



Date: March 22, 2021
To: Sen. Education Committee, Chair Dembrow and Members
From: Laurie Wimmer, OEA Government Relations
RE: *SB 624-1 [Charter School Rate Fix]*

On behalf of OEA's 41,000 members, I'm honored to testify in support of the Dash 1 Amendment to SB 624, which offers a small technical fix to the charter school rate calculation in order to remedy an interpretation problem that has resulted in inequitable distribution of charter school resources.

Late last year, I received information from a really smart business manager that Oregon has been overpaying some charter schools because of interpretation of statutes by the Oregon Department of Education. ORS 338.155 and ORS 327.013 – which address distribution of the State School Fund – was revised in 1999 when Oregon's charter school law was passed in such a way that ODE believed it had to calculate funding for charters located in declining-enrollment school districts in such a way that it results in some weird impacts. Contrary to legislative intent, the actual per-student funding when calculated this way results in the charter school getting far more money in these financially strapped districts than even its host receives on a per-student basis. This amount is also higher than charter schools receive in growing-enrollment districts, which certainly could not have been the intent. You will hear more about this from Keven Strong, the business manager who discovered the problem.

When I approached ODE, I was told that because the formula explicitly says that "the school district's General Purpose Grant per ADMw" does NOT include the word "extended" after ADMw in any of four other instances regarding the weights, this means that ODE assumes that the originators' intent is not to give charter schools the extension but to create a formula in the math that causes the overpayment – counter-intuitively. I believe that neither the original intent of the formula creators in 1991 (before the charter school law was written) nor the formula amenders in 1999 (as part of the charter school law's enactment) intended for host school districts to receive LESS per student than the charters they sponsor (as is evidenced by the official "rack rate" for elementary charters of 80% and for high schools 95%). I believe that they also did not envision creating a disparity in per-student charter funding among charter schools across the state.

According to ODE, the way to fix the math problem is to fix the statutory problem. The amendment before you will do that, according to Mike Wiltfong, the expert on this issue, who I understand is standing by in the event you have technical questions. I want to make clear that our intent is not to over-fund or under-fund charter schools – it is just to fix this technical glitch.

Thank you so much for your support for this remedy.