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# The Impact of Oregon State School Fund Spending on Disparities between Black, Indigenous, and People of Color (BIPOC) Students and Non-BIPOC Students

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Final Report

**ECONorthwest**

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# Executive Summary

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Through House Bill 5006 (2021), the Oregon Legislature required the Oregon Department of Education (ODE) to conduct “a study of the impacts of State School Fund spending and to determine if this spending pattern results in disparities between students who are Black, Indigenous, or People of Color (BIPOC) and those who are not BIPOC students.”<sup>1</sup> ODE contracted with ECONorthwest to lead the study and appointed a State School Fund (SSF) Advisory Committee comprising individuals representing educational advocacy and community groups with experience working with historically underserved students.

The study is focused on equity, specifically, on how funding policies and procedures affect equity in resource allocation and in student outcomes, rather than the overall adequacy of funding. This focus coincides with national interest in and a growing body of research on the topic. Recent research on the relationship between school spending and outcomes underscores that money, and how the money is spent, matters. In multiple recent studies, Oregon’s system of school finance, which includes the SSF as well as other components, is characterized as neutral: the average BIPOC or low-income student could expect resources roughly equal to those for an average non-BIPOC or affluent student.

## Quantitative analysis findings

Findings from the quantitative analysis generally agree with existing research identified in this report. We also explored the potential effects of alternate General Purpose Grant (GPG) funding-formula weights. Important findings include the following:

- **Oregon’s SSF allocation method is slightly progressive—but close to average among states—with respect to race and ethnicity.** BIPOC students attend schools with total per-student expenditures that are, on average, 3.5 percent higher than do non-BIPOC students, although outcome disparities remain significant. The literature provides insight into the potential benefits of this type of spending progressivity.
- **Adding a hypothetical BIPOC weight of 0.5 to the GPG funding formula could, on average, increase expenditures in schools that BIPOC students attend by 1.4 percent.** This and similar modeling can be useful for understanding how changing formula weights might affect resource allocation.<sup>2</sup> This change could reduce test score gaps on statewide assessments by 9 percent across all BIPOC students. Part of the closure would occur because some (including some BIPOC) students would attend schools with relatively lower expenditures, reducing achievement. Increasing SSF resources to maintain stable funding in districts with relatively few BIPOC students could mitigate this side effect.
- **The proportion of teachers who identify as BIPOC (12 percent in 2021-22) remains far below the BIPOC share of enrollment (41 percent in 2021-22).** About one-fifth (22 percent) of BIPOC

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<sup>1</sup> For the purposes of this study, “State School Fund spending” is interpreted to mean spending of the SSF General Purpose Grant (GPG), which accounts for 95% of district formula revenue. See full report for more detail. The Oregon State School Fund is Oregon’s largest investment in public education. It provides about 80 percent of general operation dollars for school districts and education services districts (ESDs), with the remainder coming from local revenues. The primary sources of the fund are the state’s general fund, lottery resources, and marijuana taxes.

<sup>2</sup> This study did not include an assessment of the legal prohibitions and requirements associated with race-based policies.

students were taught by at least one race-congruent teacher in 2021-22.<sup>3</sup> Our analysis suggests benefits associated with aligning student and teacher demographics. Specifically, we find evidence of a small but statistically significant increase in on-time high school graduation associated with having a race-congruent teacher. These and other findings warrant further investigation as the state seeks to understand how best to close long-standing outcome inequities.

## Engagement findings

A survey and interviews revealed several key findings. First, school districts do not track expenditures of SSF GPG separately from expenditures of other general fund revenue at the school, staff, or student level, complicating efforts to measure the impact of SSF funds on equity efforts. District representatives cited the complexity and administrative burden of separating SSF funds from other funding sources as a major obstacle to more-detailed tracking.

Second, participating school district representatives generally believe that districts' general fund distribution rules and practices, along with other initiatives, are narrowing racial and ethnic disparities in educational outcomes. Representatives of larger districts and those with a higher percentage of BIPOC students were more likely to agree with this statement. Many districts rely on other funds, such as Student Investment Account (SIA) funds, to support equity-based efforts.

Third, school district staffing and funding formulas are primarily based on student enrollment and class sizes. Any remaining funds are often dedicated to meeting specific needs such as culturally relevant sports opportunities or safety needs. Only one district reported using a specific staffing formula that considers equity. This formula is based on economic need and poverty.

Last, most district representatives described insufficient funding levels, with limited resources to meet all students' core needs and allocate additional funding to equity measures. Small districts and those with a higher percentage of underserved and BIPOC students face greater challenges due to structural racial and economic injustices.

## Conclusion

School districts in Oregon do not track expenditures of SSF GPG separately from expenditures of other general fund revenue at the school, staff, or student level, making it difficult to determine with certainty whether spending patterns result in disparities between students who are BIPOC and those who are not BIPOC. State and local laws and policies such as formula weights, class size ratios, and required programming drive state and local resource distribution to schools, leading to a slightly progressive—but close to average among states—resource allocation with respect to race and ethnicity.

In light of persistent, long-standing outcome inequities between Oregon's BIPOC and non-BIPOC students, some school districts have district-level equity plans and equity directors. Representatives of many school districts—especially smaller districts—report insufficient levels of funding for additional initiatives. Research referenced and applied to Oregon in this report indicates that additional resources, and the ways in which resources are allocated, can play a role in addressing long-standing outcome inequities.

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<sup>3</sup> Having a race-congruent teacher means that the student and teacher share the same race and ethnicity (as defined in the data).

# 1. Study Background

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Through House Bill 5006, the Oregon Legislature provided the Oregon Department of Education (ODE) with funding “...for a study of the impacts of State School Fund spending and to determine if this spending pattern results in disparities between students who are Black, Indigenous, or People of Color (BIPOC) and those who are not BIPOC students.”<sup>4</sup> Following direction in the HB 5006 budget note, ODE appointed a State School Fund Advisory Committee “with representatives from various educational advocacy and community groups with experience working with historically underserved students.” The Committee met five times between October 2021 and August 2022.

ODE contracted with ECONorthwest to lead the study; the Committee and ECONorthwest met together from September 2022 to May 2023. An interim report was submitted in December 2022.<sup>5</sup> This final report to the Legislative Assembly describes the study methodology and findings and includes seven sections:

- **Research questions:** The questions guiding the quantitative and qualitative data collection and analysis.
- **Literature review:** A summary of existing research on the impact of funding and other factors on educational outcomes, including state-level comparisons.
- **The Oregon State School Fund:** A description of the fund: its structure, formula, and components.
- **District selection:** The list of focus districts for the study and a description of the criteria and process used to develop the list.
- **Quantitative analysis:** The analysis completed and the methodology, with a focus on quantifying and communicating the relationships among revenue, spending, staff and student characteristics, and student outcomes.
- **Engagement:** A description of the engagement activities that underlie the study, including the survey and qualitative data collection to complement the quantitative analysis.
- **Conclusion:** Final thoughts and potential next steps.

Data collection for the mixed-methods study began with interviews of state-level public education system employees to refine the study approach, identify important statewide trends, and collect perspectives on the extent to which State School Fund (SSF) allocation leads to inequitable outcomes. We then conducted district-level engagement and administered surveys of district business manager, superintendents, and school board members. We rounded out our

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<sup>4</sup> For the purposes of this study, “State School Fund spending” is interpreted to mean spending of the SSF General Purpose Grant (GPG), which accounts for 95% of district formula revenue.

<sup>5</sup> *Interim Study of the Impact of Oregon State School Fund Spending on Disparities between Black, Indigenous, and People of Color (BIPOC) Students and Non-BIPOC Students*, <https://www.oregon.gov/ode/schools-and-districts/grants/Documents/2022%20State%20School%20Fund%20Advisory%20Committee%20Report.pdf>

analysis with a quantitative analysis of the relationships between spending and educational outcome disparities in Oregon.

Two notes about the focus of this project: First, this study is focused on equity, specifically, on how funding policies and procedures affect equity in resource allocation and in student outcomes. This study is not about adequacy; the state created the Quality Education Commission to address questions of resource adequacy.

Second, the budget note specifies a focus on SSF spending patterns. SSF revenue can be identified at the district level but not at the school level, where SSF funds are blended with other general fund revenue sources (e.g., the Common School Fund, County Timber revenue). For this reason, SSF revenue cannot be tied directly to specific school-level expenditures. Throughout this report, we isolate SSF revenue where the data allow. When the data do not allow isolating SSF funds, we focus on revenue and expenditure aggregates that include SSF revenue and as little else as possible (e.g., school-level general fund expenditures are made largely, but not exclusively, using SSF revenue).

This study provides policymakers with insights into current conditions as well as findings, suggested by existing research and the study data and analysis, related to improving transparency and reducing identified disparities.

## 2. Research Questions

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The research team developed the following key questions to guide the activities of the study:

1. What are the impacts of state laws and local policies and procedures on state and local resource distribution to schools?
2. What else influences how districts allocate resources to schools?
3. To what extent can revenue sources be tied to expenditures at the school level?
4. Based on the available data and evidence, what racial inequities exist and what adverse effects do BIPOC and Tribal students experience?

## 3. Literature Review

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The literature review was a first, foundational step in addressing the legislative request and informs the subsequent analytic and investigative tasks.

The legislative inquiry triggers three, high-level questions:

First, the use of “impacts” assumes that different amounts of State School Fund spending affect important student outcomes. While this seems intuitive, the precise relationship between educational resources and outcomes has been long debated. So, the first question is: *does money matter?* Disparities in resources are concerning to the extent we have strong evidence that resources drive achievement, attainment, or other important educational outcomes.

Second, the inquiry calls for a review of how resources find their way from the state to a student, leading to the next question: *what are the formulas and budget allocation rules that determine how money flows to schools?* Understanding how resources flow from the state to a student may help with identifying the cause(s) of observed spending disparities.

And a third question, which is at the heart of the legislative request, asks: *have state and district-level finance policies, in Oregon and other states, led to measurable disparities in per-student funding—especially among BIPOC and non-BIPOC students?* Past studies have investigated spending disparities based on household income, but nascent research drawn from a newly assembled, national database on school-level expenditures offers an initial look at differences by race and ethnicity.

The following sections address each of these questions in turn.

## Question 1: Does money matter?

The connection between increased spending on schools and improved student outcomes seems intuitive. Yet, until recently, the dominant narrative emerging from the education research world was that increased school spending had unknown or limited impacts on student outcomes.

The skepticism around school spending and its link to student outcomes perhaps originated with the seminal 1966 Coleman Report.<sup>6</sup> The report—conducted in response to the *Brown v. Board of Education* decision to examine inequity and segregation in schools—involved a large, cross-sectional sample of schools and concluded that schools have little impact on student outcomes and that families and peers are the greatest determinants of student performance.

Even as technological advancements allowed for more rigorous statistical methods in research following the Coleman Report, researchers continued to come to mixed conclusions or find little connection between increased school spending and improved student outcomes. Eric Hanushek, a researcher from Stanford University, consistently concluded that there was no strong relationship between increases in school resources or spending and student outcomes, saying “...[t]he accumulated research simply says there is no clear, systematic relationship between resources and student outcomes.”<sup>7</sup>

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<sup>6</sup> Coleman, James et al. (1966). *Equality of Education Opportunity*. U.S. Department of Health, Education, and Welfare. Washington, DC.

<sup>7</sup> Hanushek, Eric (2015). “Education, Economics of.” Hoover Institution, Stanford University, Stanford, CA, USA.



Until the mid-2010s, Hanushek was regarded as one of the leading voices on the research literature around school spending and student outcomes, although researchers were far from a consensus on the topic. In 2015, however, new research emerged that claimed to show a systematic relationship between school resources and student outcomes.

Jackson, Johnson, and Persico (2015) published a study<sup>8</sup> that provided:

*“...[C]ompelling evidence that money does matter and that better school resources can meaningfully improve the long-run outcomes of recently educated children. At the same time, our results also suggest that money alone might not improve outcomes because the effect of any spending increases will depend on exactly how funds are spent.”*

The study’s publication in the National Bureau of Economic Research (NBER) Working Paper Series generated considerable discourse in the world of education research and recent findings from a growing body of literature have supported Jackson, Johnson, and Persico’s findings.

Jackson, Johnson, and Persico employed event-study and instrumental variable models to determine that a 10 percent increase in per-pupil spending for twelve years of public-school education is associated with 0.27 more completed years of education, 7.25 percent higher wages, and a 3.67 percentage-point reduction in the annual incidence of adult poverty. In addition, they found these results are more pronounced for children from low-income families. Further, they found a positive link between increased school spending and measures of school quality, such as smaller class sizes, increased teacher salaries, and longer school years.

