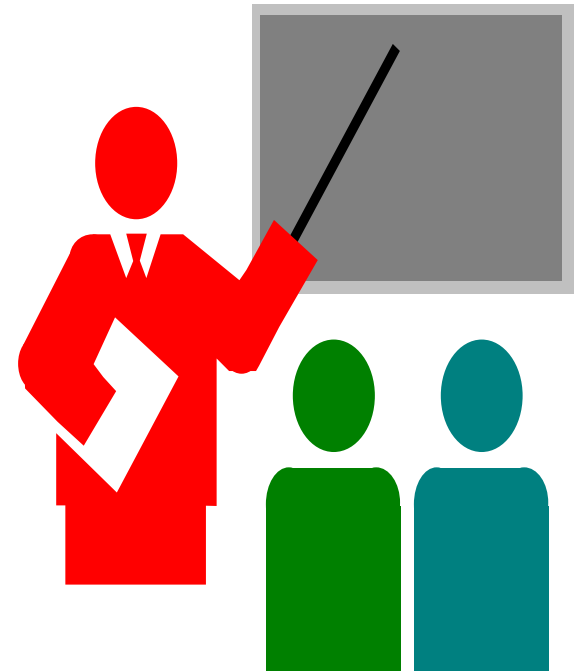


# K-12 School Finance

## Welcome to Your State School Fund

Michael Elliott  
State School Fund Coordinator  
Oregon Department of Education



# Topics

- ▶ **History of School Funding**
- ▶ **Goals of the School Funding Formula**
- ▶ **Current Revenue**
- ▶ **Components of State School Fund**

# History of School Funding

School Funding pre Measure 5 (1990):

- ▶ 60% Local Revenue (property taxes)
- ▶ 30% State Revenue (income taxes)
- ▶ 10% Federal Revenue

# History of School Funding

- ▶ **Measure 5**
  - Passed in 1990
  - Capped property tax rate to \$5 per \$1,000 of assessed value for public education
  - Required State to cover any local revenue losses to public education

# History of School Funding

- ▶ Measures 47 and 50
  - Passed in 1996 and 1997 respectively
  - Cut assessed property values
  - Capped growth of assessed property values to 3% a year

# History of School Funding

School Funding post Measures 5, 47, and 50:

