



To: Senate Committee on Education  
From: Richard Donovan, Oregon School Boards Association  
Re: Senate Bill 1004  
Date: March 29, 2017

Chair Roblan and members of the Senate Committee on Education:

On behalf of OSBA members, including 197 school districts throughout the state of Oregon, thank you for the opportunity to testify on SB 1004. OSBA respectfully opposes SB 1004.

Currently, Oregon receives moneys as a result of the federal Secure Rural Schools and Community Self-Determination Act (SRSCA). These allocations are commonly referred to as “timber payments,” and, under ORS 294 and other statutes, those payments are distributed at the county level to road and school funds. Unfortunately, the SRSCA payment amounts have been dwindling over time. According to information supplied by the Oregon Department of Education (ODE), in 2008-9 Oregon received \$30.1 million. In 2015-16, Oregon received \$12.83 million.

SB 1004 would allow certain counties to require that up to \$500,000 of SRSCA timber payment moneys in school districts be used for certain career and technical education (CTE) activities. School districts do not need SB 1004 to undertake these activities. Under current law, districts can undertake any or all of the CTE activities SB 1004 seeks to promote. School districts have maximum flexibility with these funds; flexibility is not the problem. The problem, rather, is that school districts receive insufficient funds to operate in a way that fully serves the needs of Oregon students. And SB 1004 would further compound that problem.

Public K-12 education in Oregon is underfunded. For context, the Legislative Fiscal Office calculates that, in order to maintain current service level, a State School Fund (SSF) appropriation of approximately \$8 billion is required. The Oregon Association of School Business Officials, using slightly different assumptions, calculates current service level funding to require an \$8.4 billion SSF allocation. The current budget framework under discussion in the Joint Committee on Ways & Means includes a \$7.8 billion SSF allocation. So, while the specific amount of underfunding under debate, it is clear that K-12 education in Oregon is underfunded by hundreds of millions of dollars. SB 1004 would allow another governmental entity to exert control over the already scarce funds that come from SRSCA timber payments. Given the current state of school funding, OSBA opposes any further restrictions on school district funding.

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