

Date: February 5, 2024  
To: House Education Committee  
From: Kevin Strong, Sweet Home School District  
Subject: House Bill 4079

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Chair Neron, Vice Chairs Hudson and Wright, and members of the committee:

For the record, my name is Kevin Strong and I am the business manager for the Sweet Home School District. Thank you for the opportunity to submit testimony in support of House Bill 4079. This bill will help school districts serving our state's neediest students.

Currently, the State School Fund formula caps special education funding at 11 percent of a district's Average Daily Membership (ADM). For example, a school district with 1,000 students including 150 special education students receives additional funding for the first 110 students. (1,000 total students x 11% = 110 additional weights).

The Oregon Department of Education also performs a calculation based on spending and severity for districts above the 11 percent cap. If spending and severity outpace other school districts, then some additional weights are distributed.

One consequence of the 11 percent cap is that districts with high special education percentages receive less funding per special education student than districts with lower special education percentages.

For example, Jefferson County (Madras/Warm Springs) had a 17.4 percent special education rate during the 2021-22 school year. Jefferson County's revenue from the 11 percent cap and the 11 percent cap waiver equaled \$6,943 per special education student.<sup>1</sup>



**Jefferson Co. School District**

(Madras/Warm Springs)

2021-22 Special Education %

**= 17.4%**

2021-22 State School Fund  
Special Education Funding per  
Special Education Student

**= \$6,943**



**Lake Oswego  
School District**

2021-22 Special Education %

**= 11.0%**

2021-22 State School Fund  
Special Education Funding per  
Special Education Student

**= \$9,240**

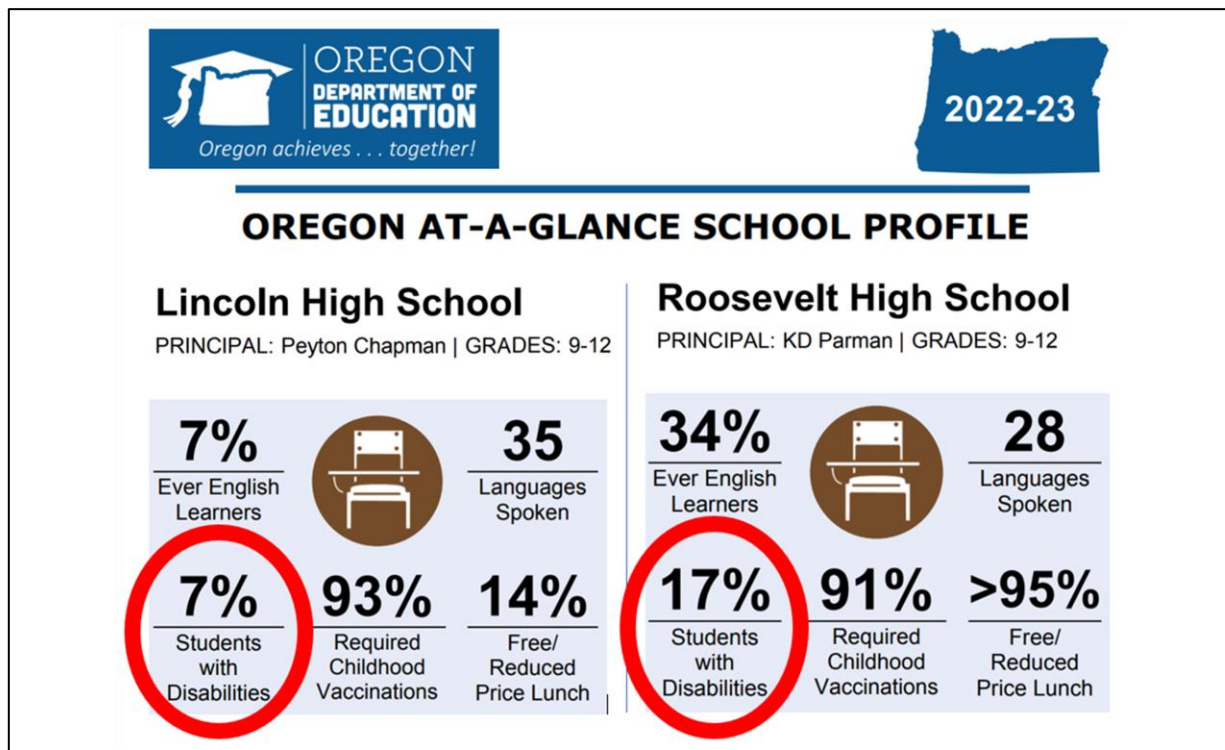
Meanwhile, Lake Oswego had an 11.0 percent special education rate during the 2021-22 school year. Lake Oswego's revenue from the 11 percent cap equaled \$9,240 per special education student.<sup>2</sup>