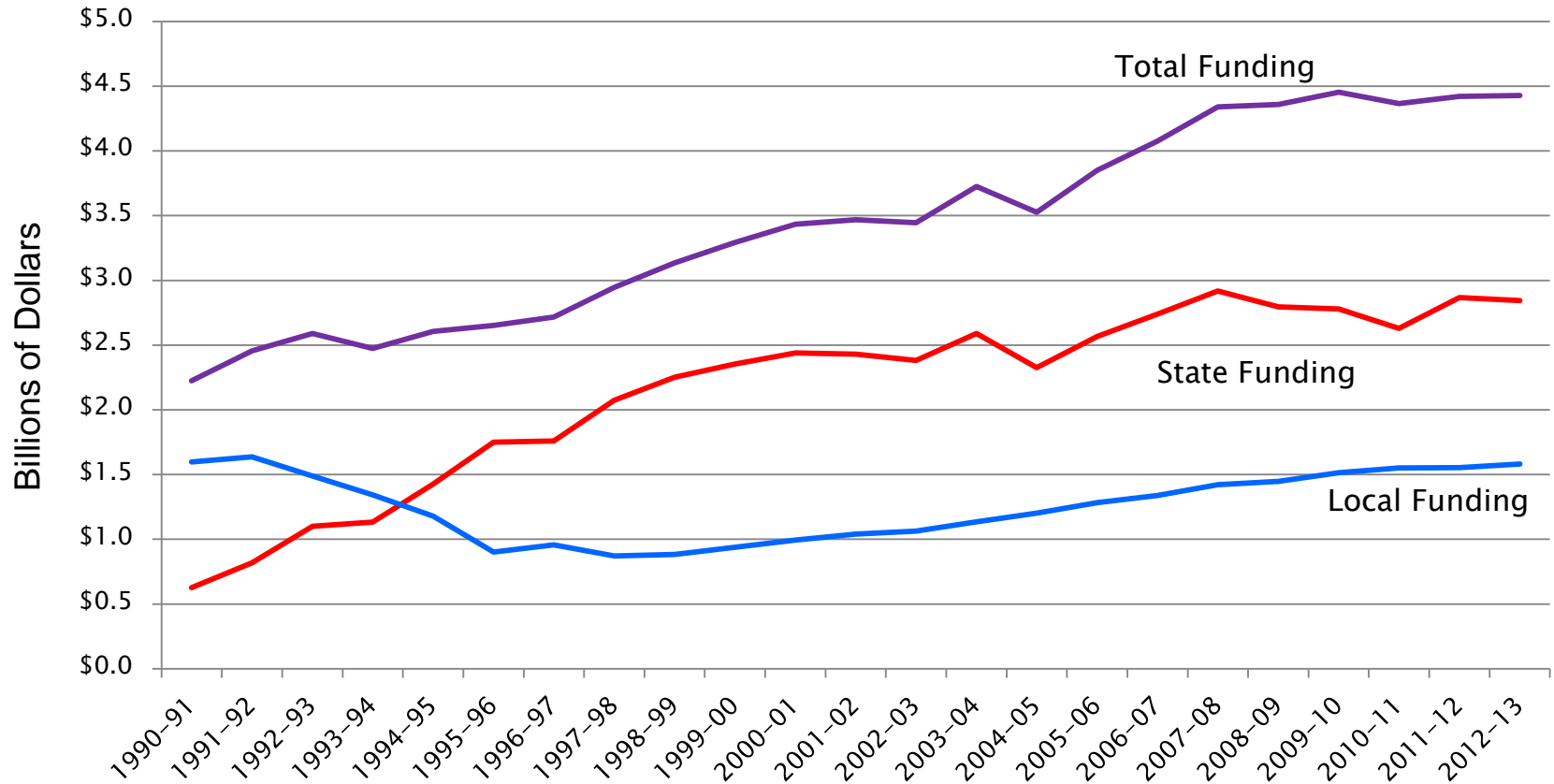
- ▶ 30% Local Revenue (property taxes)
- ▶ 60% State Revenue (income taxes)
- ▶ 10% Federal Revenue

# History of School Funding

## Consequences of Measures 5, 47, and 50:

- ▶ Increased volatility of school funding
  - Shifted funding from property to income tax
- ▶ Made state primary source of school funding
- ▶ Equalized funding across districts