More recent research by Jackson and others has corroborated these findings. Miller (2017) estimated that a 10 percent increase in school spending can raise graduation rates by 3 to 5 percentage points and can raise student test scores by 0.07 to 0.09 standard deviations.<sup>9</sup> In 2018, Jackson and his co-authors linked funding declines related to the Great Recession to an end of decades-long growth in student test scores. In their most recent research, Jackson and Mackevicius’s (2021) results suggest that a four-year increase in per-pupil spending translated into higher test scores or educational attainment in 90 percent of cases. As the tide of the research literature has shifted, findings increasingly indicate that money does matter when it comes to education.<sup>10</sup>

However, how money is spent also matters. The research underscores how funds are invested has substantial impacts on school quality and student outcomes. Jackson, Johnson, and Persico

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<sup>8</sup> Jackson, Kirabo C., Johnson, Rucker C., and Persico, Claudia (January 2015). *The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms*. National Bureau of Economic Research Working Paper Series.

<sup>9</sup> Past studies have suggested achievement growth of about 1.0 standard deviation per year in the elementary grades. Miller, Corbin (2017). *The Effect of Education Spending on Student Achievement: Evidence from Property Tax Wealth and School Finance Rules*.

<sup>10</sup> Jackson, Kirabo and Claire Mackevicius (2021). *The Distribution of School Spending Impacts*. NBER Working Paper 28517. National Bureau of Economic Research. Cambridge, MA.

(2015) report that investments that result in decreased class sizes, higher teacher salaries, and longer school years have the greatest chance of boosting student outcomes.

Research from the Hamilton Project through the Brookings Institution found that preschool programs and reductions in class sizes for younger children improved high school graduation rates later. For older children, enhanced school choice and interventions in math often boosted high school graduation rates.<sup>11</sup>

## Question 2: What are the formulas and budget allocation rules that determine how money flows to schools?

For much of the 20<sup>th</sup> Century, financing of public elementary and secondary schools was highly localized and drew on local property tax bases that varied across cities and communities. That began to change with the 1971 *Serrano v. Priest* case and the California Supreme Court's ruling that the quality of a child's education should not depend on her neighborhood's property tax wealth. The California case led to a series of successful funding equity lawsuits and reforms across the United States. The following decades saw an increase in the state-level role in school finance, and the development of policies that sought to equalize funding across students according to need.<sup>12</sup>

In Oregon, local property tax limitations enacted in the early 1990s resulted in the state becoming the largest funder of K12 education and, coincident with the larger role, the legislature enacted a K12 school equalization formula that sought to promote resource equity across students and schools with varying needs and operational environments. Four principles guided the development of the formula:<sup>13</sup>

- Share all school funding statewide (combine and allocate all state and local general operating revenue)
- Let school districts decide how to spend their allocation (distribute state aid in a lump sum rather than in categorical grants)
- Create funding differences only for uncontrollable cost differences (justify revenue differences in a rational manner)
- Avoid incentives for school districts to increase their allocation (minimize number of classifications<sup>14</sup> and set limits)

The equalization formula, and the associated rules that govern district uses of the resources, are the key drivers of K12 revenue and spending patterns across Oregon schools. The balance of

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<sup>11</sup> Schanzenbach, D., Boddy, D., Mumford, M., and Nantz, G. (2016). *Fourteen Economic Facts on Education and Economic Opportunity*. The Hamilton Project.

<sup>12</sup> Skinner, Rebecca R. (August 26, 2019). *State and Local Financing of Public Schools*. Congressional Research Service. Congress of the United States. Washington, D.C. page 10.

<sup>13</sup> For a complete description of the State School Fund distributional rules see Legislative Revenue Office (July 2020) *K12 and ESD Finance*. State of Oregon. Salem, OR.

<sup>14</sup> For example, student types such as special education and ELL.

this section explores how Oregon’s equalization formula compares to those of other states and how district-level budgeting policies affect student-level spending.

### State school finance programs

State school finance programs, most of which aim to improve resource equity, fall into five categories: foundational programs, full state grants, flat grants, district power equalization, and categorical grants. Thirty-seven states, like Oregon, rely primarily on foundational programs, which require some level of local taxing effort, state equalization aid, and local “leeway” funds<sup>15</sup> (i.e., a limited allowance to raise local taxes beyond what is required by state law).<sup>16</sup>

Most state finance programs seek to equalize spending on a per student basis, and many consider varying student, operational, and programming needs through weighted formulas. A weighted formula directs additional state dollars to districts with higher resource needs. The most common weights direct resources to English language learners, students from families with low incomes, and students with special needs. Summaries of state distribution formulas by the Congressional Research Service (see Exhibit 1) and the Education Commission of the States<sup>17</sup> indicate no state has adopted a weight based on a student’s race or ethnicity.

Oregon’s formula provides ten student cost weights and makes additional adjustments to account for differential levels of teacher experience and the enrollment of students with high-cost disabilities.<sup>18</sup>

During the 2021-23 biennium, the legislature approved \$13.9 billion in formula-related funding.<sup>19</sup> But as in other states, Oregon school districts have access to other state and local resources as well. The legislature approved \$1.7 billion in state-funded, K12 grant-in-aid resources during the biennium — much of that funded by the recently enacted Corporate Activity Tax. Additionally, localities will raise an estimated \$1.5 billion in local revenue that falls outside the State School Fund (i.e., local property tax options, fees, grants, and donations). Interstate comparisons of funding equity, discussed in the next section, consider all the resources available to school districts.

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<sup>15</sup> In Oregon, leeway funds are known as the Local Property Tax Option.

<sup>16</sup> Skinner (2019)

<sup>17</sup> See <https://www.ecs.org/50-state-comparison-k-12-and-special-education-funding/>, accessed November 11, 2022

<sup>18</sup> The ten weights are: special education, English language learners, pregnant and parenting, students in poverty, neglected and delinquent students, students in foster homes, kindergarten if half day, elementary district students (districts that do not offer a high school), union high district students (high schools serving elementary district students), and small schools.

<sup>19</sup> That is, \$9.3 billion in the State School Fund, which adds to \$4.6 billion in local property tax revenue.

**Exhibit 1: Number of states assigning pupil weights or target dollar amounts in their state school finance programs to pupils in selected categories**

<b>Pupil Category</b>	<b>Number of States (Verstegen Survey)</b>	<b>Number of States (ECS Study)</b>
English learners	23	37
Low-income	22	35
Disabilities	22	29
Selected grade levels	21	na
Pupil population sparsity (small schools or LEAs)	12	20
Career and Technical Education program	8	na
Other disadvantaged pupils (foster, transient, pregnant, homeless, migrant, neglected, or delinquent)	6	na
Gifted and talented	4	13
Low-achieving	3	na

Source: Skinner (2019). *State and Local Financing of Public Schools*. Table prepared by Congressional Research Service based on data from Deborah A. Verstegen, *A Quick Glance at School Finance: A 50 State Survey of School Finance Policies*, 2018, <https://schoolfinancesdav.wordpress.com/>, and from Education Commission of the States, *50-State Comparison: K-12 Funding*, August 5, 2019, <https://www.ecs.org/50-state-comparison-k-12-funding/>

Notes: An individual state may be counted in more than one category. Based on the Verstegen survey, at least 32 states used one or more of the pupil categories. Based on the ECS survey, 42 states, the District of Columbia, and Puerto Rico used one or more of the pupil categories.

na: Not applicable, as this pupil category was not included on the ECS survey.

### District-level allocation approaches

While state-level formulas play key roles in funding equity, some school finance researchers have contended district budget allocation rules are similarly important. Many states, including Oregon, give districts discretion in the use of formula funds and, by design, have no formal process to determine if resources, delivered through the weights, reach the intended students.

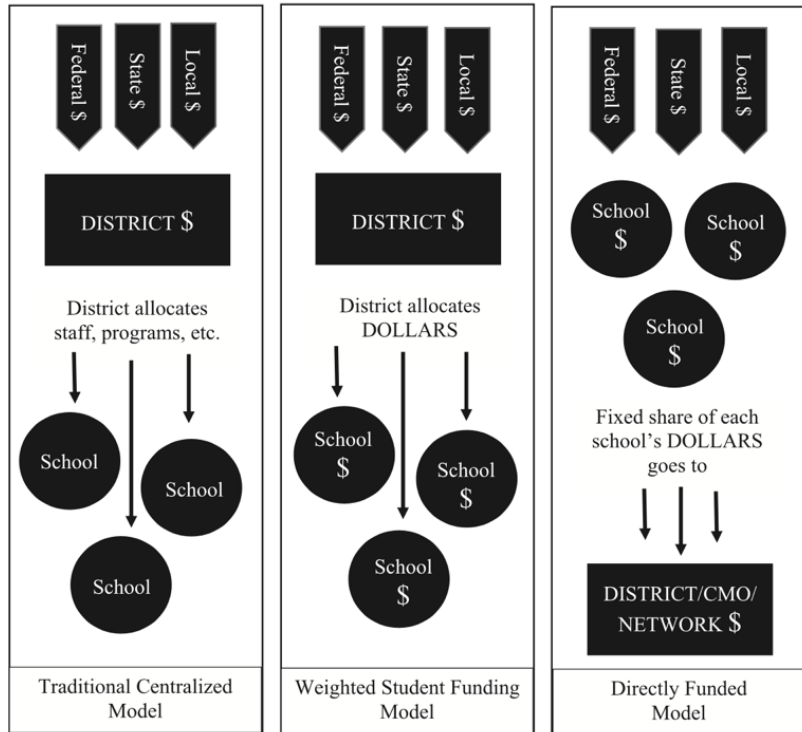
In seminal research, Marguerite Roza and Paul Hill found that methods used by districts to establish school-level budgets could contribute to spending inequities at the student level. Specifically, they focused on the implications of using average, district-wide teacher salaries when establishing a school’s budget—rather than the actual salaries of the teachers who serve in the school. In four school districts, they found that longer tenured and higher paid teachers were disproportionately concentrated in lower poverty / higher performing schools. In Seattle, for example, their analyses show that teachers in the district’s wealthier Northeast zone earned 8.8 percent more than teachers in the lower income Southeast zone. Similar patterns existed in Baltimore City, Baltimore County, and Cincinnati.<sup>20</sup> The report concluded with calls for action at

<sup>20</sup> Roza, Maguerite and Paul Hill (2004). “How Within-District Spending Inequities Help Some Schools to Fail. *Brookings Papers on Educational Policy*. No. 7. Pp. 201-227.

the district, state, and federal levels, including annual reports of actual spending on staff and resources deployed in individual schools.<sup>21</sup>

More recently, Roza and others have found district-level allocation methods fall into three categories: traditional centralized models, weighted student funding models, and directly funded models (see Exhibit 2). In the Traditional Centralized Model, districts deploy staff, programs, and services to individual schools. Through emerging Weighted Student Funding Models (WSF), districts send a portion of their funding to schools—in the form of dollars rather than staff—based on the number and type of students in the school. And in the Directly Funded Model, which is often used to fund charter schools, funds are allocated directly to schools.<sup>22</sup>

Exhibit 2. How schools receive resources: Three allocation approaches<sup>15</sup>



The WSF model, in its design, addresses some of the school-allocation concerns raised by Roza and Hill (2004). It originated in Edmonton Canada in 1976, was implemented in Seattle in 1997, and now operates in various forms in 30 districts across the U.S. Most districts that use the WSF allocate less than half of their resources through weighted-dollar formulas and still rely on traditional methods, including average teacher and staff salaries.<sup>23</sup>

Research on the effectiveness of WSF to foster equitable funding is still in early stages. A forthcoming paper in the *Peabody Journal of Education* will compare funding equity in WSF and non-WSF comparison districts.<sup>24</sup>

<sup>21</sup> Ibid pp 216-218

<sup>22</sup> Roza, Marguerite et al. (Spring 2021). "Variation is the Norm: A Landscape Analysis of Weighted Student Funding Implementation" *Public Budgeting and Finance*. Wiley Periodicals.

<sup>23</sup> Ibid, page 6

<sup>24</sup> Permission has not been granted by the author to cite the findings of associated working paper.

## Question 3: Have finance policies led to disparities in per student funding—especially between BIPOC and non-BIPOC students?

