

March 11, 2025

Dear Oregon House Education Committee,

I am writing to express my general support for HB 3444, with some suggested modifications.

For background, I have three kids who've attended a K-8 charter school in the Medford School District, and I served on the charter school's board for six years. I served as Board President and Treasurer, and went through two separate charter renewals where we advocated for greater equity in our State School Funding, and were denied both times. In full disclosure, I am also a current candidate running for the Medford School Board.

I am sure that many, many people will speak to the gross injustices with the current charter school funding model, and the "minimum" State School Fund ("SSF") pass-through of 80%. As a data-driven person, I would like to highlight a few facts that may not get as much attention:

1. The National Alliance for Public Charter Schools has analyzed funding disparities across various states. For the 40 states that were analyzed, Oregon ranked 38th in charter school funding disparity (over -\$7,000 per pupil).¹ For small schools who lack economies of scale, this disparity is HUGE.
2. A funding pass-through of 80% may sound generous, but it is in fact misleading. School districts receive funds from the State School Fund ("SSF"), but also local property taxes and other local and intermediate sources. My understanding is that when the State of Oregon allocates funds to districts, they account for these other local sources, and if a district has higher local sources of support, it will receive less of the SSF in the name of "equity." That may be fine and reasonable, but the impact on charter schools is magnified if the district is not sharing those local revenues. For example, in the current Medford School District budget, only 64%² of their funds come from the SSF. So, our charter schools are only getting 80% of the 64%, which is actually 51% of the funds it has available to service students. This is grossly unfair and unjust, and harms the quality and safety of charter school students.
3. Since it has been in the news recently, I would like to bring up the sad and unfortunate collapse of the North Medford High School gym³. As the school district has noted, they recently obtained state funds for a seismic retrofit of the gym, and while the retrofit did

¹ <https://data.publiccharters.org/knowledge-base/4-how-are-charter-schools-funded/>

² <https://resources.finalsite.net/images/v1727136347/medfordk12orus/vjgeuy6bnaxxjcrjoeon/2024-25FINALAdoptedBudget91124.pdf>

³ <https://kval.com/news/local/medford-school-gym-roof-collapses-under-roughly-700000-pounds-of-snow-district-says>

not save the gym from collapse, it likely contributed to the walls not collapsing in as well. In contrast, Madrone Trail Public Charter School currently operates on a property and in structures that are older than the North Medford High School gym. A few years ago, we applied for the same seismic grant that the school district did, and we were denied, simply because those funds were not available to charter schools. Even when we seek out our own sources of revenue, we are often denied and discriminated against. Charter schools house public school students as well. Our meager budget already does not permit us to proactively upgrade our facilities and fixtures, and catastrophes like a gym collapse are waiting to happen, which puts public school students at risk.

At our last charter renewal and attempt to secure more funding from our sponsoring district, we were denied, and were told it was for two reasons. First, MSD's enrollment was down, and it was "just a bad time to ask." Second, because if they granted our request, then the other charter schools in the district would want more as well, and that would be politically difficult for them. I would like to address both these items in turn.

First, as someone who works in business, any business person will tell you that you should focus on the things are doing well, where demand is high. When excluding charter schools, the Medford School District is the only district in our county to have declining enrollment four years in a row. In contrast, the four charter schools of the district are at full enrollment capacity, and have waitlists. People are voting with their feet, and common sense would indicate that funding should be allocated to the programs and schools that are most desirable and working the best, and not the initiatives that are underperforming. If educational competition is good for everyone, then we need to level the playing field, not tip it in favor of the organizations who already have a huge advantage and economies of scale.

Second, which relates to my suggested modifications for HB 3444, is to address the funding disparity across charter schools. Charter schools have the flexibility to create different educational models, and that is great. I am all for finding solutions that work best for different families.

However, educational dollars are not being used efficiently and equitably, even in the charter school world. If you consider what the SSF has represented for decades, it is the necessary amount of money required to educate students in a traditional brick-and-mortar model, with student/teacher ratios somewhere in the range of 18:1. With the constant push of technology improvements, and exacerbated by the shift to stay at home during the COVID pandemic, there has been a proliferation of charter schools offering online and home-based instructional models. For example, Fossil Charter School has enrollment over 1,900, compared to the town's population of under 500, and a student/teacher ratio of 43:1. Baker Web Academy has over 2,900 students in a town of 10,000 people, with a student/teacher ratio of 26:1. With the lack

of facilities to maintain, and more scalable, and thus it is highly dubious as to whether online schools *require* the same level of funding to service their students. Sponsoring school districts are clearly happy to have the extra funds, and who knows how they get allocated productively.

Similarly, some schools like Logos have pioneered a 'school for home-schoolers' model, where parents and students may be providing the primary instruction, and the school may not even need to pay for teachers, much less facilities. If a family decided to pull their kids from public schools and home school them, they would receive \$0 in state funding. However, if you put your child in a school with a home-based model, all of a sudden you get full charter school funding based on the sponsoring district, with modest amounts of accountability, but lacking in critical other requirements such as mandated instructional time.

It is very evident that school districts realize they are losing the battle against charter schools, and are attempting to get into the game to secure their funding sources. Medford School District launched their Medford Online Academy in the wake of COVID, and continues to service 129 students at a much lower cost than other site-based students. Medford has also recently launched an initiative to attract "home school families, with support." The "support" is unclear, but it is clear that traditional school districts are recognizing where the funding dollars are going, and trying to get their cut, with little accountability.

To be clear, I really don't have a problem with these educational models. However, I think it is unrealistic to conclude that online and home-based schools require the same level of funding as brick-and-mortar schools. Rather than pit districts and charter schools against each other and fight over the funding, I believe that the only way to unleash the true potential of charter schools, and use tax dollars efficiently, would be to have two or three levels of SSF funding, based on the educational delivery model, regardless of whether the school is run by the district or a charter school. Until that is realized, there will continue to be a misallocation of educational funds, and a constant tension between districts and charter schools to compete over easy money.

Sincerely,

Erik Johnsen

Candidate for Medford School Board

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