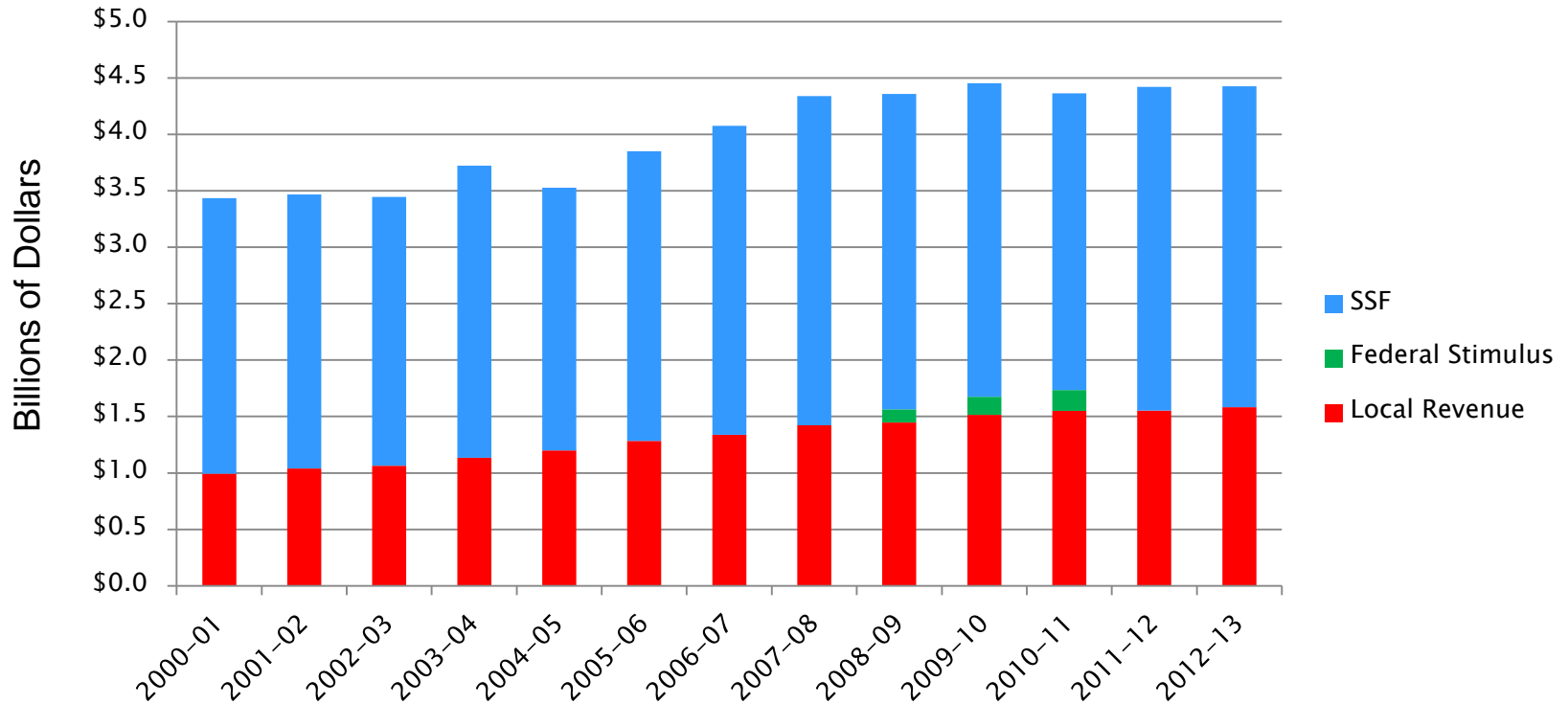
# K-12 Funding 1990-91 through 2012-13





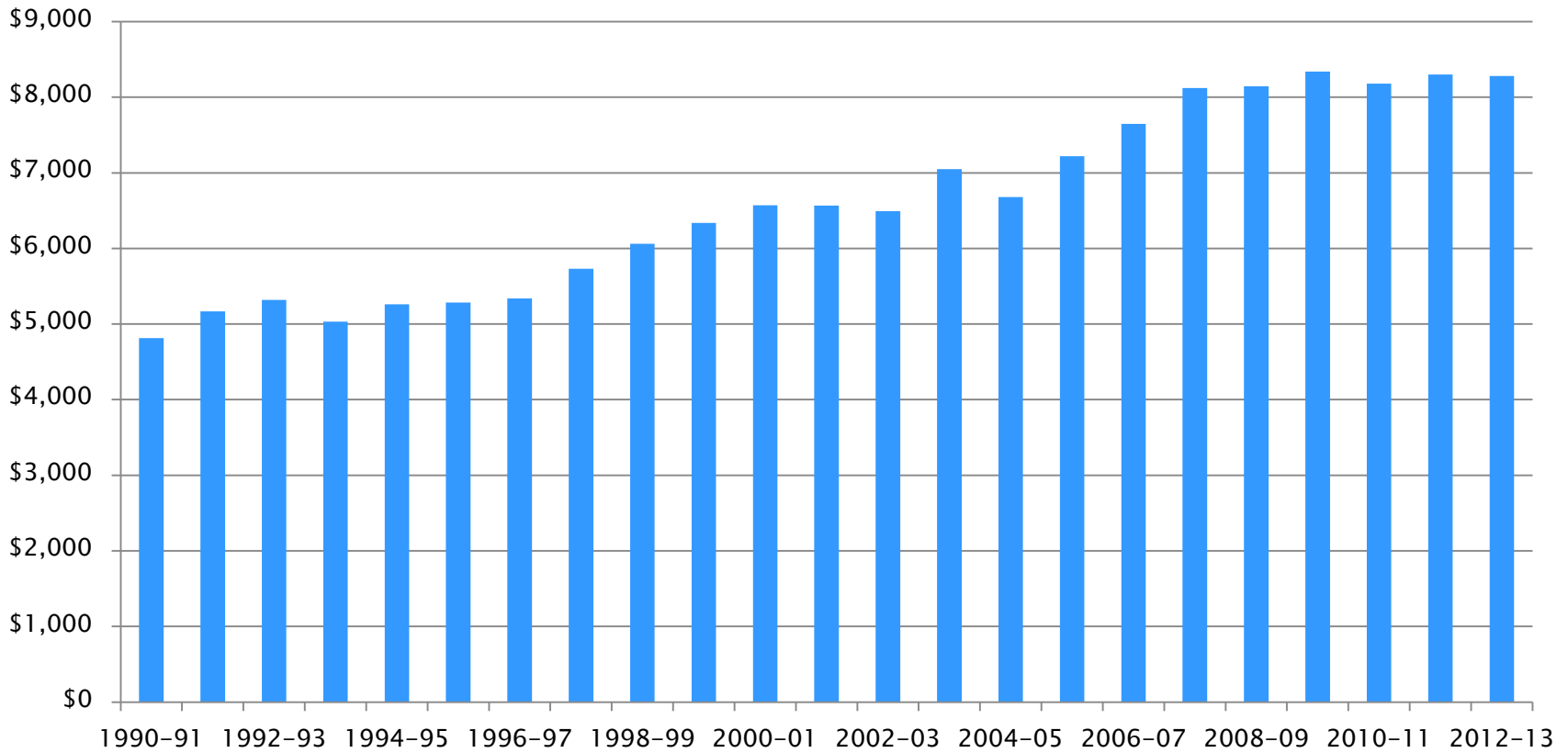
# K-12 Funding with Federal Stimulus

Fiscal Year 2000-01 through 2012-13



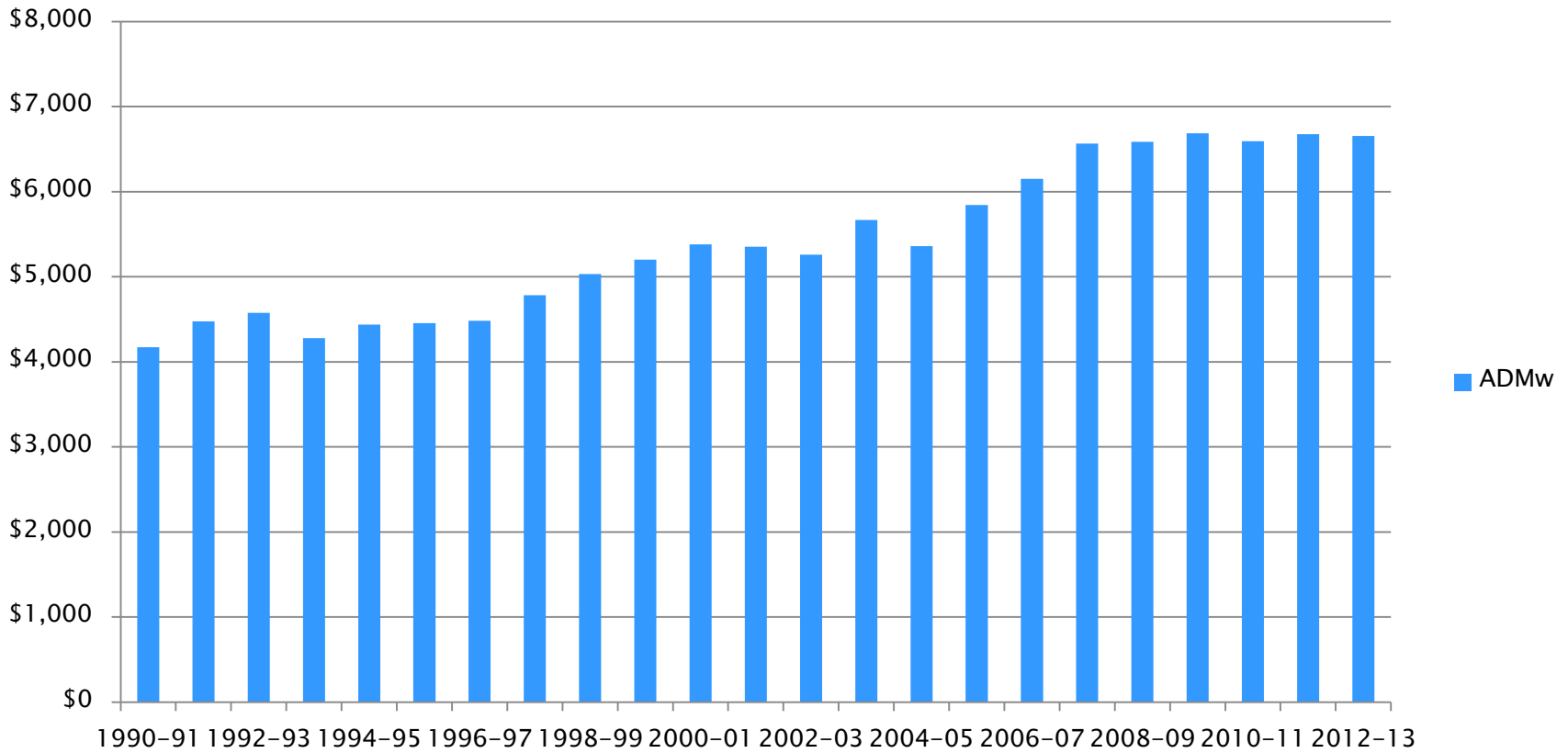
# Historical Funding

## Total K-12 Funding per ADMr



# Historical Funding

## Total K-12 