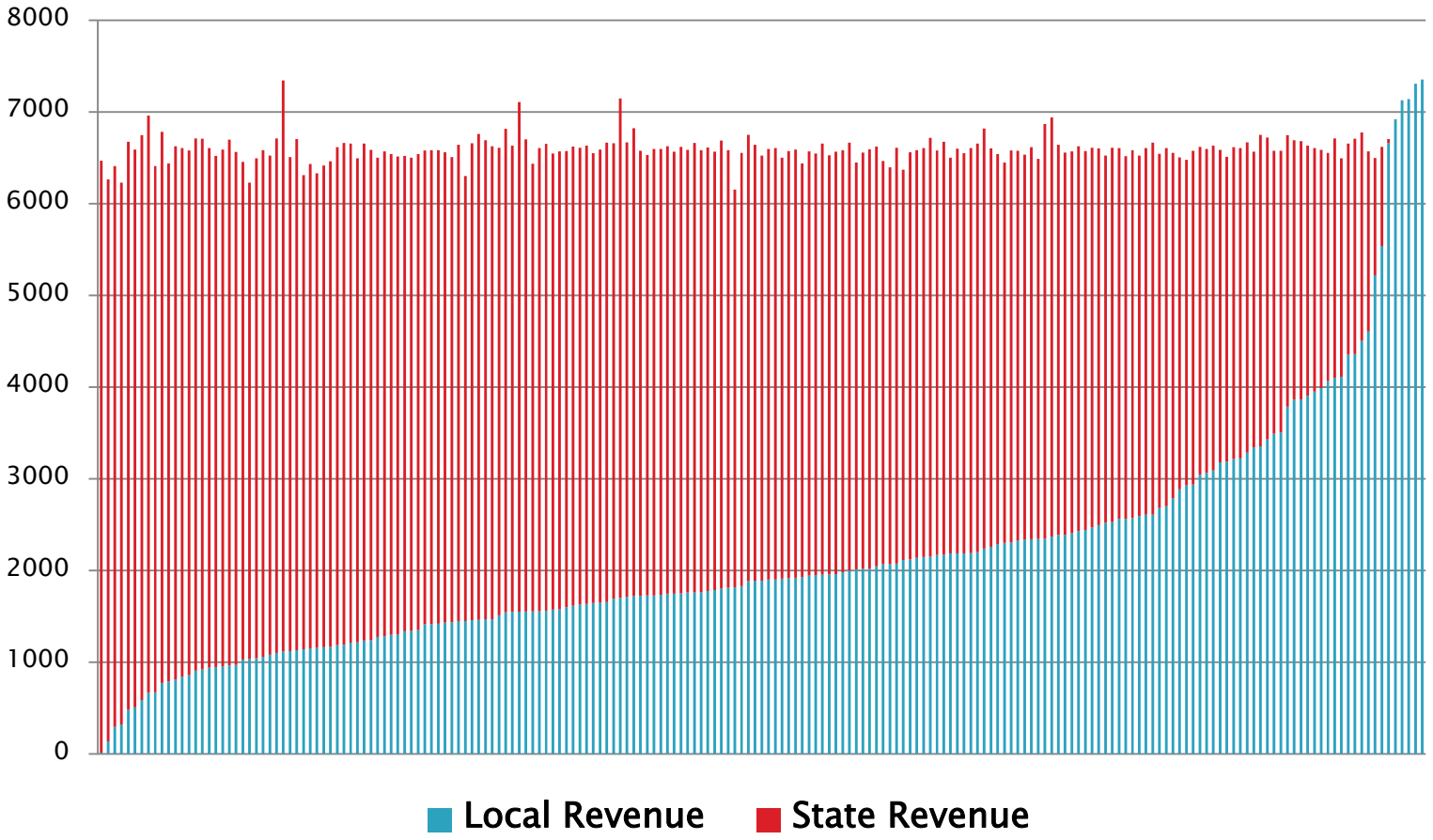
Equity across Districts



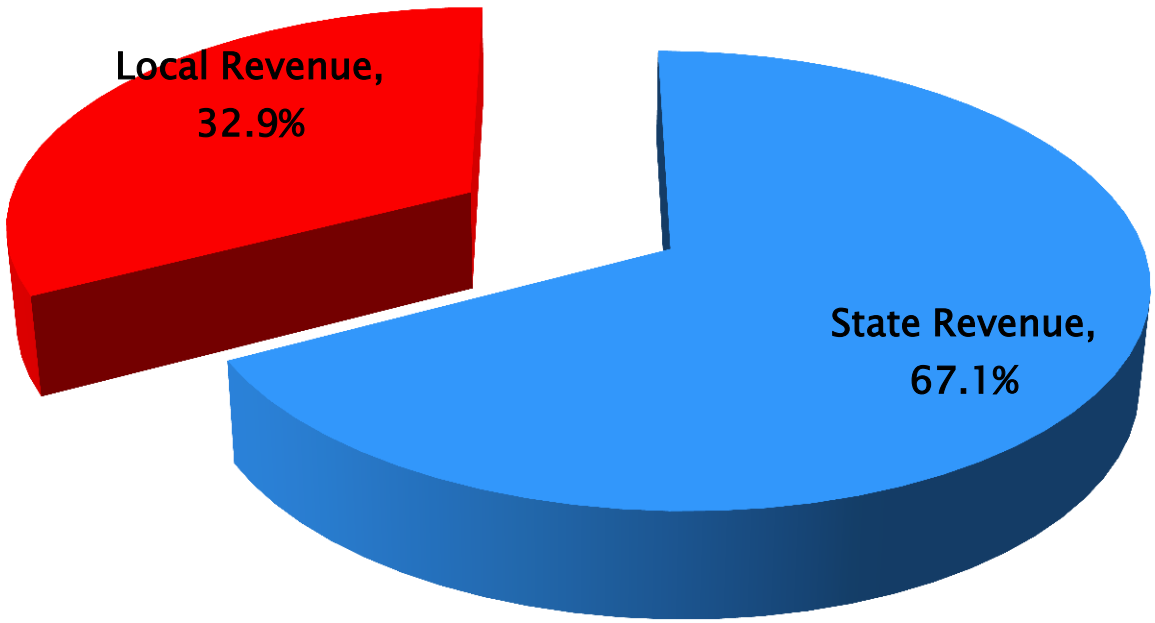
Distribution Principles

- Equalize district funding
- Equalize District and ESD funding