Calculations of intrastate funding inequities have been key inputs to finance reform lawsuits during the past 50 years and are used in the federal formula that distributes Title I-A funding.<sup>25</sup> Early research centered on differential state and local revenue delivered to school districts in high and low-poverty areas. Emerging research, built on newly available revenue data, attempt to measure inequities by income, race, and ethnicity at the school level. Despite deploying varied technical methods, the studies draw similar conclusions on the relative progressivity<sup>26</sup> of state funding systems.

### Equity studies using district-level data

In recent years, the Albert Shanker Institute at Rutgers University, the Education Law Center, the Education Trust, and the Urban Institute have issued equity, or fairness, studies of state school finance systems. The studies evaluate revenue equity within states at the district level and deploy different methods. For example, the Shanker Institute simulates funding for a high-poverty district (i.e., 30 percent child poverty rate) compared to districts with no child poverty.<sup>27</sup> Similarly, the Education Law Center compares average per student revenue in high and low-poverty districts—defined as higher than 30 percent and less than 5 percent poverty, respectively.<sup>28</sup> The Education Trust sorts districts by their child poverty rates and compares revenue per student in the top-quartile high-poverty districts to revenue per student in the bottom-quartile, low-poverty districts.<sup>29</sup> And the Urban Institute calculates a statewide weighted average revenue per poor and non-poor child by multiplying district average revenue, for every district in the state, by their shares of poor and non-poor students.<sup>30</sup> The studies do not include federal revenue but, rather, document the state and local fiscal context in which the targeted federal investments are made.

Despite the variations in the calculation methods, rankings of relative progressivity are comparable across the reports. Alaska, Minnesota, South Dakota, and Utah report a sizable resource advantage (e.g., up to 20 percent more per student<sup>31</sup>) in districts with higher shares of low-income students. Conversely, Alabama, Florida, Illinois, Missouri, Nevada, New

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<sup>25</sup> Skinner (2019), page 15

<sup>26</sup> Researchers typically define progressivity as the degree to which the average low-income student attends districts that are better funded than districts that the average non-poor student attends.

<sup>27</sup> Baker, Bruce et al. (December 2021). *The Adequacy and Fairness of State School Finance Systems. Fourth Edition School Year 2018-19*. The Albert Shanker Institute. Rutgers University Graduate School of Education. New Brunswick, NJ.

<sup>28</sup> Farrie, Dannielle and David Sciarra (January 2022). *Making the Grade 2021: How Fair is School Funding in Your State?* Education Law Center. Philadelphia, PA.

<sup>29</sup> Morgan, Ivy and Ary Amerikaner (February 2018). *Funding Gaps 2018: Too Many Students Do Not Get Their Fair Share of Education Funding*. The Education Trust. Washington DC.

<sup>30</sup> Chingos, Matthew and Kristin Blagg (May 2017). *Do Poor Kids Get Their Fair Share of School Funding?* The Urban Institute. Washington, DC.

<sup>31</sup> Morgan & Amerikaner (2018)



Hampshire, and Rhode Island are characterized as regressive—with the average poor student attending districts that are less well funded than districts that the average non-poor student attends (e.g., Illinois per student funding in high-poverty districts is 22 percent lower than funding in low-poverty districts<sup>32</sup>).

The analyses place Oregon in the middle of the distribution, with characterization ranging from slightly regressive to neutral or moderately progressive (see Exhibit 3). These interstate findings include all sources of state and local revenue and, in Oregon’s case, are not limited to revenue distributed through the State School Fund.

**Exhibit 3: Revenue per pupil in districts with high and low shares of students in poverty, Oregon, various years**

	High Poverty Districts	Low Poverty Districts	Difference	% difference (high poverty revenue relative to low poverty revenue)
Rutgers (2019\$)	*	*	*	-6%
Education Law Center (2019\$)	13,062	14,152	-1,090	-8%
Education Trust (2015\$)	*	*	*	5%
Urban Institute (2014\$)	12,119	11,980	139	1%

Source: Baker (2021), Figure 19; Farrie (2022), Figure 2; Morgan (2018), Figure 1; Chingos (2017), Table A.1. \*Per student revenue amount not reported

The reports note that although most distribution formulas have progressive features (e.g., weights for poverty status and other student characteristics that correlate with poverty status), other aspects of the funding system can offset progressivity. In Oregon’s case, local revenue that is outside the SSF—the local option tax, fee grants, and donations—may mitigate the progressive features of the funding formula. An analysis of those revenues is not the central focus of the legislative inquiry.

The Education Trust replicated its analysis to evaluate equity in resources for BIPOC and non-BIPOC students. As with their poverty-focused analysis, they sorted each state’s school districts by their share of BIPOC students and then compared revenue in the highest BIPOC-share districts (top quartile) to the lowest BIPOC-share districts (bottom quartile). The report characterized Louisiana, Ohio, and New Jersey as progressive (i.e., higher revenue per student in high-BIPOC-share districts) and Illinois and Nebraska as regressive. The report deemed Oregon neutral.<sup>33</sup>

### Equity study using district and school-level data

The Every Student Succeeds Act (ESSA) requires states to provide data on per-student spending for every public school in the United States. Proponents of the provision argued spending transparency would support equity and school improvement goals. Georgetown University’s

<sup>32</sup> Ibid

<sup>33</sup> Ivy and Amerikaner (2018), page 11

Edunomics Lab has consolidated state data submissions in the National Education Resource Database on Schools (NERD\$).<sup>34</sup>

Research incorporating the new school-level data are just emerging. In August 2022, Kenneth Shores and collaborators combined 2018-19 NERD\$ data with three other federal datasets to evaluate spending equity at the federal, state, and local levels.<sup>35</sup> The research is among the first to evaluate spending equity—based on income and race/ethnicity—*within school districts*. Using the Civil Rights Data Collection series, the study also examined student-teacher ratios and the distribution of novice teachers (i.e., fewer than three years of experience) across schools.

The research found K12 resource distribution, at the national level, is regressive for low-income, Black, and Hispanic students because those students live disproportionately in states with low per-student expenditures. However, within states and within districts, spending on low-income, Black, and Hispanic students is progressive.<sup>36</sup> At the district level, Black and Hispanic students receive \$487 and \$266 more per student than white students, respectively. And students eligible for Free and Reduced-Price Lunch (FRL) receive \$355 more than non-FRL students.

Notably, the analysis indicated that Black, Hispanic, and FRL-eligible students were exposed to more teacher resources, measured by total teacher salaries. But the generally progressive exposure to teachers had two important features: those students were generally placed in smaller classes (or otherwise experienced lower student-teacher ratios), but they were also exposed to higher shares of novice teachers. About 20 percent of teaching personnel for Black, Hispanic, and FRL student are novices.<sup>37</sup>

A supplementary analysis estimated equity expenditure gaps at the state level. The findings for Oregon are like those discussed in the previous section: funding is roughly neutral, with the state spending more, but not a statistically significant amount more, on Black students compared with white students.

## Conclusion

The legislative inquiry into revenue and spending equity for BIPOC and non-BIPOC students in Oregon coincides with similar national interest and a growing body of research on the topic. Recent research on the relationship between school spending and outcomes underscores that money, and how the money is spent, matters. With a new, clearer understanding of the ties

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<sup>34</sup> Hadley, Lucy et al. (2020). *A Moment of (Early) Truth: Taking Stock of School-By-School Spending Data*. Edunomics Lab. Georgetown University. Washington, DC.

<sup>35</sup> Shores, Kenneth A., Hojung Lee, and Elinor Williams (2022). *The Distribution of School Resources in the United States: A Comparative Analysis Across Levels of Governance, Student Subgroups, and Educational Resources*. Retrieved from Anneberg Institute at Brown University.

<sup>36</sup> For example, Utah has low overall spending per student and contributes to national regressivity, but within the state, distributes its limited resources progressively.

<sup>37</sup> Shores (2022), page 18



between spending, achievement, and attainment, the investigation of how dollars flow from states to districts to schools to students has taken on a new urgency in Oregon and elsewhere. In the current study, we can start from a place of understanding that money matters.

According to multiple analyses conducted during the mid to late 2010s, Oregon's system of school finance, which includes the State School Fund as well as other components, is characterized as neutral: the average BIPOC or low-income student could expect resources roughly equal to those for an average non-BIPOC or affluent student. Those averages hide important variations across districts that this study uncovers.

## 4. The Oregon State School Fund

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The State School Fund is the Oregon Department of Education's largest investment in public education.<sup>38</sup> The fund provides about 80 percent of general operation dollars for school districts and education services districts (ESDs), with the remainder coming from local revenues. The primary sources of the fund are the state's general fund, lottery resources, and marijuana taxes.

As noted above, this finance system evolved in the early 1990s to compensate school districts and ESDs for the loss of property tax revenue due to limitations imposed by Measure 5 and Measure 50, passed in 1990 and 1991, respectively. Prior to the passage of these measures, Oregon's educational system was funded primarily through local revenues.

Since 1991, school district funding has been allocated through an equalization formula required by Oregon statute. The formula, largely unchanged since its initial passage, is designed to equalize per student district funding, compensate districts for student and district characteristics that may impose greater costs, and maintain local control over spending decisions. While the allocation amounts are determined through state statute, districts and ESDs largely have discretion over how the dollars are spent.

### Fund structure

Both school districts and ESDs receive allocations from the SSF. Statutorily, school districts receive over 95 percent of the funding. The District Formula Revenue, or Equalization Funding, comprises four grants, the General Purpose Grant (GPG), the Transportation Grant, the High-Cost Disability Grant, and the Facility Grant. School districts receive grant funding based on formulas determined by state statute. The state contribution to the GPG is balanced against local revenues, with higher-revenue districts receiving less grant funding. Additional SSF allocations are known as carve-outs or off-the-top expenditures, as they flow directly to specified

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<sup>38</sup> Sources for this section include the following:

Legislative Revenue Office (July 2020). *K-12 and ESD School Finance: State School Fund Distribution*. State of Oregon. Wiltfong, Mike. *Overview of the State School Fund*. Oregon Department of Education.

Legislative Committee Services (September 2012). *Background Brief on Funding K-12 Schools*. State of Oregon.

programs, separate from the four grants that make up District Formula Revenue. These additional allocations include, for example, the Educator Advancement Fund, the English Language Learn Program, the Healthy School Facilities Fund, and the Small School District Supplement Fund.

The General Purpose Grant makes up just over 95 percent of SSF funding. It is provided net of the other three grants, which are considered set asides. There are no constraints on how districts can spend this money and funding is primarily determined by the number of students in average daily membership (ADM) (weighted by certain student characteristics and controlling for average teacher experience) multiplied by a \$4,500 per student funding target. The GPG is the focus of this study, as it is the primary component of a district's formula revenue, and its use is not constrained at the district level.

The Transportation Grant is specifically to cover the cost of transporting students. The Transportation Grant makes up nearly 4 percent of SSF funding and uses actual transportation costs to determine the allocation amount. Eligible expenses include transporting students from home to school, between schools, or on field trips.

The High-Cost Disability Grant is intended to compensate school districts for the increased costs of serving students with disabilities where actual costs exceed \$30,000 per student.<sup>39</sup> These grant dollars are provided specifically for students with high-cost disabilities in addition to allocations provided through the General Purpose Grant for students enrolled in special education.

Finally, the Facilities Grant (about 0.1 percent of the SSF) provides for school districts that are adding facilities to expand classroom space. These dollars are meant to compensate districts that have rising costs due to increasing student populations.

## Grant formulas

Since 1991, SSF dollars have been allocated through formulas designed to provide school districts with allocations that are fair and adequate based on the district's size and specific student needs, while also accounting for local revenue levels.

### General Purpose Grant

The General Purpose Grant, which makes up the majority of the SSF school district funding, is allocated through a formula that accounts for the local revenue a school district already

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<sup>39</sup> The grant only covers a portion of expenses over \$30,000 per student. Coverage varies from year to year depending on grant size (currently fixed at \$55 million per year) and district expenditure levels. In 2021-22 the grant covered about 50 percent of eligible costs.

receives.<sup>40</sup> School districts receiving more local revenue will receive smaller General Purpose Grant allocations.

Exhibit 4 shows the student cost weights used in the General Purpose Grant formula. The first column shows the additional weights that are added to 1.0 to result in weighted student ADM, or ADMw (second column). Special education students, for example, are weighted at double non-special education students.<sup>41</sup> These weights are based on the estimated additional cost to districts to serve these student populations. Some student populations, such as kindergarteners enrolled in half-day programs, reduce a district’s total General Purpose Grant allocation.