Funding per ADMw



# Goals of School Funding Formula

- ▶ Equalize funding across all districts
- ▶ Equalize funding between districts and education service districts (ESDs)
- ▶ Define equity according to student and district characteristics (weights)

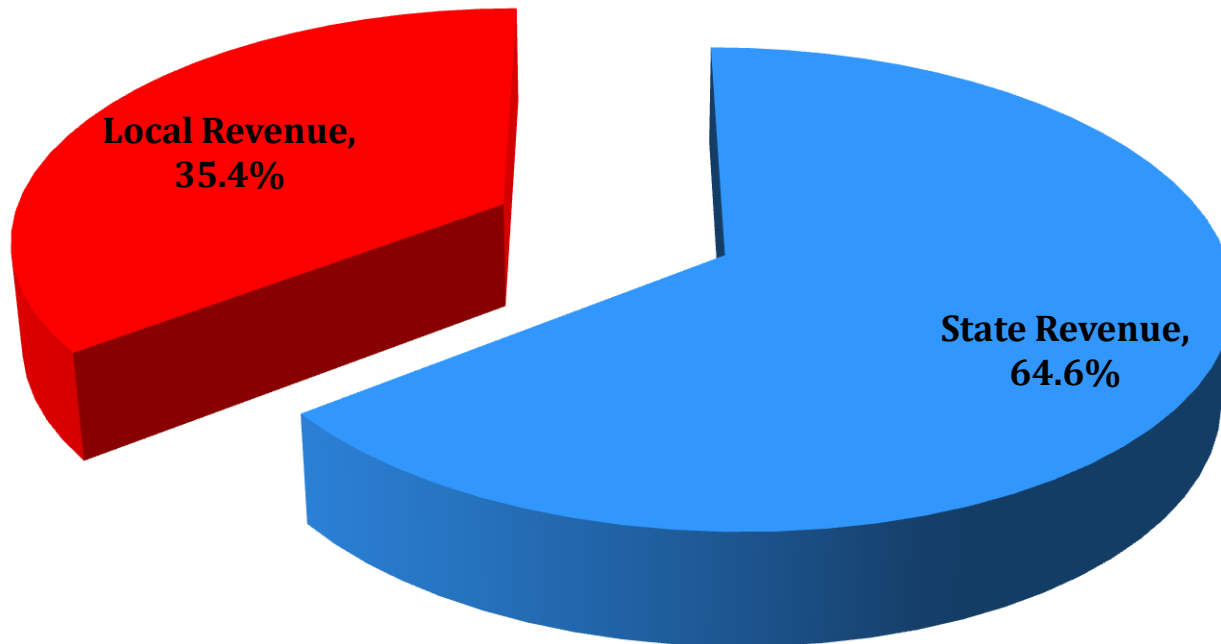
# Distribution Principles

- ▶ Equalize district funding:
  - Distribute all state funding
  - Account for all local revenue
- ▶ Equalize District and ESD funding:
  - Districts receive 95.5%
  - ESDs receive 4.5%
- ▶ District Equity:
  - More weights receive more funding
- ▶ Local Control:
  - Districts control spending decisions unless Legislature states otherwise