- District Equity
- Local Control

Formula Is Not

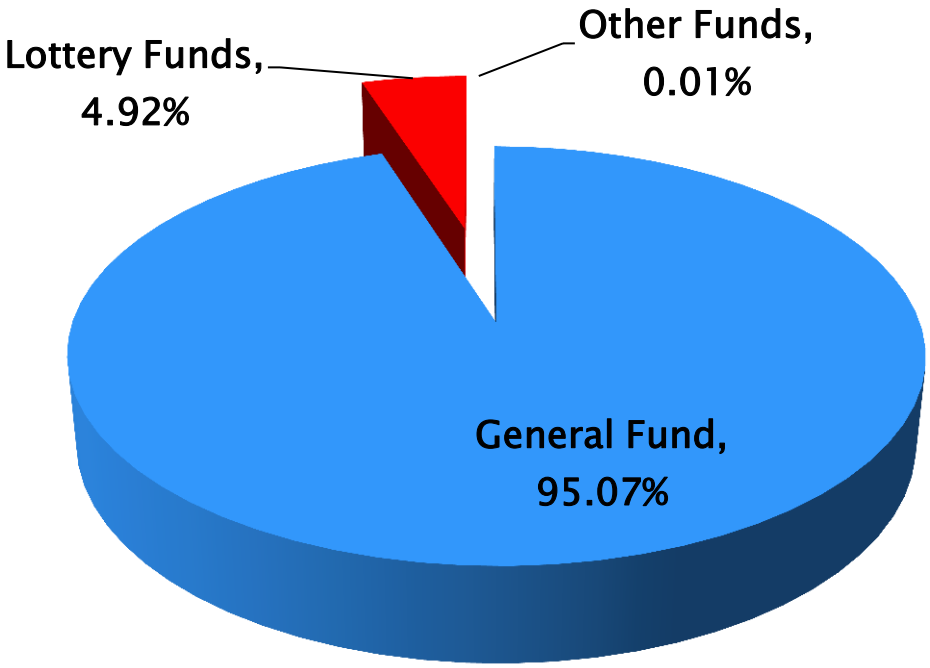
- A cost reimbursement
- An entitlement
- An assurance
- A measure
- An accountability system

