



OREGON



OAESD
OREGON ASSOCIATION OF
EDUCATION SERVICE DISTRICTS



A Member's Union
OSEA
AFT Local 6732

June 11, 2017

TO: Senator Hass and the Senate Committee on Finance and Revenue

RE: Support for HB 2867 with the -2 Amendment

Senator Hass and committee members,

Our organizations are writing you today in support of HB 2867 with the -2 amendment. Without passage of this legislation, the Klamath County School District faces a potential loss of \$2.36 million per school year when they exceed the current statutory limitation for receiving small high school funding. It is possible that they exceed current limits as soon as the 2019-21 biennium.

We agree with and appreciate your principled and thoughtful approach to modifications to the State School Fund formula. We also believe that each request should be evaluated and the potential negative impacts on the education of the students in affected school districts should be considered.

Oregon's State School Fund formula includes extra resources for small, often rural high schools to ensure students can still experience a well-rounded experience during high school. And that education comes at an extra cost for the school district; the small high school funding in the formula recognizes that cost difference. There is currently a statutory cap of 8500 ADMw for districts to receive the funding.

Klamath County School District is very unique in its size and composition. The district is larger geographically than the states of Rhode Island, Delaware, and Connecticut, covering nearly 6,000 square miles. There are 23 schools, including one charter school, which range in enrollment from 13 students to 714 students. This school year saw an increase of 73 students, pushing the district closer to the 8,500 ADMw cap – the district now has more than 6500 students total.

Klamath County School District serves many small communities that have not shared in Oregon's economic recovery and 81% of the students in the district are eligible for free and reduced lunch. A full 15% of students have disabilities and need extra services and supports. Despite the challenges their communities face, the students of Klamath County are beating the odds and 78% of students are graduating on time, exceeding the statewide graduation rate.

If they do not exceed the cap, the Klamath County School District has four small high schools that receive extra funds under the current formula. According to the district, general fund staffing costs at Bonanza, Chiloquin, Gilchrist and Lost River High Schools will total \$5,800,928 during the 2019-20 school year. The small high school funds in the formula, which would total \$2.36 million, pay for over 40% of the staff costs for these four small high schools and represent almost three percent of the district's General Fund for the 2019-20 school year.

In short, the loss of these funds would be devastating for the students the district serves.

We do not believe that raising the cap to allow Klamath County to continue to receive these additional funds will have a negative impact on students in any other school districts in the state. Our organizations support the bill with the -2 amendment and urge swift passage before we run out of time during the 2019 Session.

Thank you for your consideration.

Submitted by: Morgan Allen (COSA) on behalf of advocacy organizations