2027 Legislative Priorities

SAMPLE DRAFT ONLY For School Board Review and Discussion

The 2027 Legislative Session comes at a pivotal time for Medford School District (MSD) as we navigate increasing student needs, declining enrollment, rising operational costs, aging school infrastructure, and significant budget challenges.

The Medford School Board is committed to partnering with legislators, education stakeholders, and community members to advance policies that strengthen public education, provide sustainable and equitable funding, expand educational opportunities, and improve outcomes for all students.

Priority 1 | Modernize Oregon's K–12 Funding System

The Issue

Oregon's K–12 funding system was largely established more than three decades ago and has not kept pace with evolving student and community needs. The methods for determining educational adequacy and distributing resources are increasingly disconnected from actual costs. Meaningful modernization requires comprehensive reform rather than isolated adjustments to formula components.

Impact on Medford School District

Poverty funding: The state's method for identifying students experiencing poverty may not accurately reflect local needs. In the 2026 recalculation, the estimated poverty count for MSD declined from 13.0% to 12.7%, resulting in an estimated midyear revenue reduction of $0.40 million. The District believes both of these estimates do not reflect the actual poverty being experienced in our district.

Special education: Oregon's 11% special education funding cap dates to 1991. Approximately 15–16% of students statewide qualify for special education, compared with nearly 18% in MSD. More students require intensive services, particularly at younger ages, while High-Cost Disability reimbursement is approximately 20% of eligible costs.

$7.75M	**Special education funding gap — current school year** MSD's estimated gap reflects the mismatch between service needs and state funding.

Proposed Legislative Action

Establish a statewide School Funding Modernization Commission with broad stakeholder representation, defined timelines, and clear recommendations. Its work should:

- Update the state's methodology for determining educational adequacy.
- Modernize the State School Fund formula, including poverty measures and weights.
- Address the longstanding 11% special education funding cap.
- Improve High-Cost Disability reimbursement and funding for essential student supports.
- Strengthen transparency, equity, predictability, and long-term sustainability.

Priority 2 | Protect and Strengthen K–12 Funding

The Issue

School districts face increasing student needs, expanding expectations, and rising costs. The Governor's preliminary 2027–29 Current Service Level (CSL) calculation of $12.55 billion includes a $1.19 billion increase, yet remains below the approximately $2.5 billion increase cited in the district's draft from the Quality Education Commission (QEC). The draft also cites nearly $5 billion in additional investment to meet state academic targets, bringing total K–12 needs above $16 billion. [1]

Approximately 85% of State School Fund expenditures support staffing. Compensation, healthcare, and PERS costs continue to increase the cost of maintaining services. [1, 2]

Federal changes affecting Medicaid and SNAP add pressure on families and community partners. The Board supports early literacy, instructional time, and K–5 summer learning priorities, but these initiatives require funding beyond the cost of maintaining existing services. [1, 2]

Impact on Medford School District

MSD anticipates expenditure growth of approximately [insert amount] in 2027–28 simply to maintain existing services. CSL is calculated for the biennium and does not represent the cost of expanded opportunities or new academic expectations. Even with full CSL funding, MSD anticipates continued efficiencies and difficult budget decisions. Funding below CSL would require deeper reductions to staffing, programs, and student services.

MSD must also protect investments in literacy, attendance, career and technical education, and other initiatives aligned with state improvement goals.

Proposed Legislative Action

- Fully fund 2027–29 CSL as a minimum threshold for maintaining existing programs and services.
- Provide sustainable funding beyond CSL for new academic accountability expectations.
- Use the Education Stability Fund to protect schools during economic uncertainty.
- Preserve Corporate Activity Tax revenue for Student Success Act and other dedicated pre-K–12 purposes.

Priority 3 | Address Rising Costs, Unfunded Mandates, and Critical Facility Needs

The Issue

Aging facilities, retirement contributions, unemployment insurance, healthcare expenses, and other obligations create significant costs beyond districts' direct control. Necessary structural repairs can be especially difficult to absorb within operating budgets. These expenses reduce resources available for instruction and student support.

Impact on Medford School District

Aging school infrastructure: Repairs to glued-laminated timber (glulam) structural beams, many installed in the 1950s and 1960s, are necessary to maintain insurance coverage and ensure safe, operational facilities. Similar repair needs may emerge across Oregon districts.

$10M	**Estimated one time critical structural repair costs** Beam repairs required to maintain insurance coverage

Unemployment insurance: Changes to eligibility during school breaks have created a substantial additional obligation within the district's operating budget.

$1.25M+	**Additional annual unemployment insurance costs** MSD's estimated yearly expense associated with expanded benefits during school breaks.

Proposed Legislative Action

- Establish dedicated state funding or matching grants for critical structural repairs and aging infrastructure needed to keep schools safe and insurable.
- Conduct a statewide assessment of aging school infrastructure, including glulam structural beams.
- Provide relief or dedicated funding for increased unemployment insurance costs during school breaks.
- Require a comprehensive fiscal impact assessment of all proposed state mandates affecting school districts and provide sufficient, ongoing state funding to cover implementation and operational costs.
- Explore long-term solutions to reduce volatility from state-mandated employment and benefit costs.

Priority 4 | Strengthen Oversight and Accountability for Virtual Charter Schools

The Issue

Statewide virtual charter enrollment has grown substantially, with over 27,000 students enrolled. Oregon's decentralized authorization structure raises questions about consistency in academic expectations, oversight, financial transparency, and accountability. Some programs reportedly offer educational allowances exceeding $3,000 per student.

Impact on Medford School District

More than 3% of students residing within MSD boundaries attend virtual charter schools, contributing to declining enrollment and revenue. These declines do not result in proportional reductions in district operating costs.

MSD educators have reported academic gaps among some students returning from virtual programs. These observations support the need for consistent reporting and oversight, rather than assumptions about every virtual program.

Proposed Legislative Action

- Establish consistent statewide academic performance and accountability expectations.
- Strengthen oversight of authorization, operations, and student outcomes.
- Require transparent reporting of achievement, attendance, enrollment, and expenditures.
- Review family incentives and educational allowances for appropriate stewardship of public funds.
- Evaluate whether virtual charter funding reflects actual instructional and operational costs.
- Examine whether funding allocations reflect the different costs of virtual instruction and comprehensive in-person schooling.

To read more on financial sustainability for the Medford School District, visit our Website . A sample Template Letter to Legislators for staff and families can also be accessed there. [coming soon]