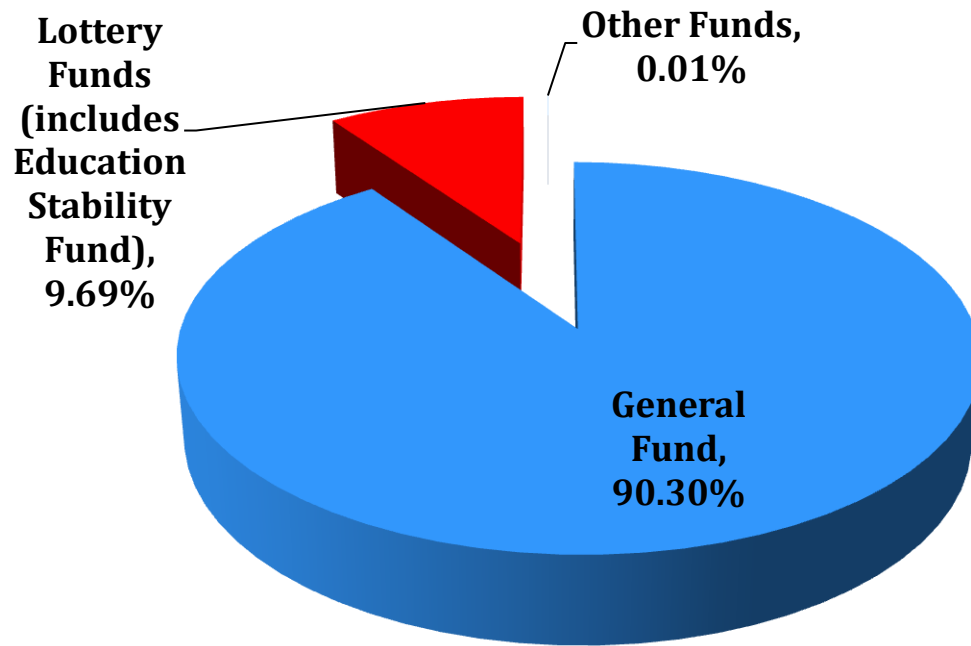
# Formula Is Not

- ▶ A general cost reimbursement
- ▶ A revenue entitlement per student
- ▶ An assurance of funding stability or adequacy
- ▶ A measure of student outcomes
- ▶ An accountability system