Schools and school districts serving communities with higher poverty rates and lower adult education attainment levels typically have the highest percentages of special education students. Consequently, the 11 percent cap hurts school districts serving less affluent communities the most.

At the district level, I believe most everyone would agree that implementing an 11 percent funding cap on special education students at a school that has a high special education percentage would be inequitable. For example, 17 percent of students at Roosevelt High School in Portland have been identified with disabilities compared to 7 percent at Lincoln High School.

How would it be received if Portland provided substantially more resources per special education student to Lincoln than to Roosevelt just because Roosevelt's special education percentage was deemed too high? At the state level, this is exactly what the 11 percent cap is doing.

Unless additional resources are provided, the net impact of removing the 11 percent cap will be to increase funding for districts with relatively high percentages of special education students while decreasing funding for school districts with relatively low percentages of special education students. From an equity standpoint, this change makes sense.



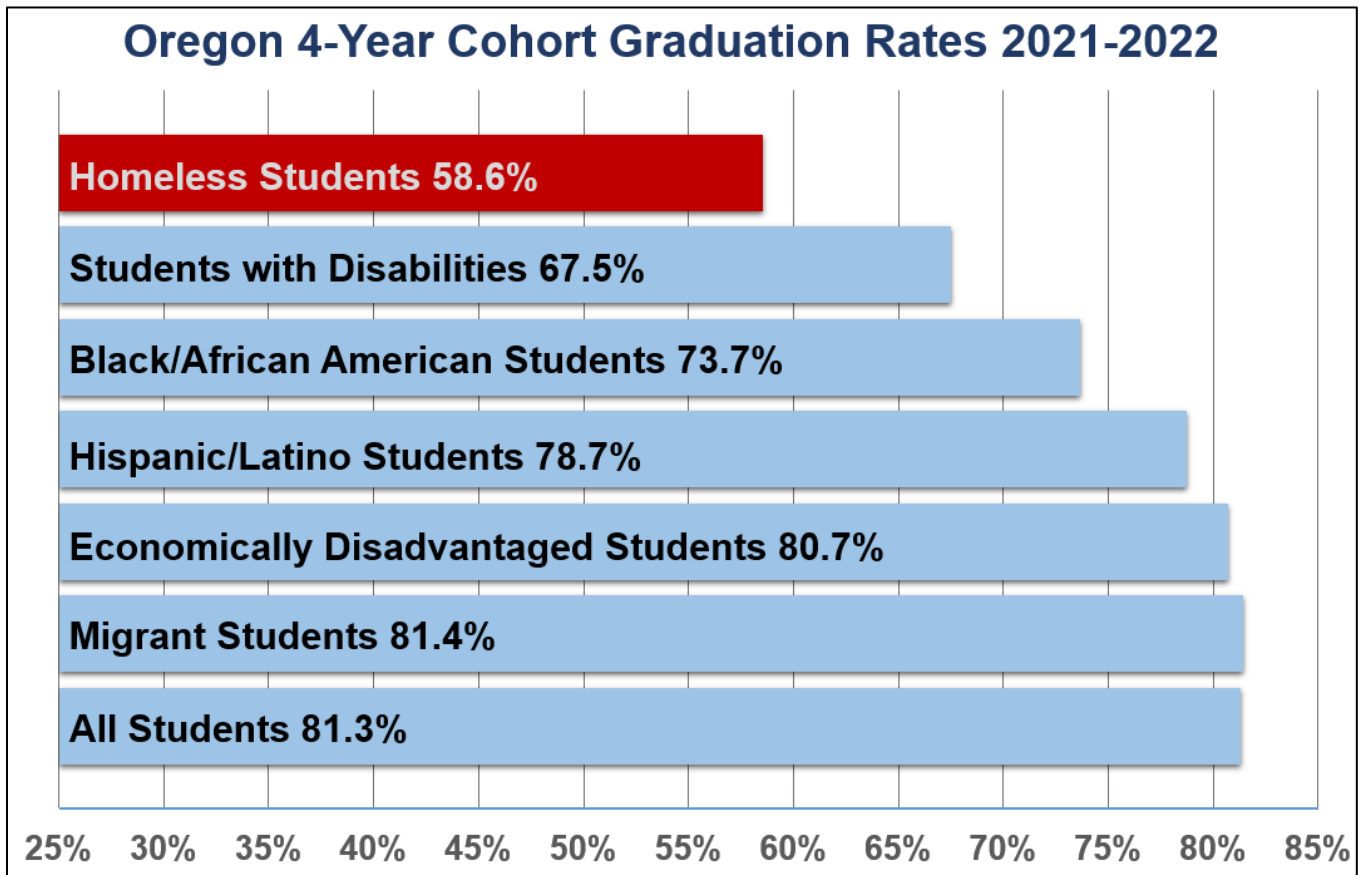
House Bill 4079 also adds a homeless student weight to the funding formula.