**Exhibit 4. Additional Weights and Weighted Student ADM**

Student Characteristic	Additional Weight	Total Student Weight (ADMw)
Special Education	1.0	2.0
Pregnant and Parenting	1.0	2.0
English Language Learner	0.5	1.5
Students in Poverty	0.25	1.25
Neglected and Delinquent	0.25	1.25
Students in Foster Homes	0.25	1.25
Kindergarten if Half-Day	-0.5	0.5
Elementary District Student	-0.1	0.90
Union High District Student	0.2	1.20
Small School	Varies	Varies

Source: Oregon Legislative Revenue Office

The weighted ADM is multiplied by a \$4,500 student target with an adjustment for average teacher experience within the school district.<sup>42</sup> The adjustment for teacher experience helps to account for the higher salary cost associated with longer-tenured teachers. The adjustment is calculated as \$25 multiplied by the difference between the average number of years of teacher experience in the district and the average number of years of teacher experience at the state. Exhibit 5 shows a simplified version of the General Purpose Grant formula.

<sup>40</sup> These local revenues include local property taxes, Common School Fund revenue, federal forest revenue, county trust forest revenue, ESD shared revenue, and supplantable federal funds.

<sup>41</sup> No student can account for more than 3.0 total weights (2.0 additional weights). Only a subset of weights count toward the cap and it is rarely if ever reached in practice. In addition, with some exceptions the extra weights for special education are applied only up to the statutory cap of 11 percent of enrollment. Statewide, about 15 percent of students are identified as special education.

<sup>42</sup> The per student funding is based on a \$4,500 target but is adjusted based on actual funding available through the SSF and may be greater or less than the target itself.

## Exhibit 5. Simplified General Purpose Grant Formula



Source: Oregon Legislative Revenue Office

## Transportation Grant

The Transportation Grant reimburses school districts for expenses incurred in transporting students. The grant is calculated based on actual transportation expenses. Districts receive funding for up to 90 percent of eligible transportation costs.

The share of a district's eligible transportation costs the grant will cover ranges from 70 to 90 percent. To determine whether 70 percent, 80 percent, or 90 percent of a school district's transportation expenses are funded, districts are ranked by their transportation costs per student. Those in the highest decile with the highest costs receive 90-percent funding. Districts in the next highest decile receive 80-percent funding. All other districts receive 70-percent funding. Rural districts, with higher transportation expenses, tend to have a greater share of their expenses funded. Exhibit 6 shows a simplified graphic illustrating the Transportation Grant formula.

## Exhibit 6. Simplified Transportation Grant Formula



Source: Oregon Legislative Revenue Office

## High-Cost Disability Grant

The High-Cost Disability Grant is calculated by summing the per-student costs in excess of \$30,000 by district. The High-Cost Disability Grant is calculated using actual costs. For 2020-21 school year and onward, the state legislature capped the total grant amount at \$55 million (the cap was increased from \$35 million in 2015-16 and \$18 million in 2007-08).

If actual costs exceed the legislative cap, grants are pro-rated. Actual costs often exceed the legislative cap by a large margin, leading to only a portion of high disability costs being funded. Exhibit 7 shows a simplified graphic illustrating the High-Cost Disability Grant formula. Students with high-cost disabilities tend to be concentrated in urban areas where more services are available, which places a disproportionate amount of the costs on these districts.

## Exhibit 7. Simplified High-Cost Disability Grant Formula



Source: Oregon Legislative Revenue Office

## Facilities Grant

The Facilities Grant helps cover the cost of new school facilities for districts with rapidly growing student populations. The grant will cover 8 percent of facilities cost, excluding land. Over the last two decades, the grant has undergone several reductions and was capped at \$7 million for the 2019-20 school year. If 8 percent of facilities costs exceeds the \$7 million cap, grants will be prorated. Exhibit 8 shows a simplified graphic illustrating the Facilities Grant formula.

## Exhibit 8. Simplified Facilities Grant Formula



Source: Oregon Legislative Revenue Office

# 5. District Selection

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To help guide our analysis and abide by the budget note direction to “review variations in school level spending across multiple types of expenditures across 25 school districts,” we developed criteria and selected 25 districts and five alternates (in case one or more districts declined to participate).

## Criteria for selection

We selected districts that exhibit a reasonable range of variation along several dimensions: racial diversity, linguistic diversity, geography, enrollment size, student socioeconomic status, teacher demographics, and observed disparities in funding and outcomes. Due to data availability we were not able to thoroughly assess variation in teacher demographics in developing the list of districts below, but completed that assessment during the quantitative analysis that followed. Only districts with average daily membership (ADM) greater than 500 were considered, so that study participants (e.g., interviewees and survey respondents)

represent a larger number of students—and a larger number of BIPOC students—from across the state.<sup>43</sup>

Selection proceeded as follows, using a combination of quantitative and qualitative approaches:

1. Select the five districts with the largest 2019-20 BIPOC enrollment
2. Select ten districts from across the range of the estimated spending gap between BIPOC and white students (focusing on the most extreme)<sup>44</sup>
3. Select ten districts from across the range of outcome disparities between BIPOC and white students (focusing on the most extreme)
4. Review list to ensure variation in the factors listed above and adjust as necessary
5. Add five additional districts as alternates if one or more of the initial list declines to participate

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<sup>43</sup> Districts with ADM below 500 represent about 2 percent of total enrollment across the state. In addition, data on outcomes for smaller districts, and therefore smaller numbers of students, are less available publicly and less reliable.

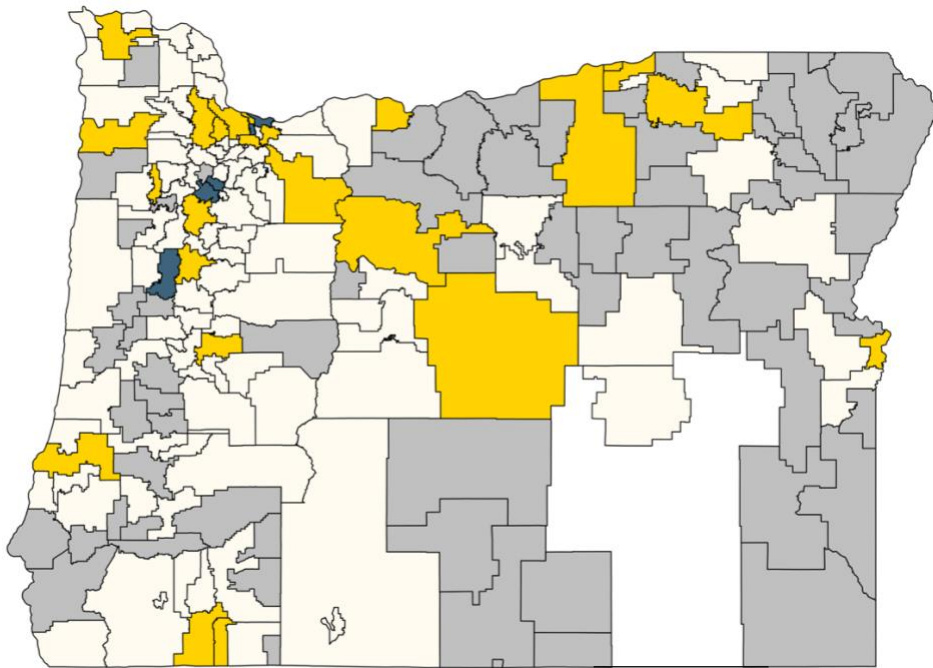
<sup>44</sup> For district selection, per-student spending estimates by race are estimated by averaging school-level per-pupil expenditures weighted by each school's BIPOC or white enrollment across schools within each district.

## Focus districts

The map below (Exhibit 9) illustrates the geographic diversity of the 25 selected districts (in gold) and five alternates (in blue). Light-yellow districts were considered but not selected, and gray districts had ADM below 500 and were therefore not considered for selection.

Collectively, the 25 selections encompass about 45 percent of state ADM and 54 percent of BIPOC enrollment. The five alternates encompass 6 percent of state ADM and 10 percent of BIPOC enrollment. Exhibit 10 identifies the districts and presents selected data for each district. Additional charts in Appendix Exhibits A1 through A6 illustrate that the selected districts demonstrate variation in a number of dimensions: district-level poverty rate, share BIPOC enrollment, share ELL, and educational outcomes (high school outcomes and student learning growth).

**Exhibit 9. Focus districts for State School Fund study (gold = selected, blue = alternate, light yellow = considered but not selected, gray = not considered due to ADM below 500, blank = no unified school district)**



Source: ECONorthwest

## Exhibit 10. Characteristics in 2019-20 of focus districts for State School Fund study

District	County	ADM	Percent BIPOC	Estimated expenditure per BIPOC student	Estimated expenditure per White student	Expenditure gap (BIPOC less White)	District poverty rate	District share ELL
Portland SD 1J	Multnomah	48,193	43%	\$16,451	\$15,532	\$919	9.4%	7.5%
Salem-Keizer SD 24J	Marion	41,372	54%	\$13,470	\$13,437	\$33	16.0%	16.6%
Beaverton SD 48J	Washington	41,088	54%	\$13,439	\$13,453	-\$15	8.9%	11.6%
Hillsboro SD 1J	Washington	20,154	56%	\$13,236	\$12,885	\$351	9.4%	16.7%
North Clackamas SD 12	Clackamas	17,227	39%	\$15,769	\$15,602	\$167	8.3%	9.3%
Medford SD 549C	Jackson	14,451	35%	\$13,201	\$12,937	\$264	19.1%	5.3%
Gresham-Barlow SD 10J	Multnomah	11,863	43%	\$12,972	\$11,795	\$1,177	12.3%	10.5%
Springfield SD 19	Lane	10,375	33%	\$15,497	\$15,217	\$280	21.2%	6.1%
Greater Albany Public SD 8J	Linn	9,415	31%	\$12,651	\$12,276	\$375	12.6%	6.3%
Douglas County SD 4	Douglas	6,051	21%	\$12,244	\$12,250	-\$6	15.4%	0.6%
Hermiston SD 8	Umatilla	5,669	59%	\$12,485	\$12,508	-\$23	18.5%	18.5%
Coos Bay SD 9	Coos	3,255	27%	\$13,193	\$12,710	\$483	22.7%	1.0%
Parkrose SD 3	Multnomah	3,099	68%	\$13,689	\$13,673	\$16	14.4%	15.3%
Pendleton SD 16	Umatilla	3,066	36%	\$11,653	\$12,329	-\$676	18.6%	2.8%
Crook County SD	Crook	3,038	22%	\$13,085	\$13,554	-\$469	16.9%	2.8%
Estacada SD 108	Clackamas	2,936	22%	\$9,482	\$8,944	\$539	5.6%	3.3%
North Wasco County SD 21	Wasco	2,927	48%	\$13,427	\$13,178	\$249	18.3%	12.0%
Jefferson County SD 509J	Jefferson	2,877	71%	\$17,972	\$17,118	\$854	21.8%	21.9%
Phoenix-Talent SD 4	Jackson	2,592	48%	\$14,276	\$13,898	\$379	23.8%	11.8%
Ontario SD 8C	Malheur	2,398	67%	\$14,893	\$14,840	\$53	29.5%	8.2%
Morrow SD 1	Morrow	2,265	59%	\$15,003	\$16,011	-\$1,008	18.5%	20.3%
Tillamook SD 9	Tillamook	2,227	36%	\$13,216	\$13,153	\$63	17.4%	7.8%
Astoria SD 1	Clatsop	1,879	25%	\$12,153	\$12,183	-\$30	13.9%	5.1%
Umatilla SD 6R	Umatilla	1,397	74%	\$14,471	\$14,574	-\$103	22.3%	29.6%
Sheridan SD 48J	Yamhill	911	31%	\$12,144	\$11,206	\$938	15.9%	1.5%
<i>Reynolds SD 7*</i>	<i>Multnomah</i>	<i>10,940</i>	<i>69%</i>	<i>\$13,951</i>	<i>\$13,161</i>	<i>\$790</i>	<i>18.0%</i>	<i>24.8%</i>
<i>David Douglas SD 40*</i>	<i>Multnomah</i>	<i>9,745</i>	<i>64%</i>	<i>\$17,372</i>	<i>\$17,140</i>	<i>\$231</i>	<i>20.5%</i>	<i>20.3%</i>
<i>Corvallis SD 509J*</i>	<i>Benton</i>	<i>6,691</i>	<i>33%</i>	<i>\$16,974</i>	<i>\$16,927</i>	<i>\$46</i>	<i>10.8%</i>	<i>7.1%</i>
<i>Woodburn SD 103*</i>	<i>Marion</i>	<i>5,623</i>	<i>85%</i>	<i>\$14,661</i>	<i>\$14,306</i>	<i>\$355</i>	<i>25.6%</i>	<i>33.3%</i>
<i>Gervais SD 1*</i>	<i>Marion</i>	<i>1,371</i>	<i>59%</i>	<i>\$14,474</i>	<i>\$10,194</i>	<i>\$4,280</i>	<i>14.0%</i>	<i>19.8%</i>

\*Alternate selection

Source: ECONorthwest

Note: Expenditures reflected in the table include all expenditures captured in school-level expenditure data published by ODE. These include funds from general, special, and enterprise funds. The general fund includes SSF revenue, among others.