# Current State and Local Revenue



# State Revenue (\$5.713 B)

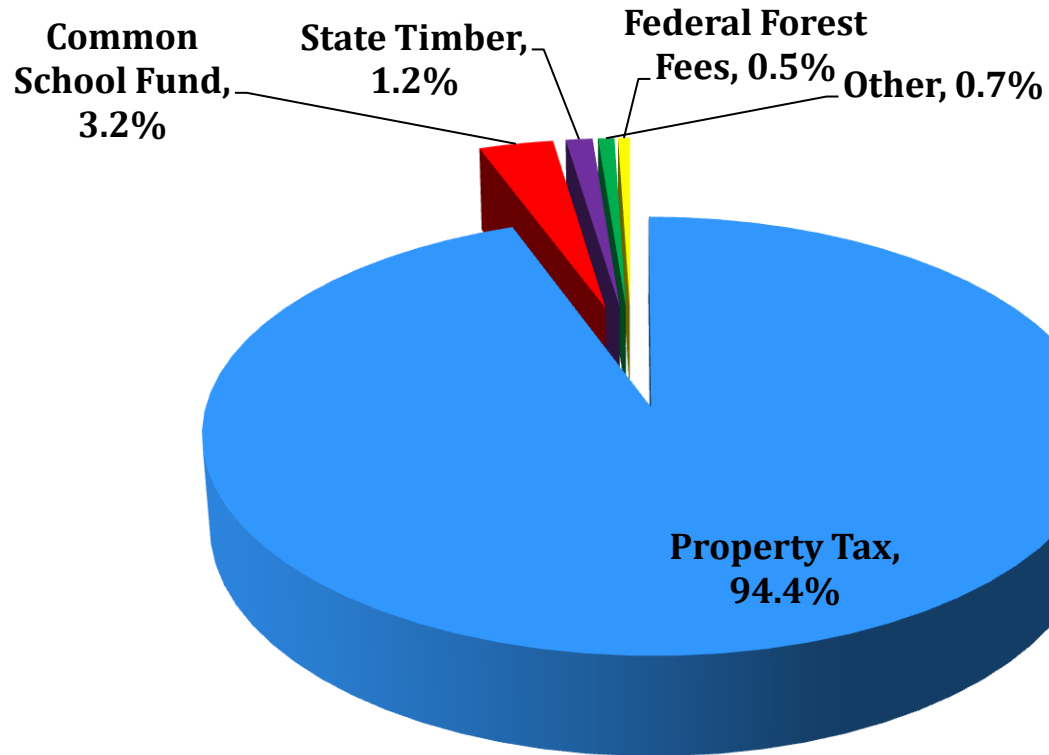


2011-13 Biennium

Includes \$125 million School Year Subaccount Funds



# Local Revenue



Estimated for 2011-13 biennium

# District and ESD Revenue

- ▶ Of the \$5.713 billion in state revenue
  - 95.5% goes to Districts
  - 4.5% goes to ESDs
- ▶ All local revenue stays with the school district or ESD where collected

# State School Fund Components

- ▶ **Carve-outs**
  - Money set aside for specific purposes and grants
- ▶ **Weights**
  - Variables used to determine each district and ESD's share of state school fund

# State School Fund: Specific Programs

- ▶ **Talented and Gifted Education**
  - \$350,000 per biennium
- ▶ **Speech Pathology Program**
  - \$150,000 per biennium
- ▶ **Long Term Care and Treatment and Oregon School for the Deaf**
  - Approximately \$20 million per biennium
- ▶ **Oregon Virtual School District**
  - \$1.5 million per biennium

# State School Fund: Sub-Grants

- ▶ **Small High School Grant**
  - \$2.5 million per year
  - Ends June 30, 2013
- ▶ **High Cost Disability Grant**
  - \$18 million per year
- ▶ **Facility Grant**
  - \$25 million per biennium
- ▶ **Transportation Grant**
  - Based on reimbursement percentages

# State School Fund: Sub-Grants

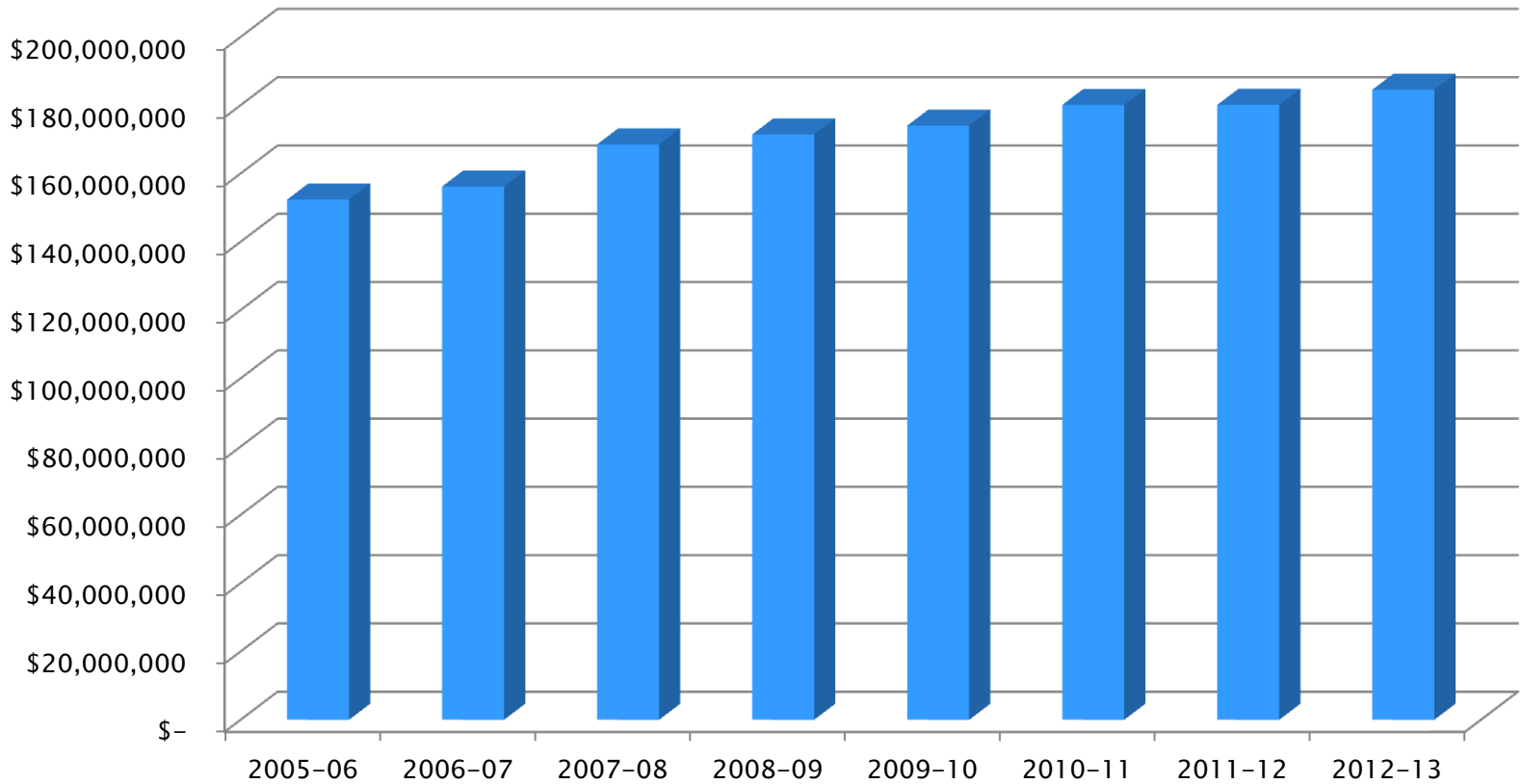
- ▶ **High Cost Disability**
  - Reimburses districts for costs over \$30,000 per IEP student
- ▶ **Facility Grant**
  - Pays up to 8% of construction costs for new classroom furnishings
- ▶ **Small High School Grant**
  - Provides additional funds to small high schools

