



SCHOOL FUNDING TASK FORCE

April 24, 2014

Hearing Room A, State Capitol Building, Salem, OR

Members Present:

Sen. Richard Devlin, Chair
Sen. Fred Girod
Rep. Betty Komp, Vice-Chair
Rep. Sherry Sprenger
Kelly Devlin
John W. Hayes, Jr. PhD.

Steven Isaacs
Claire Hertz
Bobbie Regan
John Rexford
Sena Norton
Michael Wolfe

Members Excused:

Heidi Sipe

Staff:

Brian Reeder, Asst. Supt., Research & Data
Analysis, ODE

Jan McComb, Legislative Coordinator, ODE
Michael Elliott, Fiscal Analyst, ODE
Michael Wiltfong, Director, School Finance, ODE

The task force convened at 1:07 pm. Heidi Sipe was excused.

Chair Devlin reviewed the agenda. The testimony from the prior meeting raised a number of issues. Staff are here to describe the programs and take questions.

WEIGHTS & CARVEOUTS

Brian Reeder, Assistant Superintendent, Office of Research & Data Analysis, ODE

Reeder reviewed the existing weights in the distribution formula and “carve outs” from the State School Fund (handouts). Oregon funds *weights* not students directly, although students generate weights. There are a few elementary-only districts and high school-only districts; they get weights of .9 and 1.2, respectively. Most districts are at the 11% cap for special education; the average is about 13%. Small high schools and small and remote elementary schools get additional funding as student-teacher ratios tend to be small and costs are higher.

Reeder explained that carve-outs were funds that were carved off the top of the State School Fund before the SSF was then distributed to districts. Some are fixed amounts specified in law and some fluctuate. He reviewed the individual carve-outs (handout). They total, roughly, \$257 million or 9% of the SSF.

Discussion:

- Whether certain DHS programs will move to ODE (no).
- Definition of poverty.
- Whether all the weights were created at the same time (yes).
- That a district might end up with different types of students; the mixture can make a difference.
- Teacher experience and how that factor effects funding, particularly smaller districts (data request).
- The purpose of the High Cost Disability Grant.
- The effect of the additional \$98 million for schools.

SMALL HIGH SCHOOL GRANT

Mike Wiltfong, Director, School Finance, ODE

Wiltfong reviewed the small high school grant. Districts with one or more small high schools receive these. The grant is outside the SSF—it’s a carve out. It is scheduled to sunset; in the past it has always been renewed. It is currently scheduled to sunset in two years. 81 districts qualified for the grant. No application is necessary.

Discussion:

- No discussion.

TALENTED & GIFTED

Rebecca Blocher, Education Specialist, Talented & Gifted, ODE

Blocher reviewed the Talented and Gifted statutes and how TAG students are funded (handout). Typically, TAG represents 3-8% of the population. Oregon has been within the national range, but the total number of identified TAG students continues to decline. More boys are identified than girls; it is an equity issue. About 40,000 students in Oregon are identified—that’s equal to the Salem-Keizer School District or the Beaverton School District. The \$350,000 allotted does not include her specialist travel and membership to organizations. There’s no federal money for TAG students. Children of color are underidentified. It’s an equity problem. ODE is asking for TSPC to create a certification in TAG for teachers.

Discussion:

- Whether districts can use money from other weights to fund TAG programs (yes).
- Legal TAG requirements and why districts are not identifying more students.
- The definition of TAG and what constitutes a TAG student—testing at the 97% percentile level on a nationally-normed test.
- Whether TAG funding should be included in the distribution formula.
- Desirability of having more data points to identify TAG students.
- Colorado and its TAG programs.
- Lag in identifying children until after 3rd grade state test. Many districts are doing a good job.
- TAG practices.

- If the state appropriated \$3 million, what would be the most effective means to spend it?
- Cost, types, names of assessments to identify TAG students.

YOUTH CORRECTIONS/JUVENILE DETENTION EDUCATION

Mitch Kruska, Director, Educational Programs

Kruska stated he was there to answer any questions that had arisen during the previous meeting's testimony. Chair Devlin asked several questions.

Discussion:

- Whether children can be placed in non-profit facilities and receive funding through the SSF.
- Challenges that face JDEP facilities, including getting education records from prior schools and transitioning youth out.
- Youths in youth corrections stay longer, and are a captured audience and you see more success for them.
- The difference in weighting; JDEP is 1.5 and YCEP is 2.0.

LONG TERM CARE AND TREATMENT (LTCT)

Mitch Kruska, ODE,

Kruska introduced himself; he's a psychologist who previously worked for the Springfield School District. He's had a great deal of experience with these types of kids. He described the long term care and treatment programs and its funding (see slides). There are 47 sites providing residential or day treatment throughout Oregon. The Department of Education is responsible for providing education to students in these programs. ODE contracts with ESDs and school districts to provide the education. Funding for the 2013-14 school year was based upon a student estimate of 1150 students, but only 878 students were actually served.