## 6. Quantitative Analysis

The quantitative analysis informing the interim report focused on state and district-level patterns of resource allocation, with a focus on characterizing the progressivity — the extent to which resource allocation focuses on underserved student populations — of SSF and K-12 revenue allocation more generally.

The remaining analyses for this project, described below, rely heavily on student-level data from ODE. As noted in the introduction and confirmed through the project’s engagement activities, SSF revenue cannot generally be tied directly to specific school-level expenditures. As a result, much of the data and analysis described below does, of necessity, reflect revenue allocation or spending that includes some amount of non-SSF revenue.



## Summary of interim quantitative analysis

Consistent with other research on the progressivity of public K-12 funding across states, we found that Oregon’s K12 resource allocation is slightly progressive—but close to average among states—with respect to poverty and student race/ethnicity (Appendix B provides additional detail on findings regarding progressivity from the interim report):

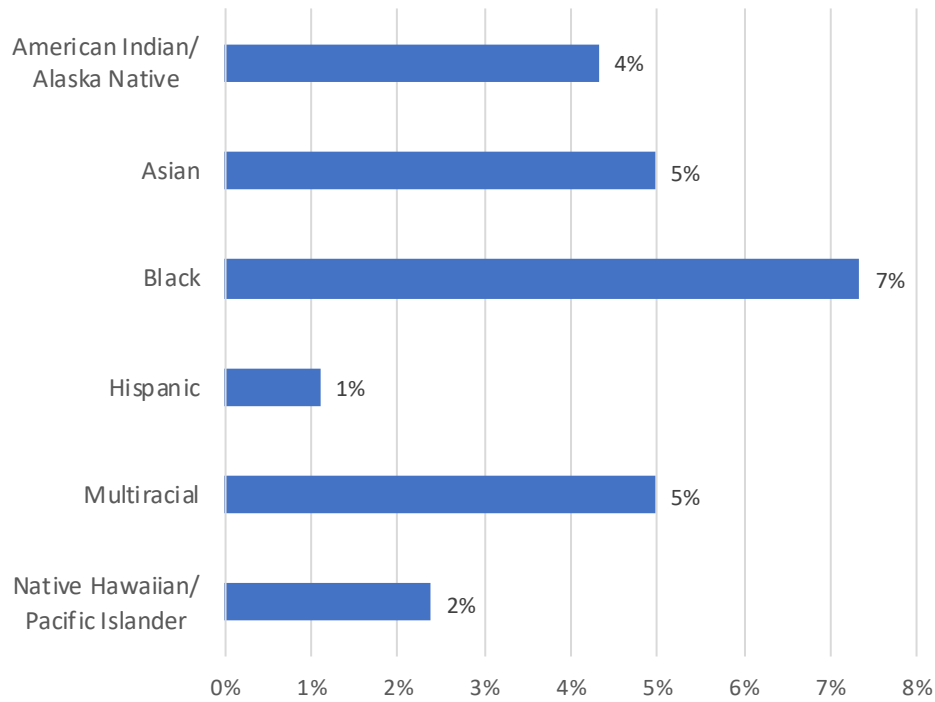
- On average, in 2020-21, the most recent year for which data were available, Oregon’s BIPOC students attended schools with 3.5 percent higher per-student expenditures than did other students, and 3.7 percent higher per-student general fund expenditures. The difference varies by race/ethnicity, however (Exhibit 11 shows estimated additional per-student expenditures for BIPOC students expressed as a share of per-student expenditures for non-BIPOC students), and outcome disparities remain significant.
- In 2020-21, students in school districts in the highest quartile of poverty attended schools with per-student expenditures that were, on average, 4.7 percent higher than in schools in districts with the lowest poverty rates. The allocation of the GPG grant is more progressive but this progressivity is diluted considerably when considering all general fund dollars, which include local option revenue.
- Students in school districts in the highest quartile of BIPOC enrollment attended schools with per-student expenditures that were, on average, 7.1 percent higher than in schools in districts with the lowest shares of BIPOC students. With an expenditure difference of 4.7 percent, the allocation of the GPG grant is less progressive. Our estimates suggest that progressivity is enhanced by district’s allocation of other general fund revenue, particularly local option revenue.

In sum, these findings confirm other estimates of progressivity in Oregon’s funding allocation and suggest that the progressivity with respect to race/ethnicity is enhanced by districts’ use of non-GPG funds. We found important district-level variation in progressivity with respect to student race/ethnicity (see Exhibits 12 and 13), but no strong relationship between spending differences and student diversity per se.<sup>45</sup>

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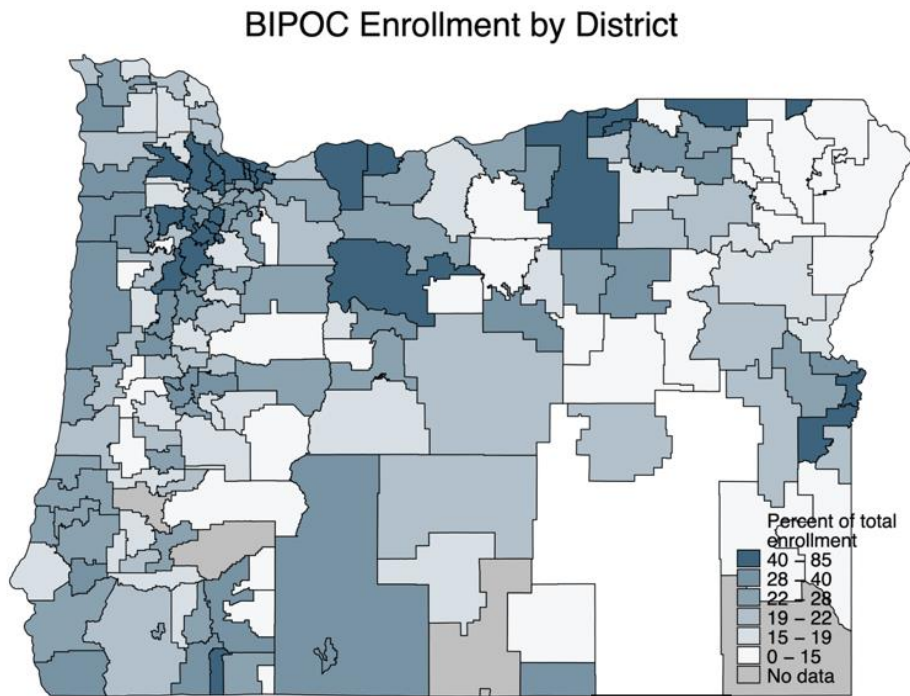
<sup>45</sup> Regarding differences across geography, in general, areas with high concentrations of BIPOC students (Portland Metro, North Central Oregon, Southern Oregon Coast) also tend to have more progressive resource allocations, although there are exceptions in these regions. High-BIPOC districts in Northeast Oregon largely show the reverse.

**Exhibit 11. Per-student expenditures relative to white per-student expenditures, by race and ethnicity, Oregon, 2019-2020**



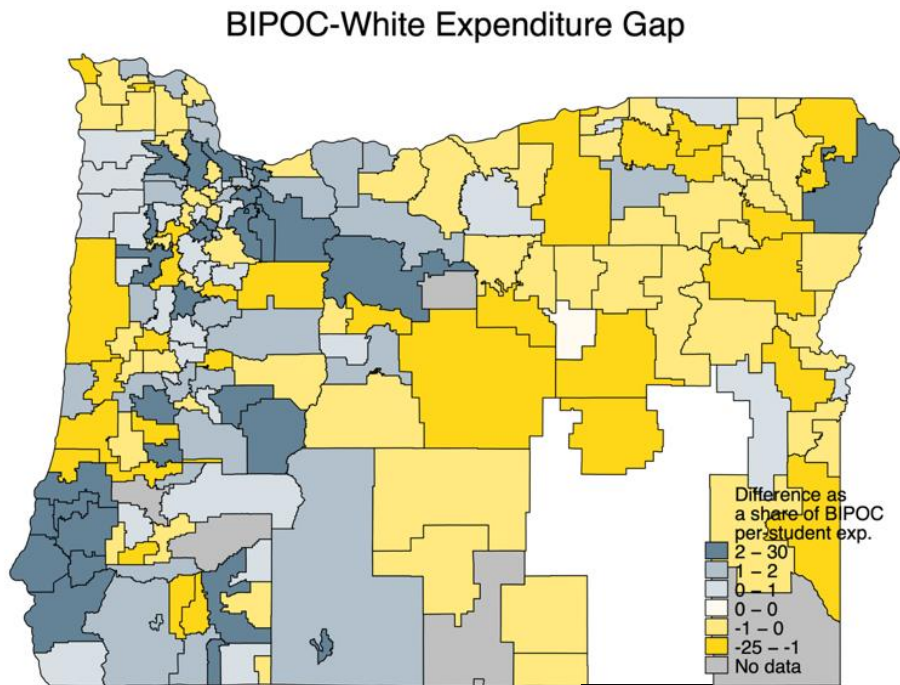
Source: ECONorthwest

**Exhibit 12. BIPOC enrollment by district, 2019-2020**



Source: ECONorthwest

Exhibit 13. BIPOC-white expenditure gap by district, 2019-2020



Source: ECONorthwest

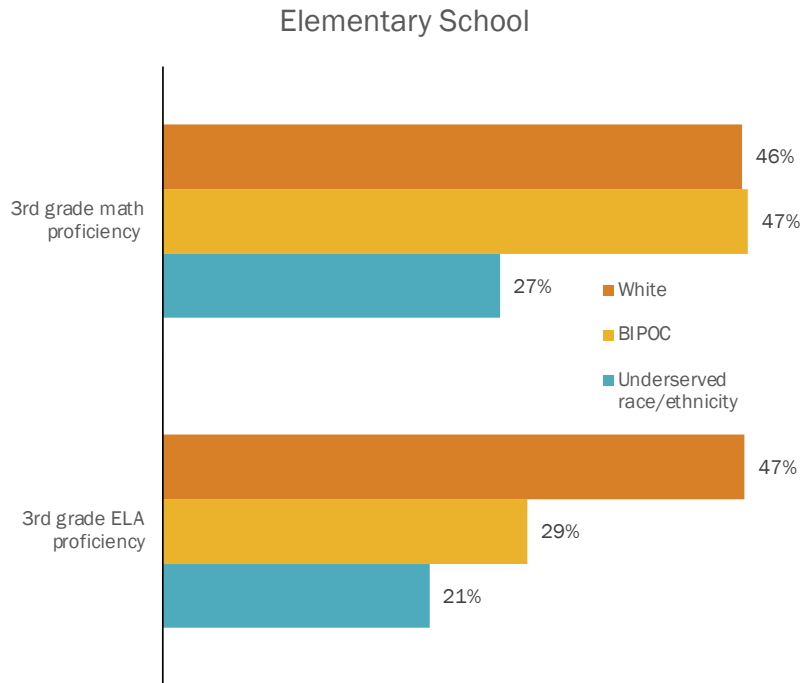
## Additional analysis

Exhibits 14 and 15 illustrate well-known disparities in educational outcomes in Oregon, illustrating the fact that disparities begin early in the educational continuum and persist – underserved races and ethnicities have proficiency levels 20 percentage points or more below those of white students on the state’s 3<sup>rd</sup> grade assessments, and are much less likely than white students to finish high school on time.<sup>46</sup> These and other disparities led in part to this study. The final analyses span three broad areas of inquiry, each of which address the central question motivating this project, specifically, the extent to which SSF spending patterns might produce these and other outcome disparities between students identified as BIPOC, relative to students not identifying as BIPOC. This section describes the areas of inquiry and high-level findings from each analysis. The remainder of this chapter provides additional details about each analysis.