Current State and Local Revenue



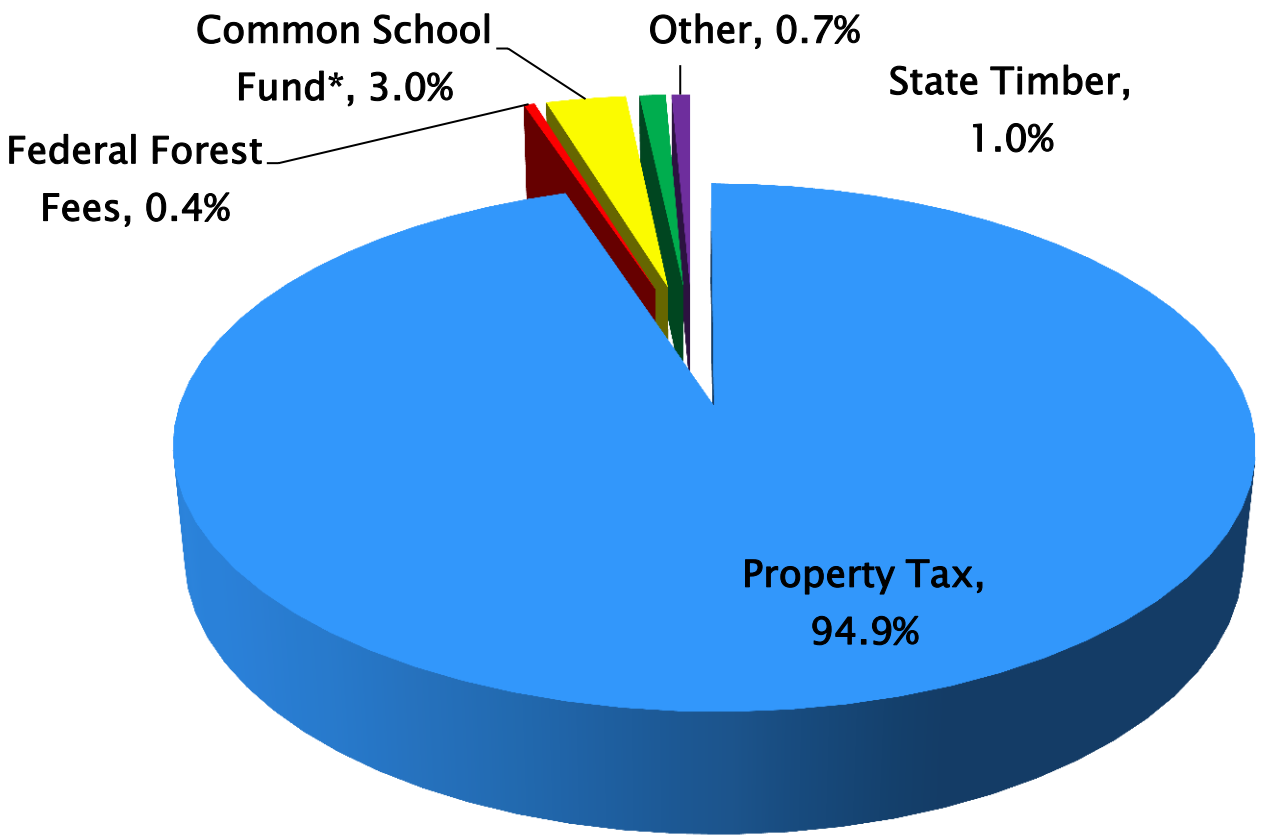
2013-15 Biennium

State Revenue ($6.650 B)



2013-15 Biennium

Local Revenue



Estimated for 2013-15 biennium

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

Program	Biennial Cost
Talented and Gifted	$350,000
Speech Pathology	$150,000
Skilled Nursing Facility	$2,600,000
Network of Quality Teaching and Learning	$45,000,000
Oregon School for the Deaf	$3,000,000
Long Term Care and Treatment	$21,000,000