In 2013-14 LTCT Contractors received funds from the following sources:

- General Fund (\$7,406,935)
- State School Funds (\$8,663,460)
- Federal Funds (\$1,972,823) (Title I-D & IDEA)
- For Total Funds of \$18,043,218

Additionally, in the 2009-11 biennium the LTCT contractors left \$1,461,028 unclaimed, and in the 2011-13 biennium the LTCT contractors left \$1,683,804 unclaimed. Using the existing 2013-14 LTCT funding formula this equates to \$13,687 per student per year for a day treatment student and \$15,642 per year per student for a residential student. For comparison, the SSF 2013-14 average per student formula equates to \$6,521 per regular student per year or \$13,042 per special education student (avg. x 2) per year.

HB 5201 directed ODE to inform the School Funding Task Force what were the "actual costs of providing adequate and comparable education services" under the LTCT programs. It is difficult to arrive at an actual cost because it is difficult to identify a comparison group. Instead, ODE chose to approach this

question from the standpoint of identifying an adequate service level necessary to serve this population and then extrapolate costs from this information. ODE defines adequate service levels as one certified teacher and two instructional assistants (IA's) for every 8-10 LTCT students. For populations of 10-15 students, one teacher and three IA's. For populations of 16-20 students, two teachers and four IA's, etc. This ratio was determined based upon general practices currently used in the field and commonly considered to be adequate. Based on this approach, for example, Ashland would need \$1,714,332 for the biennium; it received \$1,307,367 in LTCT funding.

Kruska then reviewed different funding approaches for LTCT.

Make no changes.

Change the "service factors" such that they are both 2.0 (now 1.75 for day and 2.0 for residential).

Run the funding through the formula with a 2.4 weight.

Discussion:

- What services Medicaid pays for.
- Whether teachers are "highly qualified" and whether this is included in the calculation.
- Net Operating Expenses and how per-student funding is calculated.
- Possible reasons for invoicing less than appropriated.
- What happens to unexpended funds?
- How to define adequate service levels for these programs.
- Adequate service levels; theoretical costs using average teacher salaries.
- The history of the LTCT funding formula in rule.
- How would the proposed staffing compare with special education students?
- On what the proposed adequate service level is based.
- Whether ODE was following the statute.
- Administrative rules and legislative oversight.
- Whether FIRST Robotics received its grant from ODE
- The 1.75 and 2.0 weight, and the rationale for them being different or should they be the same..

OBSERVATIONS OF THE DEPUTY SUPERINTENDENT

Rob Saxton, Deputy Superintendent of Public Instruction,

Saxton testified that he listened to the public testimony at the prior meeting and wanted to comment on some of the issues raised, particularly special education and English language learners (handout). What impacts student achievement? Response-to-Intervention is effective. More districts are using RTI. Another program is SWIFT, a program out of Kansas that involves multi-tiered instruction. These programs reduce the number of students identified as special education students. As a state, we over-identify special education students. What can we do about the formula to change this? He suggested a block grant for special education, with a cap, perhaps at 11 or 12%. If you identify fewer students than 11-12%, districts would still get the money. That's the incentive to do a good job of identification. There would need to be an exception process.

Saxton stated that Brian Reeder had researched ELL individual student performance. Reeder discovered that students who exit LEP status prior to entering high school graduate at very high rates, higher even

than students who had never been LEP. The data suggests that schools need to start early and go hard and help students exit ELL before high school. It takes longer than three years to become proficient; it's more like seven years. He would like to see more dual language programs. It takes longer for them to exit the program, but when they do exit, they have better outcomes than regular students.

Discussion:

- Ability of rural districts to compete for grants.
- Whether a block grant would work for a small district.
- Whether larger districts can serve ELL students effectively with fewer dollars.
- Whether schools should get more money for the first 50 or 100 students, with economies of scale.

SUBCOMMITTEE UPDATES

Equity

Devlin stated that subcommittee met and had a robust discussion. Staff have created a first draft of observations and recommendations. The subcommittee will meet again to fine tune the language. There are different achievement levels among districts so funding alone isn't the entire issue. It is easier to adjust weights when there is adequate funding.

English Language Learners

Rexford reported on the ELL subcommittee. They reviewed initial information; the 1.5 weights appear to be working with some exceptions, such as refugees. They have requested more data and will have a follow up meeting.

High Cost Disabilities

Wiltfong reported that the subcommittee met, they have tentative recommendations but plan to meet again. The tentative recommendations are to look for additional sources of money and then reduce the grant threshold from \$30,000 to \$25,000 and have a target rate of 80% reimbursement; it's about 42% now.

NEXT STEPS, MEETING SCHEDULE

The next meeting of the task force will be in two weeks, Monday, May 12. National school funding expert John Meyers will talk to the task force about other states.

ADJOURN

Chair Devlin adjourned the committee at 3:10 pm