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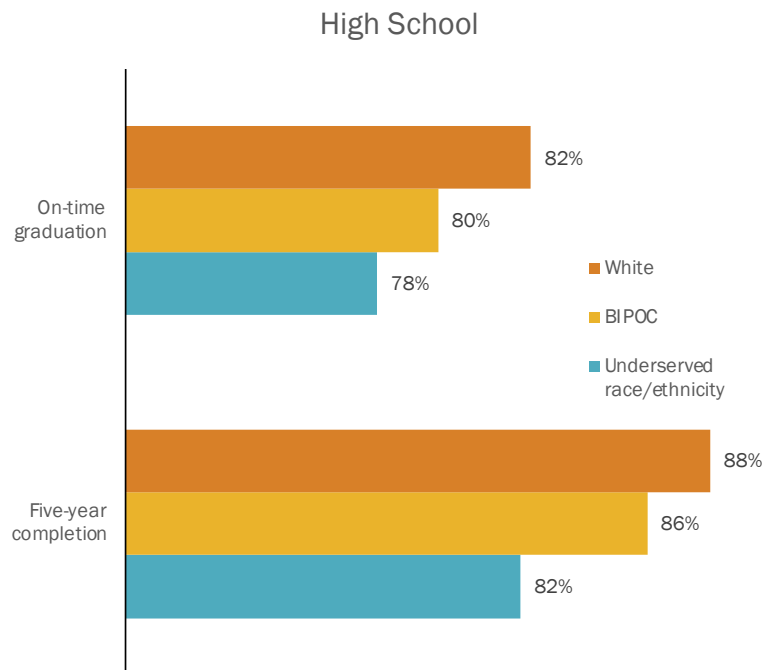
<sup>46</sup> Underserved race/ethnicity includes students identified as Black/African American, Hispanic, Native American/Alaska Native, or Native Hawaiian/Pacific Islander.

**Exhibit 14. Elementary school math and reading proficiency by race and ethnicity, 2021-22**



Note: Underserved race/ethnicity includes students identified as Black/African American, Hispanic, Native American/Alaska Native, or Native Hawaiian/Pacific Islander. Source: Oregon Department of Education

**Exhibit 15. High school completion by race and ethnicity, 9<sup>th</sup> grade cohort of 2018-19 (expected graduation in 2021-22)**



Note: Underserved race/ethnicity includes students identified as Black/African American, Hispanic, Native American/Alaska Native, or Native Hawaiian/Pacific Islander. Source: Oregon Department of Education

## Analysis of specific formula weights on resource allocation

School-level expenditure data published by ODE allows simulation of resource allocations that assume either different formula weights in the SSF funding formula or district-level resource allocations to schools that mimic SSF formula rules or alternatives thereto. Findings from this analysis can inform policymakers about the relative importance of formula weights and how formula weights might direct resource allocation toward or away from BIPOC students. Our primary findings include the following:

- The existing GPG formula weights for poverty and ELL increase the progressivity of GPG allocation relative to student racial/ethnic diversity. We estimate that these two weights account for about half of the additional per-student general fund expenditures in schools that BIPOC students attend and about one-third of additional expenditures after accounting for revenue from all sources. The literature provides insight into the potential benefits of this progressivity to BIPOC students but available data do not allow evaluation of the actual effects on BIPOC student outcomes in Oregon.
- Adding a BIPOC-specific weight to the GPG formula would more directly influence progressivity with respect to race and ethnicity. We estimate that an additional weight of 0.5 for BIPOC students could, on average, increase the expenditures in schools that these students attend by 1.4 percent. These estimates assume districts would allocate their general fund across schools similarly to recent observed allocations. The estimates, and similar analysis based on other formula changes, can be useful for understanding how changing formula weights might affect resource allocation. Merely changing the formula does not ensure district spending patterns would necessarily adjust to reflect the apparent intent of any such change. Further, this study did not include an assessment of the legal prohibitions and requirements associated with race-based policies.
- Based on research that identifies the benefits of additional education spending, the additional BIPOC weight could close math and reading achievement test score gaps by about 7 to 8 percent for underserved races and ethnicities and by about 9 percent across all BIPOC students.
- The estimated gap closing reflects both improvements demonstrated by BIPOC students as well as the opposite effects on non-BIPOC students who would, on average, experience schools with lower spending per student.<sup>47</sup> This could be remedied by increasing SSF resources to maintain stable funding in districts with relatively few BIPOC students. Again, changing the formula weights and/or total funding levels does not guarantee specific spending patterns within districts.

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<sup>47</sup> Note that per-student expenditures for BIPOC students in less-diverse districts would fall, and per-student expenditures for non-BIPOC students in more-diverse districts would increase in this scenario. The spending and gap closure calculations incorporate these effects.

## School and teacher staff resource allocation

As indicated in the literature review earlier in this report, studies have shown that the allocation of teacher resources as evidenced by teacher salary expenditures, experience, and class size, can vary to a meaningful extent across student populations. In addition, existing research demonstrates the benefits to students of being taught by teachers of their own race or ethnicity.<sup>48</sup> Analysis based on student-level data from ODE identifies the extent to which teacher experience and diversity varies across the state and across student populations defined by race and ethnicity.

- The proportion of teachers who identify as BIPOC (12 percent in 2021-22) remains far below the BIPOC share of enrollment (41 percent in 2021-22). Both numbers have increased over time as state and local agencies continue to prioritize teacher workforce diversity.<sup>49</sup>
- The share of BIPOC students taught by at least one race-congruent teacher is about 22 percent. The share of BIPOC students taught by at least one BIPOC teacher in a given year is higher still, at 40 percent in 2021-22.
- In 2021-22, BIPOC teachers on average had less experience (9.2 years) than non-BIPOC teachers (12.3 years). BIPOC teachers were also more likely to be in their first or second year of teaching than were non-BIPOC teachers. Regardless of race and ethnicity, students are, on average, taught by teachers with similar experience levels.

## Identifying correlates of success

We explored the relationships among student, school, and teacher characteristics; and educational outcomes using regression analysis.<sup>50</sup> This analysis suggests the strength of some of these relationships, although results provide suggestive and correlational information (i.e., not causal) as a foundation for deeper analysis.

Consistent with other research, our analysis suggests benefits associated with aligning student and teacher demographics. Specifically, we find evidence of small but statistically significant increases in on-time high school graduation for 9<sup>th</sup> grade BIPOC students with at least one race-congruent teacher, and of statistically significant, positive effects on math learning growth for elementary school students with a race-congruent teacher. These and other findings warrant further investigation as the state seeks to understand how best to close long-standing outcome inequities.

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<sup>48</sup> For example, see Dee, T. (2004). "Teachers, race and student achievement in a randomized experiment." *The Review of Economics and Statistics*, 86(1), 195-210.

<sup>49</sup> See, for example, the September 2022 Oregon Educator Equity Report, [https://www.oregon.gov/tspc/about/Publications\\_and\\_Reports/2022\\_Oregon\\_Educator\\_Equity\\_Report.pdf](https://www.oregon.gov/tspc/about/Publications_and_Reports/2022_Oregon_Educator_Equity_Report.pdf)

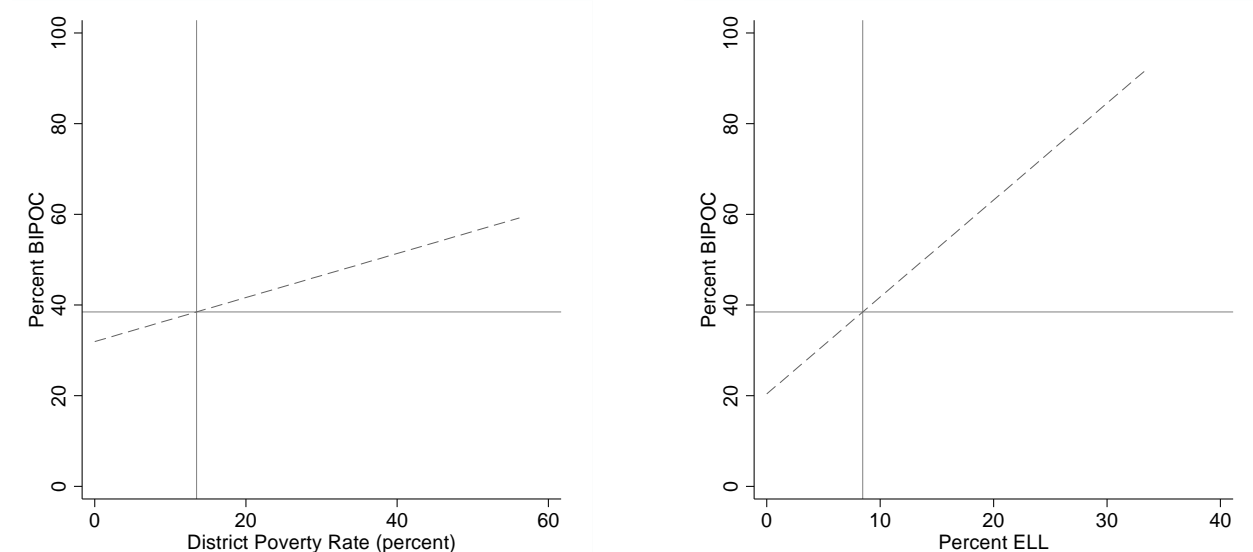
<sup>50</sup> The regression analyses relied on confidential, student-level data provided by ODE for this project. Results identified below were derived from student-level, linear regression models of the relevant outcome on a variety of student characteristics (e.g., economic disadvantaged status, age) and staff characteristics (e.g., whether a student had a race-congruent teacher during the academic year, share of educational assistants in the school that identify as BIPOC). Additional details available upon request.

## Analysis of alternative formula weights

The General Purpose Grant (GPG), which makes up about 95 percent of the SSF district formula revenue, is allocated through a formula that accounts for the local formula revenue a school district already receives (Section 4 of this report describes GPG allocation in more detail).

This section of the report quantifies the effects of selected formula weights on per-student expenditures at schools attended by BIPOC students, specifically, the English Language Learner (ELL) and poverty weights, as well as a hypothetical BIPOC student weight. Because of the relatively high shares of ELL and low-income students among BIPOC student populations (see Exhibit 16), the GPG funding formula allocates relatively more resources to districts with a higher share of BIPOC students even without an explicit BIPOC weight.

**Exhibit 16. District Demographics, Percent BIPOC and District Poverty Rate, and Percent BIPOC and Percent ELL, 2020-21**



Note: Bubble size is proportionate to district enrollment  
Source: ECONorthwest

### Alternate formula weights

We explored several of the implications of alternate sets of weights on GPG distribution:

1. Reducing the additional weight for student poverty and ELL to zero (e.g., an ELL student would not receive the additional ELL weight of 0.5)
2. Adding an additional 0.25 weight for ELL
3. Adding an additional 0.25 weight for student poverty
4. Combining (2) and (3)
5. Adding a new BIPOC weight of 0.5

We relied on district-level GPG formula data, school-level expenditure data, student enrollment data, and teacher position data provided by ODE. Results were obtained by adjusting ADMw

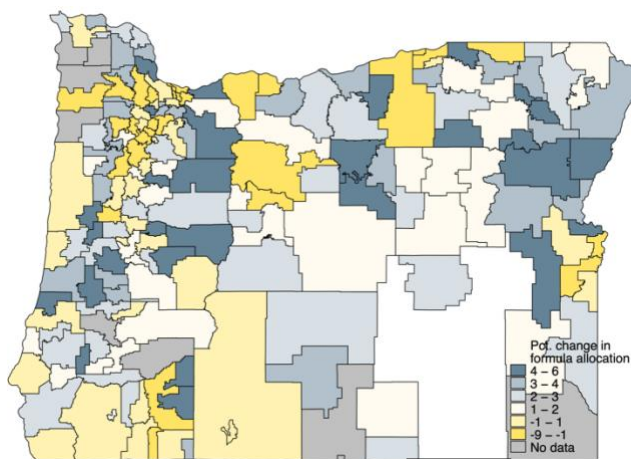


counts in the formula data consistent with each scenario. Scenario 5 (new BIPOC weight) required adding a new input to the formula. We then calculated each district's share of total ADMw in the scenario. After applying the teacher experience adjustment, we calculated the implied change in each district's GPG allocation and, based on GPG as a share of each district's general fund, calculated the consequent effect on per-student expenditures at the school level assuming the change in GPG would have been allocated by districts in proportion to the general fund expenditures reflected in the data.