State School Fund: Sub-Grants

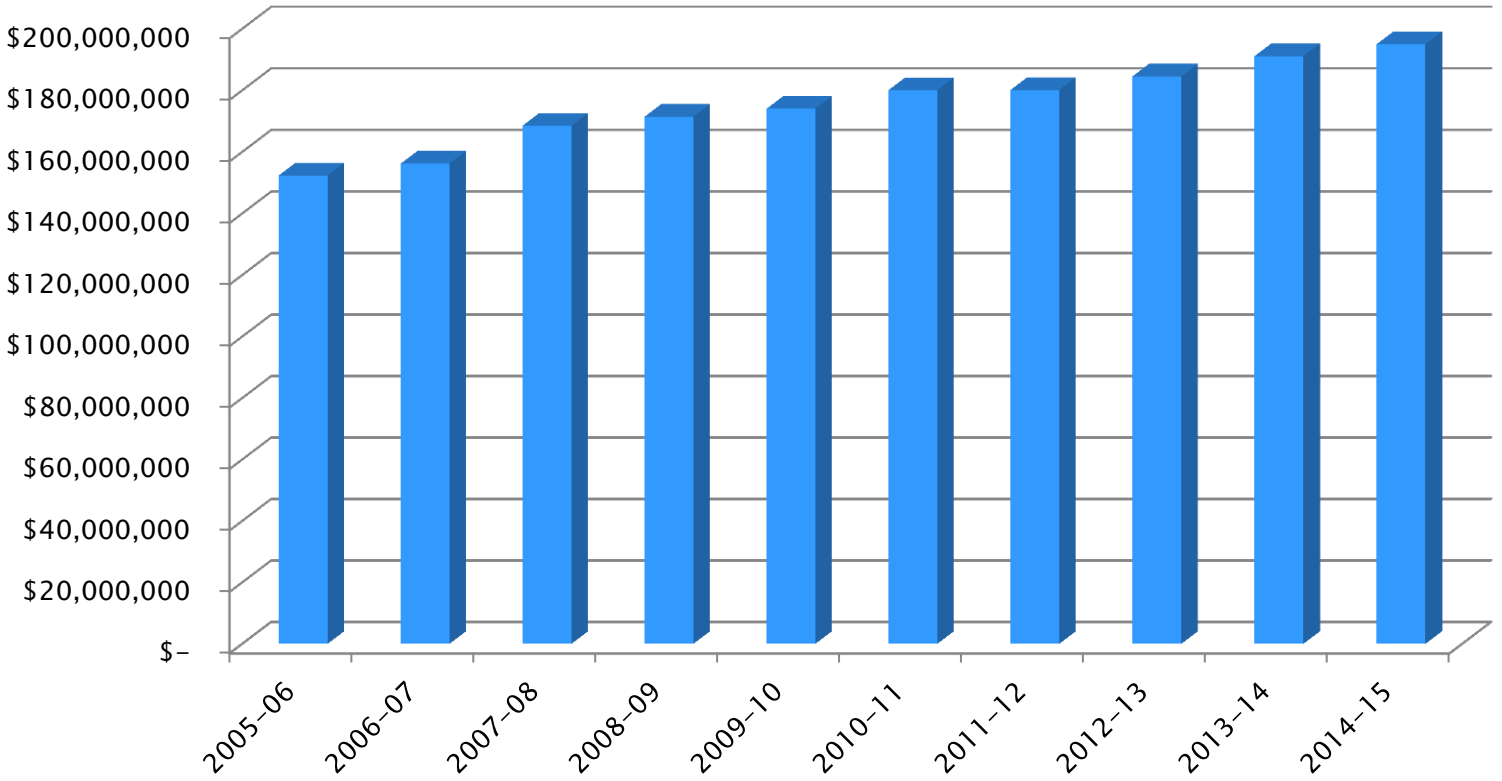
Sub Grant	Biennial Cost
Small High School Grant	$5,000,000
High Cost Disability Grant	$36,000,000
Facility Grant	$20,000,000
Transportation Grant	Variable

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 2014-15



2013-14 and 2014-15 estimated

Weights

Category	Additional Weight
ADMr	1.0
IEP	1.0
IEP Cap Waiver	Variable
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
Remote Small Elementary School Correction	Variable
Small High School Correction	Variable

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?