



## Oregon School Employees Association

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June 24, 2021

Joint Ways and Means Subcommittee on Capital Construction  
Sen. Fred Girod and Rep. Paul Holvey, Co-chairs

Dear Co-chairs and members of the committee:

The Oregon School Employees Association (OSEA) represents more than 22,000 workers in nearly all levels of public education, including Head Start programs, K-12 school districts, ESDs and community colleges. OSEA members perform many of the thankless tasks that keep Oregon public schools safe and functional for students, administrators and teachers.

Through the eyes of the thousands of educators we represent, it's difficult to see that the amendments to House Bill (HB) 5006 have fully prioritized responding to the pandemic and last year's wildfires, which we expected to be at the top of the Legislature's agenda this session. **We appreciate that significant things have been done in various areas, including critical investments in areas that will benefit Oregonians. However, HB 5006 with the -1 amendments still leaves critical education investments undone at a time when the state is exceptionally well-funded.**

We all recall that the passage of the Student Success Act (SSA) in 2019 was supposed to be a turning point for education funding in Oregon. It was made clear over and over that the SSA was to join the core operational funding of the State School Fund (SSF) to improve the overall funding of our school system. The SSA grants were not intended to supplant the essential operational funding of the SSF, but to supplement it, with an eye toward finally approaching the adequacy level recommended in the state's Quality Education Model.

The 2021 Legislative Assembly's budget writers, however, have taken a different approach from that clear legislative intent, using the SSA as a partial substitute for a stable base of operational funding. This choice was made in defiance not only of professional school business officials, relying on a less accurate model of actual current service costs, but also of the Quality Education Commission and its determination of what constitutes a sufficient overall K-12 budget. Our members retained hope that, in the final accounting, the Legislature would recognize that **shortchanging the SSF is detrimental to both students and local economies**, but that hope does not appear to be well-founded. In a record revenue year, it certainly did not have to be this way.

We must note that the Legislature has been provided an economic analysis of the overall benefit to the state of a fully funded school budget, in terms of GDP growth, job creation and new revenue. While the term "unsustainable" has been continually used to defend against full funding, as if our

students' needs were "unsustainable," that analysis demonstrates that a \$9.6 billion budget could reduce the projected \$1 billion structural deficit next biennium by \$800 million.

The \$9.3 billion funding level, unimproved by this bill, also fails to allocate the Corporate Kicker revenues that voters clearly intended to go specifically to public education. The increase in assumed resources from the kicker from March to May should have been used to improve the SSF by more than \$200 million, but it has disappeared, unconstitutionally we believe, "across the entire budget", as was stated on May 12, 2021, by the LFO analyst. We believe that this violates voter intent and a clear constitutional mandate to supply "additional funding" to K-12.

Also missing from HB 5006 is the **promised wildfire stabilization remedy** found in HB 2630, which not only allocated SSA statewide resources to a five-year school stabilization fund for affected districts, but also laid out crucial parameters that eliminated virtual-school enrollees from the count and gave the Department of Education clear guidance for rulemaking in order to determine eligibility. We are extremely disappointed, **especially on behalf of our members in Phoenix-Talent and other fire-damaged communities**, that the needed funding and policy details are absent from HB 5006.

Finally, we supported SB 624 to correct a technical problem in the SSF distribution formula as it pertains to charter school rate calculations. That bill would have corrected a misreading of the intent of the formula to determine a single, equitable per-student charter rate. That fix to the statute would have ensured that declining-enrollment (mostly small and rural) districts didn't lose hundreds of thousands of dollars a year to an **overpayment of funds to charter schools located in their financially struggling districts**. There was nothing financial attached to the remedy and zero opposition, yet the bill languished for months, ignored, in Ways and Means. We had hoped to see it revived in this bill, but instead the rate inequity problem will continue.

We understand that potential exists to resolve these issues in a future session. We hope that, by noting the specific deficits of this bill, attention can be focused on the key ways in which investment in our public school system is neither complete nor adequate, and that there is still time to address these critical issues for the benefit of Oregon's 600,000 public school students.

Thank you for your attention,

Bob Estabrook  
Government Relations Specialist