# State School Fund: Sub-Grants

- ▶ **Transportation Grant**
  - Reimburses eligible transportation costs
  - Reimbursement rates set by costs per ADMr
  - Reimburse at 70%, 80% or 90% of eligible costs

# Transportation Grant

Transportation Grant from 2005-06 to 2012-13



2011-12 and 2012-13 Estimated



# Student Weights

- ▶ Average Daily Membership (resident)
  - Up to 1.0 weight
- ▶ Students eligible for Special Education
  - 1.0 weight up to 11% ADMr
- ▶ Special Education Students above 11%
  - Variable
- ▶ ESL students
  - 0.5 weight

# Student Weights

- ▶ Pregnant and Parenting Students
  - 1.0 weight
- ▶ Students in Poverty
  - 0.25 weight
- ▶ Students in Foster care
  - 0.25 weight
- ▶ Students in Neglected/Delinquent Programs
  - 0.25 weight

# School Weights

- ▶ **Remote Small Elementary School correction**
  - 8 miles from nearest elementary school in same district
  - No more than 28 students per grade
- ▶ **Small High School Correction**
  - No more than 350 students for 4 grades
  - No more than 267 students for 3 grades

# School Weights

- ▶ **Union High School**
  - 1.2 weight per resident Average Daily Membership
- ▶ **Elementary School District**
  - 0.9 weight per resident Average Daily Membership

# Weights

Category	Additional Weight
IEP	1.0
ESL	0.5
Pregnant and Parenting	1.0
Poverty	0.25
Foster Care	0.25
Neglected/Delinquent Students	0.25
Union High School Students	0.2
Elementary District Students	-0.1

# Teacher Experience

- ▶ Recognizes that more experienced teachers may have increased costs
- ▶ Calculation (District Average – State Average)
- ▶ Teacher Experience Factor may be positive or negative value

# District Formula

- ▶ (District ADMw \* (\$4,500 + [\$25 \* (teacher experience difference)] \* funding ratio) - Local Revenue
  - District ADMw: District Weights
  - \$4,500: minimum funding
  - Funding Ratio completely distributes all State School Funds

# ESD Formula

- ▶ Total of component school district grants \*  
4.5%; or
- ▶ \$1 million; whichever is greater



# Questions?