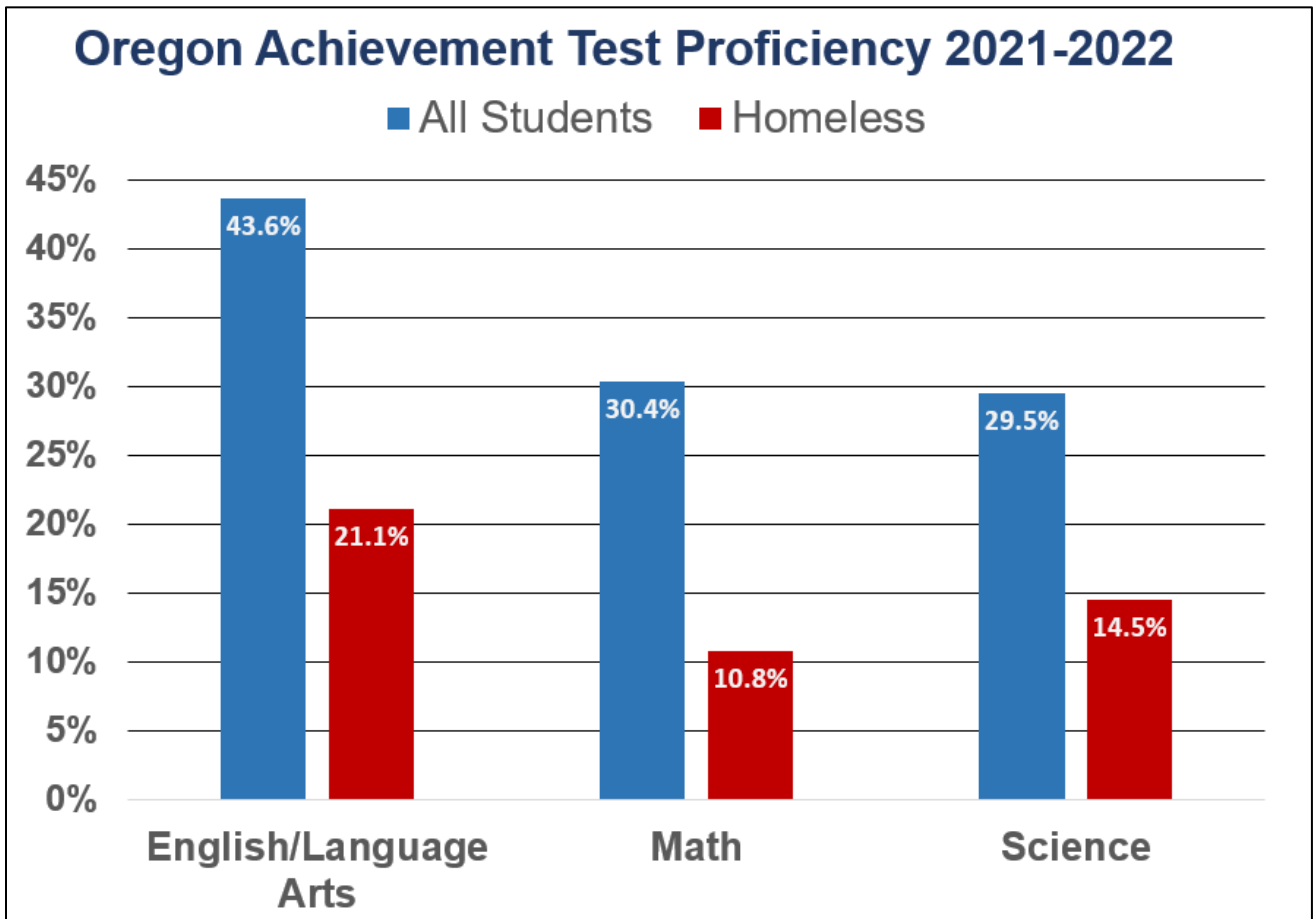
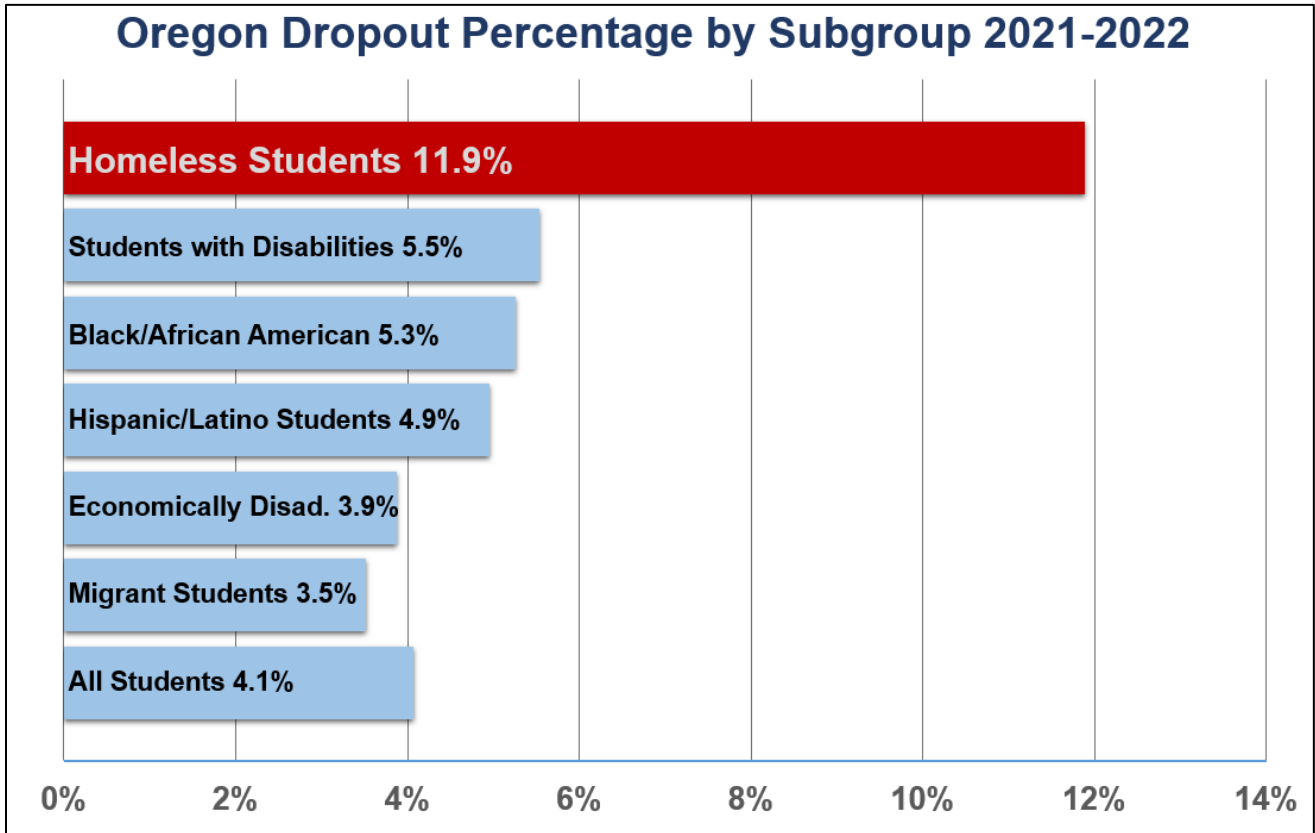
According to a 2019 University of Chicago study, students who face housing instability but stay in school and graduate are much less likely to become homeless as adults.<sup>3</sup>

