

State School Fund Weights

Work Group Update from Rep. Courtney Neron

June 8, 2021

Oregon House Education Committee

Work Group Goals and Charge:

- ◆ **Identify Equity improvements needed in our school funding dynamics**
 - ◆ **Adequacy**
 - ◆ **School Funding Formula**
 - ◆ **Transparency and Accountability**
- ◆ Centralize conversation on bills relating to the state school fund formula weights
 - ◆ Review SSF weights and make recommendations
 - ◆ Identify if programs exist that might enable a reduction in any weights
- ◆ Offer Legislative Recommendations relative to:
 - ◆ Investments for historically underserved students
 - ◆ Strategy to direct weighted formula spending

Thank you for Participating:

- ◆ 11 meetings (March to May)
- ◆ Participants:
 - ◆ Legislators: Representative Neron, Representative Weber, Senator Frederick
 - ◆ Speaker's Office
 - ◆ OEA
 - ◆ OSBA
 - ◆ COSA
 - ◆ Kairos PDX
 - ◆ Stand for Children
 - ◆ FACT Oregon
- ◆ Essential Staff Support: LPRO, LC, ODE

Agenda Items Discussed:

- ◇ Addition of BIPOC weight
- ◇ Existing funding streams for BIPOC students
- ◇ Lifting of cap on Special Education weight
- ◇ Addition of homeless weight
- ◇ Increasing poverty weight
- ◇ Small school funding grants
- ◇ Whether or how to direct districts' state school fund spending
- ◇ Transparency
- ◇ Accountability to local community (current measures and budgeting process)
- ◇ Overall adequacy of funding, especially relative to equity

*We cannot ensure **EQUITY** in our
state school funding formula
until we ensure **ADEQUACY** of funding.*

- said just about everyone

THEME: Adequacy & Equity

- ◆ "Current Service Level" is "Status Quo" funding and does not consider QEM recommendations.
 - ◆ Adequacy of operational funding declines over time if we do not fully fund CSL each biennium (if previous CSL allocation is used to determine the following biennium roll up costs).
 - ◆ Our Oregon formula includes nuanced weights for equity but struggles with adequacy
 - ◆ General agreement that the formula has merits, yet could benefit from review/update
 - ◆ Equity is a byproduct of adequacy of funding the structure in place
- ◆ There is support to improve equity by adjusting formula weights, IF the legislature can commit to funding the weight changes.
 - ◆ In order to address disparate outcomes across demographics, there is support in the work group for targeted spending to address disparate outcomes. (grant funding and focused improvements)

*"When we add weights but not funding,
it thins the soup."*

-Mike Wiltfong, ODE School Finance Director

Black, Indigenous, Students of Color Weight

- ◇ Anticipated cost for next year would have been \$373 million additional funds
 - ◇ Approximately \$750 million in the next biennium
 - ◇ This estimation does not include students identifying as "Multi-Racial"
 - ◇ Race/Ethnicity data is Self-reported
 - ◇ "Right sizing" can look and feel like a "winners/losers" dynamic unless we fund changes.
 - ◇ Example: Beaverton and Salem-Keizer would gain nearly \$20 million/year, but that money comes from other districts, unless we fund the adjustment in weight.
 - ◇ We don't want underserved students of color in smaller districts to lose funding as we "slice the pie" differently.
- ◇ A Race/Ethnicity-based weight in the formula could prove constitutionally challenging
 - ◇ Consider increasing targeted SIA grant programs and supports for students of color

"For the integrity protection of our children of color, we need to name that this funding is to overcome a broken system... The children are whole, with hope and energy."

-Colt Gill, ODE Deputy Superintendent of Public Instruction

Poverty Weight

- ◇ Reliability of data point is high.
 - ◇ Homeless student data is less reliable due to under-reporting, and other factors.
 - ◇ Responsive through recessions (with a slight lag)
- ◇ Anticipated cost this year would have been \$170 million additional funds
 - ◇ ARPA guidelines allow for direct investment in this weight change.
 - ◇ Stability Consideration: Commits future legislatures to the weight change when ARPA dollars are no longer available.
- ◇ Students in poverty are more likely to be especially deeply impacted by the COVID-19 pandemic over time.

*"Attitudinal and pedagogy shifts can happen **WITH** adequate funding."*

- Roberta Dunn, Fact Oregon

Special Education Weight

- ◆ Special education expenditures don't line up with revenue and allocation to districts.
 - ◆ Many districts have applied for a cap waiver and have 12-15% of students receiving Special Education services.
- ◆ District percent of Special Education capped at 11%
 - ◆ Districts must pull money from other areas of their budget to ensure services over 11%
- ◆ Consideration: Raise cap to 14% or remove cap.
 - ◆ Cap was put in place in 2003. It is time to update.
- ◆ Additional funds/Cost: approximately \$40 million/year per 1% raise

*"It's not only how you slice the pie,
but how much pie."*

-Laurie Wimmer, OEA

THEME: Accountability

- ◇ What does "accountability" mean to various work group members?
 - ◇ Inputs: Adequate Funding from Legislature to match expectations
 - ◇ Outcomes: Measured learning gains and closure of opportunity gaps
 - ◇ Local Processes: Community Responsiveness
 - ◇ Dollars are spent according to community needs
 - ◇ Transparency of how dollars are spent, or indicators used
 - ◇ Disaggregated Audits that tell more of the story
 - ◇ Can School Districts demonstrate that dollars are spent to support students generating the weight?
- ◇ [ESSA](#), [CIP](#), [SIA](#), [M98](#), [Division 22 Assurances](#)

*Just because adequate funds are received equitably,
doesn't ensure they are spent equitably.*

Current Service Level Stabilization

- ◇ [HB2074 \(2019\)](#)
- ◇ Ensure stable school budgets through inclusive and collaborative committee process
- ◇ Reduce wide variation in proposed numbers (\$8.9, 9.1, 9.3, 9.6, 9.8 all proposed in 2021)
- ◇ Legislature-directed,
 - ◇ Agree upon methodology and approaches to determining tentative budget
 - ◇ Consider forecasted local revenues
 - ◇ Project and Anticipate changes in expenses

"Kids are not commodities. We need clarity of approach at the state level."

- Senator Frederick

"We lose millions of dollars every biennia because we are losing pace with inflation."

-Angie Peterman, Oregon Association of School Business Officers

Future Direction of Work Group

- ◇ Accountability at the state level:
 - ◇ How can we ensure adequacy of funding?
 - ◇ CSL Calculation Concept (collaborative/inclusive process)
 - ◇ Prioritize and structure SSF weight changes and additional SIA student success plans
- ◇ Accountability at the local level: How can we...
 - ◇ Ensure robust **community engagement** relative to funding?
 - ◇ Insist District funding decisions are **responsive to community** data and process?
 - ◇ Improve **Transparency** and improve the public's ability to see how dollars are spent?
- ◇ State vs Local oversight mechanisms
 - ◇ A Smart Budgeting Pilot Project could assess money tied to goals, plans, outcomes
 - ◇ Emphasize methods of addressing opportunity and achievement gaps
- ◇ Include OASBO, OSEA in future conversations

Timeline

- ◇ Interim:
 - ◇ Continue to polish LC language for inclusive CSL stabilization process
 - ◇ Work group convene to prepare bill concepts for Short Session 2022
 - ◇ Legislative days updates as needed
- ◇ Short session 2022:
 - ◇ Introducing Current Service Level funding bill for 2022 short session
 - ◇ Introducing equitable spending adjustments for 2022 short session
- ◇ Long term:
 - ◇ Implementation of recommendations

Questions?