



To: Senate Committee on Education
 From: Richard Donovan, Oregon School Boards Association
 Re: Informational Hearing on SB 437
 Date: June 13, 2017

Chair Roblan and members of the Senate Education Committee:

On behalf of OSBA’s membership, including 197 school districts and 19 Education Service Districts, thank you for the invitation to testify on Senate Bill 437. The bill raises strong concerns regarding state funding, and implementing the bill could seriously destabilize Oregon’s system of public education.

Senate Bill 437 would permit the establishment of education savings accounts (ESAs). Public money, on a per-student, ADMw-basis, would be allocated into these accounts. The families of the students would be allowed to decide how to spend the funds contained in the account, as long as the funds were spent generally for educational purposes. Funds could be spent on public or private education resources.

Oregon’s public education system is underfunded, and has been for years. For example, consider the biennial comparison of funding contained in the most recent Quality Education Commission (QEC) report on school funding, published in August 2016:

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EXHIBIT 2: GAP BETWEEN QEM AND ACTUAL STATE FUNDING

Dollars in Millions				
Biennium	QEM Full Implmentation	Legislative Appropriation*	Gap	Percent Gap
1999-01	\$5,654.2	\$4,562.0	\$1,092.2	23.9%
2001-03	\$6,215.6	\$4,573.9	\$1,641.7	35.9%
2003-05	\$6,659.2	\$4,907.6	\$1,751.6	35.7%
2005-07	\$7,096.7	\$5,305.2	\$1,791.5	33.8%
2007-09	\$7,766.2	\$6,131.0	\$1,635.2	26.7%
2009-11	\$7,872.8	\$5,756.9	\$2,115.9	36.8%
2011-13	\$8,004.9	\$5,799.0	\$2,205.9	38.0%
2013-15	\$8,775.0	\$6,650.4	\$2,124.6	31.9%
2015-17	\$9,158.4	\$7,376.3	\$1,782.1	24.2%
2017-19	\$9,971.0	\$7,978.5	\$1,992.5	25.0%
2019-21	\$10,649.2	\$8,514.6	\$2,134.6	25.1%
* For 2017-19 it is the estimated Current Service Level since the legislative appropriation has not yet been made.				

Source: <http://www.ode.state.or.us/wma/research2016-quality-education-model-final-report--revised.pdf>, pg. 12

If enacted, Senate Bill 437 would move public funds out of the public education system. At a time when schools already struggle with insufficient funding, further siphoning off funding could do tremendous damage, both to the system of public education in Oregon and to the statewide public good.

Furthermore, analyzing potential benefits of ESAs based upon increased choice and access to non-public options is problematic because non-public education options are not held to the same rigorous standards as public schools are. Non-public options do not have to provide the same level of access, content standards, or accountability that public schools do. Consider policy areas undertaken or considered by this committee this session alone: dyslexia education (SB 1003), CTE-STEM education regulation (SB 297), culturally responsive pedagogy (SB 204), and even time requirements around physical education (SB 4). These were just a few of the many topics considered. All these topics relate to mandates placed on school districts by the Legislature, either by statute or related administrative rule. Until non-public education options are held to the same standards as our public schools, diverting money away from public schools is of tremendous concern.

Investments in public education by the state represent investments in the good of the whole state. Money in Oregon is distributed on a per-student basis, but the value of each student is not established by that distribution. The value of the investment is demonstrated by the system itself. Any resident student that shows up at a school, from age 6 to 21, will be welcomed into the district system, regardless of race, class, creed, or personal history. The district will accommodate that student, instruct the student, and will generally even make sure that the student has access to nutritious meals daily. Districts do not and cannot turn students away, and this benefits all Oregonians. Bills like Senate Bill 437, that seek to divert funding away from this system without a clear demonstration of benefit to the public good, represent potential legislative policy changes that OSBA would likely not support.

I am happy to answer any questions you have. Thank you, again, for the opportunity to testify.