Exhibits 17–20 describe the output for scenarios 1 and 5. Exhibits 17 and 18 show the effects on districts' general fund, via the changes in GPG allocation associated with Scenario 1 (no poverty or ELL weights). Exhibits 19 and 20 provide similar information regarding Scenario 5 (additional 0.5 BIPOC weight). Exhibit 12, above, showing the distribution of district-level BIPOC enrollment across Oregon, provides useful context for interpreting the maps. As a point of reference, 1 percent of general fund amounted to about \$110 per ADM in 2021-22, although the percent varies across districts.

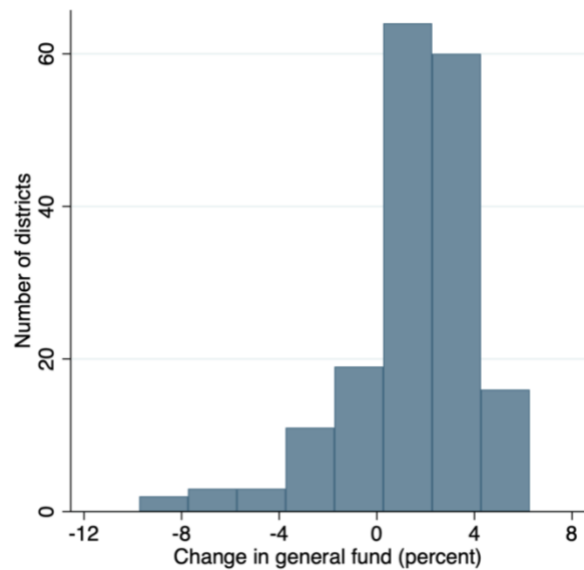
Comparing Exhibit 17 to Exhibit 12 indicates that removing the poverty and ELL weights tends to reduce GPG allocation to high-BIPOC districts. Overall, a large majority of districts would see an increase in GPG under this scenario (see Exhibit 18), although most are relatively small and serve relatively less diverse student populations. In this scenario, the additional expenditures in schools attended by BIPOC students, relative to those in schools attended by non-BIPOC students, fall by about a third (equivalent to about 1.2 percent of expenditures experienced by non-BIPOC students). In other words, the poverty and ELL weights appear to account for about one-third of the additional expenditures.

**Exhibit 17. Percent change in general fund revenue associated with Scenario 1, by district**



Source: ECONorthwest

**Exhibit 18. Distribution of changes in general fund revenue associated with Scenario 1**



Source: ECONorthwest

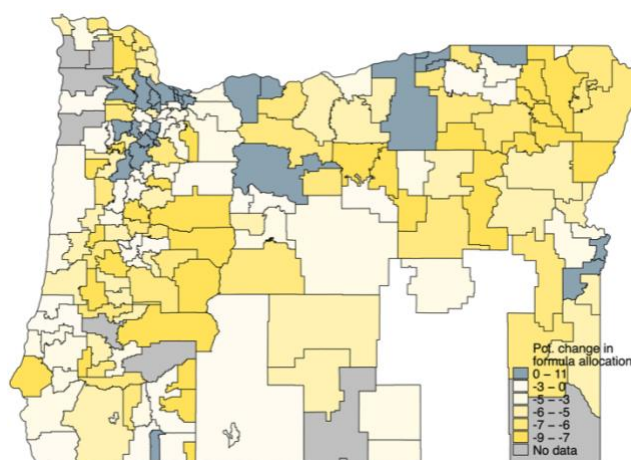


The hypothetical BIPOC weight described in Scenario 5 would operate more like the current ELL weight than the poverty weight. The former is based directly on student counts, whereas the latter is based on districtwide poverty rate estimates that are not directly associated with the characteristics of enrolled students. Each approach has strengths and weaknesses. Student identification (or direct certification) has the potential for a direct connection between funds allocated based on a formula weight and the student needs the weight is designed to support. District-level characteristics require less data collection and may reduce the burden (e.g., application processes, stigma) on students and families that already face many barriers to success.

Not surprisingly, adding an additional 0.5 BIPOC weight (Scenario 5) leads to GPG, and hence general fund, increases in areas with high concentrations of BIPOC students (see Exhibit 19). Exhibit 20 indicates that in this scenario, a large majority of districts would experience smaller allocations. The additional expenditures in schools attended by BIPOC students would increase by about two-thirds over current conditions.

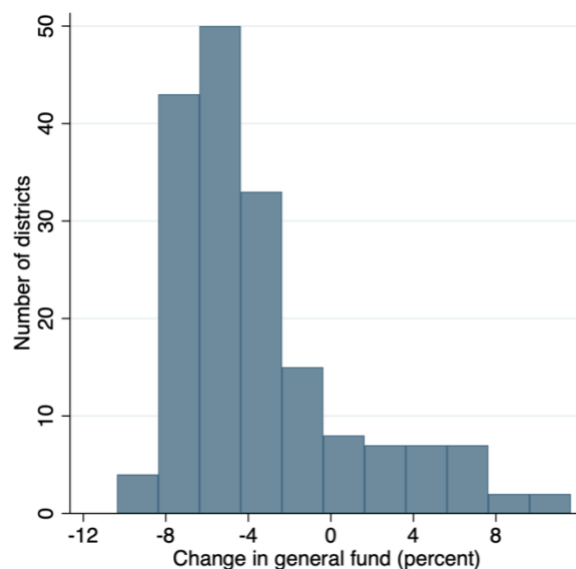
If districts were required to or chose to direct funds associated with the hypothetical BIPOC weight to services provided to BIPOC students, the changes in resource allocation would be greater. The estimates assume districts would allocate their general fund across schools similarly to recent observed allocations. The estimates, and similar analysis based on other formula changes, can be useful for understanding how changing formula weights might affect resource allocation. Merely changing the formula does not ensure district spending patterns would necessarily adjust to reflect the apparent intent of any such change. Further, this study did not include an assessment of the legal prohibitions and requirements associated with race-based policies.

**Exhibit 19. Percent change in general fund revenue associated with Scenario 5, by district**



Source: ECONorthwest

**Exhibit 20. Distribution of changes in general fund revenue associated with Scenario 5**



Source: ECONorthwest

The scenario analysis provides insight into both the likely effects of current SSF formula weights and of a hypothetical BIPOC weight on expenditure levels across Oregon schools. However, the scenarios are for hypothetical reallocations of resources, not changes in total funding levels for the state overall. In addition, each scenario creates “winners” (districts receiving more GPG under a given scenario) and “losers” (districts receiving less).

Similarly, part of potential reduction in achievement gaps associated with a hypothetical BIPOC weight, described below, is due to assumed lower achievement in districts with relatively few BIPOC students that receive less GPG as a result of the weight. This could be remedied by increasing SSF resources to maintain stable funding in districts with relatively few BIPOC students. Again, changing the formula weights and/or total funding levels does not guarantee specific spending patterns within districts. As an analysis of resource allocation methods, as opposed to adequacy, the results provide useful information regarding the equity implications associated with possible changes to the formula but do not provide a roadmap to ensuring student success overall.

### Estimating the effect on achievement gaps

This section explores the potential change in achievement gaps associated with the spending changes calculated for Scenario 5. We measure achievement gaps using normalized scores in reading and math on Oregon’s statewide assessments, averaged across 3<sup>rd</sup> through 8<sup>th</sup> grade. The Scenario 5 output identifies the estimated change in per-student expenditures, at the school level, associated with the hypothetical BIPOC weight, assuming the formula change would not change the proportion of general fund districts allocate to each school.

We translate the expenditure change into changes in test scores using findings from the literature review, specifically the estimated increase in achievement of approximately 0.08 standard deviations associated with a 10 percent increase in spending.<sup>51</sup> Although this implies achievement gains for all students in schools that would receive more resources, BIPOC students are by design more likely to attend such schools. Our analysis indicates that the hypothetical 0.5 BIPOC weight could reduce test score gaps on Oregon’s statewide assessments by 7 percent in math and 8 percent in ELA for underserved races and ethnicities, and by about 9 percent in math and ELA for all BIPOC students.<sup>52</sup>

These results are illustrative but not exhaustive—they do not reflect all potential changes associated with resource reallocation. Evaluating potential formula changes should involve testing the stability over time of the findings described above and, as noted above, any such reallocation implies increases in resources for some and a reduction in resources for others.

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<sup>51</sup> Miller (2017), op. cit.

<sup>52</sup> Current achievement gaps (extent to which outcomes are lower than those of white students) for 3<sup>rd</sup> through 8<sup>th</sup> grade combined are about 0.25 standard deviations for underserved races and ethnicities, in both math and ELA, and about 0.17 for BIPOC students.

Improving outcomes for all students may require changes in services and increased funding in addition to adjustments to resource allocation.

## School and teacher staff resource allocation

A large body of research has demonstrated and quantified the importance of teacher training and experience.<sup>53</sup> A second, more limited but growing body of research has demonstrated the value of a diverse teacher workforce, one that specifically provides BIPOC students opportunities to experience a teacher of their own race (race-congruency).<sup>54</sup> This literature has, further, demonstrated the value in having a race-congruent teacher on longer-term outcomes, such as postsecondary enrollment.<sup>55</sup> This literature supports the need for efforts to further diversify Oregon’s teacher workforce. Although a complete review of the literature on these topics was beyond the scope of the project, it nonetheless motivates our analysis of how teachers and student characteristics align across the state.

Consistent with the legislative intent for this project, understanding how K-12 teacher and student characteristics intersect in Oregon can help decisionmakers improve alignment of resources with efforts to reduce disparities experienced by BIPOC students.

### Teacher and student diversity

Exhibit 21 displays recent trends in both teacher and student diversity in Oregon’s public K-12 system. The share of teachers and the share of students who are BIPOC have trended up over the past decade. Student diversity increased faster than teacher diversity in percentage point terms (5.7 vs. 3.8). Proportionately, teacher diversity increased much more quickly (45% vs. 16%). Even so, teacher diversity remains less than one-third that of student diversity. Exhibit 22 displays the distribution of teacher and student-level diversity at the school level. The figure suggests that BIPOC students will, on average, typically experience more diverse teachers than will non-BIPOC students.

Exhibit 23 displays the recent trend in share of students with at least one race-congruent teacher (a teacher of the same race as the student) during the academic year. At 21.5 percent in 2021-22, the experience of race-congruency is about 1.75 times the share of teachers who are BIPOC.

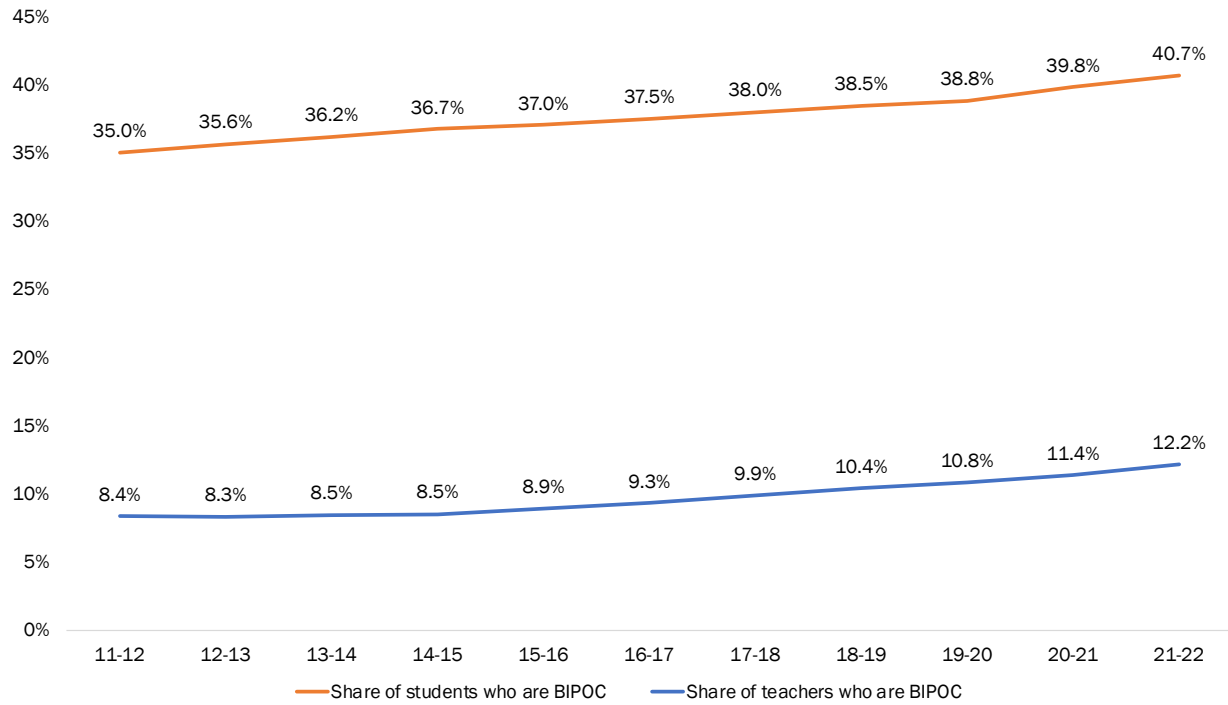
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<sup>53</sup> See, for example, Podolsky, Anne, Darling-Hammond, Linda, and Kini, Tara (June 2019). *Does Teaching Experience Increase Teacher Effectiveness? A review of US research*. Journal of Professional Capital and Community.