In Oregon, the State School Fund does not currently provide a funding weight for homeless students. Furthermore, many homeless students are likely undercounted in the 0.25 poverty weight calculation since poverty data is estimated for each school district using data gathered from those that complete the American Community Survey and from dependent information on tax returns.<sup>4,5</sup>

House Bill 4079 will establish a homeless funding weight in the State School Fund calculation so districts serving high percentages of homeless students receive more resources to support them.

The following charts generated from information provided by the Oregon Department of Education show how vulnerable Oregon's homeless students are compared to other groups of students.<sup>6,7</sup>





Nationally, children experiencing homelessness are absent more frequently, are identified as having developmental delays four times as frequently and are identified as having learning disabilities twice as frequently as other students.<sup>8</sup>

I realize the state has limited resources and many needs. However, I believe providing additional funding to school districts serving high percentages of homeless students should be viewed as a long-term investment to help reduce homelessness in the future.

Oregon had 21,412 students identified as homeless during the 2021-2022 school year including some students that were counted more than once because they moved between districts.<sup>9</sup> If an extra weight was given for each homeless student, the additional cost to the State School Fund would be approximately \$200 million per year based on a funding amount of \$9,500 per weighted student.<sup>10</sup>

It is worth mentioning that Oregon does receive some federal McKinney-Vento funds. The McKinney-Vento Act helps ensure educational rights and protections for children experiencing homelessness including allowing students who lack stable housing to remain in their home school if they so choose.

According to an Oregon Department of Education report, Oregon received \$742,271 in federal McKinney-Vento Act funds in 2017-18 to serve homeless students<sup>11</sup> which worked out to \$34 per homeless student that year. In November 2023, the Oregon Department of Education reported that the state's McKinney-Vento funding had increased to \$79 per identified student.<sup>12</sup> Looking ahead, I am hopeful Oregon will direct more resources to help school districts serving these students.

Thank you for your time and consideration.



## How some Oregon schools are grappling with students experiencing homelessness

Broadcast January 16, 2024

*“Building relationships is the biggest thing. From the secretaries to the bus drivers to every teacher and person in the district... we work really hard to make school a place they want to come.”*

- Jaime Kleb, Warrenton High School counselor

*“When you actually see one of these students succeed and move forward and break that generational poverty, it means something.”*

- Mark Osburn, youth and transition coordinator for the Oakridge School District

**Sources:**

1. Jefferson County:  $((301.94 \text{ 11\% cap weights} + 63.8 \text{ cap waiver weights}) \times \$9,055 \text{ general purpose grant per student}) / 477 \text{ IEP students} = \$6,943 \text{ per special education student}$
2. Lake Oswego:  $(747.31 \text{ 11\% cap weights} \times \$9,249 \text{ general purpose grant per student}) / 748 \text{ IEP students} = \$9,240 \text{ per special education student}$
3. Chapin Hall at the University of Chicago, "Homelessness and Education Systems Can Work Together to Improve Youth Outcomes," 2019
4. U.S. Census Bureau, "Quantifying Relative Error in the School District Estimates" <https://www.census.gov/programs-surveys/saipe/guidance/district-estimates.html>
5. "Differential Undercounts in the U.S. Census: Who is Missed?" William O'Hare, 2019
6. <https://www.oregon.gov/ode/reports-and-data/students/Pages/default.aspx>
7. <https://www.oregon.gov/ode/educator-resources/assessment/Pages/Assessment-Results.aspx>
8. "America's Homeless Children: New Outcasts: A Public Policy Report," Better Homes Fund, 1999
9. <https://www.oregon.gov/ode/schools-and-districts/grants/esea/mckinney-vento/pages/default.aspx>
10.  $21,412 \text{ homeless students} \times \$9,500/\text{ADMw} = \$203,414,000$
11. Homeless Students in Oregon, <https://www.oregon.gov/ode/schools-and-districts/grants/ESEA/McKinney-Vento/Documents/State%20Summary%20Data%202017-18%20for%20web.pdf>
12. House Education Committee November 2023 Special Education IEP 11% Cap and Homeless Student Review in the State School Fund, Mike Wiltfong, School Finance and School Facilities, Administrator  
<https://olis.oregonlegislature.gov/liz/2023I1/Downloads/CommitteeMeetingDocument/277758>