<sup>54</sup> See, for example, Dee, Thomas S (February 2004). *Teachers, race, and student achievement in a randomized experiment*. Review of Economics and Statistics.

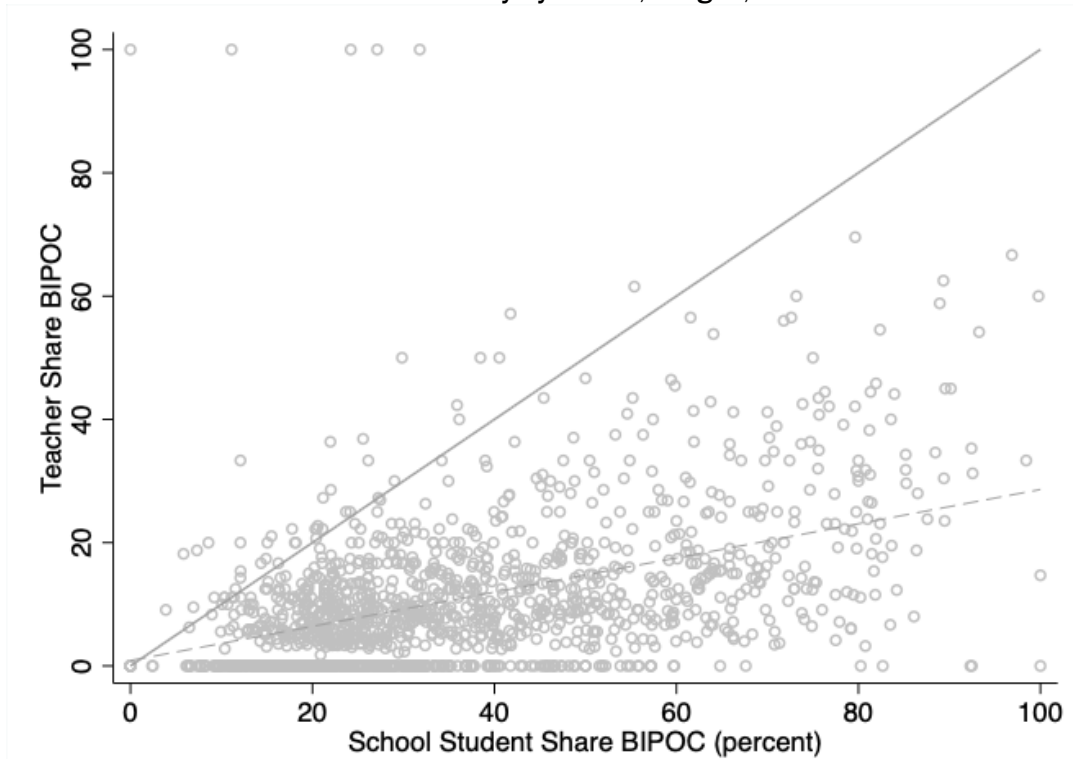
<sup>55</sup> See, for example, Har, Cassandra M. D., Hyman, Joshua, Lindsay, Constance A., and Papageorge, Nicolas W (November 2022). *The Long-Run Impacts of Same-Race Teachers*. American Economic Journal: Economic Policy.

**Exhibit 21. Teacher and student race and ethnicity, Oregon, 2011-12 to 2021-22**



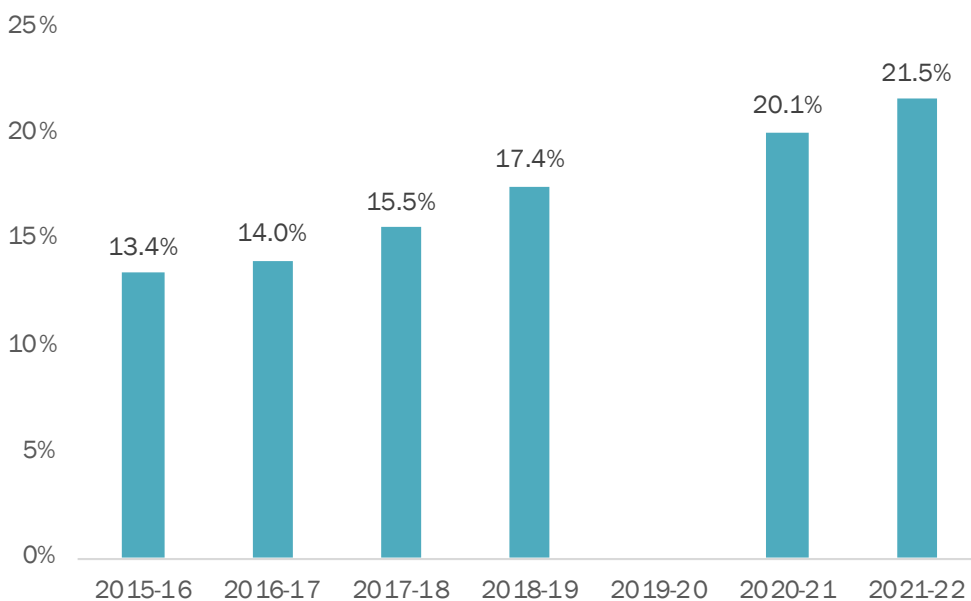
Source: ECONorthwest

**Exhibit 22. Student and teacher diversity by school, Oregon, 2021-22**



Source: ECONorthwest

**Exhibit 23. BIPOC students with at least one race-congruent teacher, Oregon, 2015-16 to 2021-22**



Note: Student roster data are not available for 2019-20.

Source: ECONorthwest

As illustrated in Exhibit 24, race-congruency varies with student race and ethnicity, as well as with the diversity of teachers. Consistent with Exhibit 22, nearly 40 percent of BIPOC students have at least one BIPOC teacher—essentially equal to BIPOC students’ share of all enrollment—compared to just under 30 percent of white students. Among the race and ethnicity categories, Hispanic students are the most likely to be taught by a race-congruent teacher (29 percent—slightly higher than Hispanic students’ share of enrollment) or by any BIPOC teacher (42 percent). Native Hawaiian and Pacific Islander students experience race-congruent teachers at the lowest rate (2 percent), although this rate is still higher than the prevalence of Native Hawaiian and Pacific Islander teachers (0.2 percent).

By definition, the share of BIPOC students taught by at least one BIPOC teacher (of any race) is at least as high as the share experiencing a race-congruent teacher. Although the literature to date has not deeply explored benefits to BIPOC students of broader concepts of race-congruency, such as experiencing a teacher of color, regardless of their race or ethnicity, understanding the prevalence of such broader measures can be helpful in understanding students’ experience of teacher diversity.

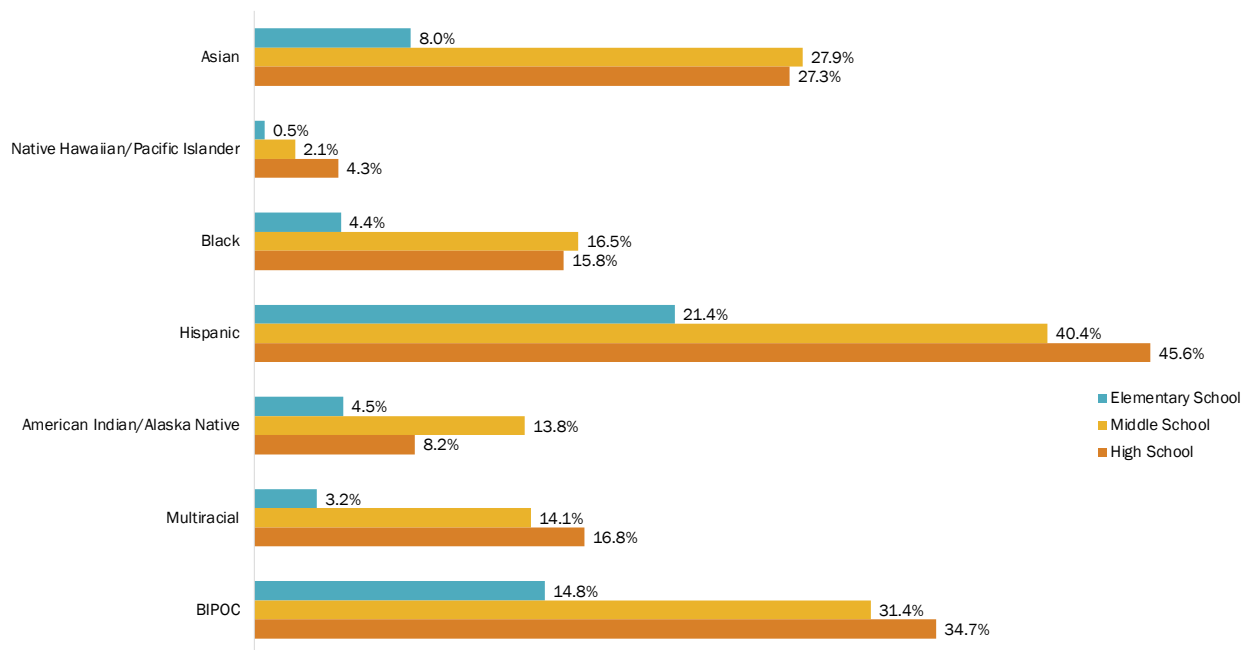
Much of the difference between levels of race congruency and teacher diversity is because middle and high school students typically experience multiple teachers during the academic year (see Exhibit 25). At the same time, to date the literature has focused on students’ experience of race-congruency in elementary school. Further research is necessary to evaluate the relative benefits of experiencing diversity (any race-congruent teacher) versus intensity (e.g., number of classes with a race-congruent teacher).

**Exhibit 24. Student exposure to BIPOC teachers, Oregon, 2021-22**

Student race/ethnicity	Share taught by at least one race-congruent teacher in 2021-22	Share taught by at least one BIPOC teacher	Share of teachers of students' race (FTE-weighted)	Share of Total Student Population
BIPOC	21.5%	39.9%	12.20%	40.8%
American Indian/Alaska Native	7.1%	31.8%	0.59%	1.2%
Asian	15.8%	39.1%	2.04%	4.0%
Native Hawaiian/Pacific Islander	1.6%	35.7%	0.23%	0.8%
Black	9.0%	41.4%	0.79%	2.4%
Hispanic	29.3%	42.3%	6.60%	25.2%
Multiracial	7.4%	33.3%	6.60%	7.2%
White	95.9%	28.9%	87.80%	59.2%

Source: ECONorthwest

**Exhibit 25. BIPOC students with at least one race-congruent teacher by race, ethnicity, and grade level, Oregon, 2021-22**



Source: ECONorthwest

## Staff diversity

Students regularly interact with or are exposed to many school staff members in addition to teachers. These include principals, guidance counselors, educational assistants, and others. Exhibit 26 presents selected statistics about staff characteristics at schools attended by BIPOC students. These data can be seen as a starting point for investigating more deeply K-12 staffing patterns and how the diversity of non-teaching staff might relate to student outcomes. Note that the available data directly identify students' teachers. We are not able to identify students' direct experience with other staff.

## Exhibit 26. BIPOC student experience of race-congruent school staff, Oregon, 2021-22

Student race/ethnicity	Share with race-congruent Principals/Asst. Principals	Share race-congruent among selected positions*	Share race-congruent among educational assistants	Share race-congruent among all staff
BIPOC	8.7%	9.5%	15.1%	10.7%
American Indian/Alaska Native	0.2%	1.9%	6.7%	3.6%
Asian	3.8%	4.5%	10.9%	5.5%
Black	10.1%	2.8%	7.4%	5.0%
Hispanic	11.9%	13.8%	20.9%	15.3%
Native Hawaiian/Pacific Islander	0.4%	0.4%	0.9%	0.5%
Multiracial	2.2%	2.0%	2.3%	2.1%
White	88.4%	87.2%	81.5%	86.3%

Note: "Selected positions" include instructional coordinators, psychologists, librarians, and guidance counselors.

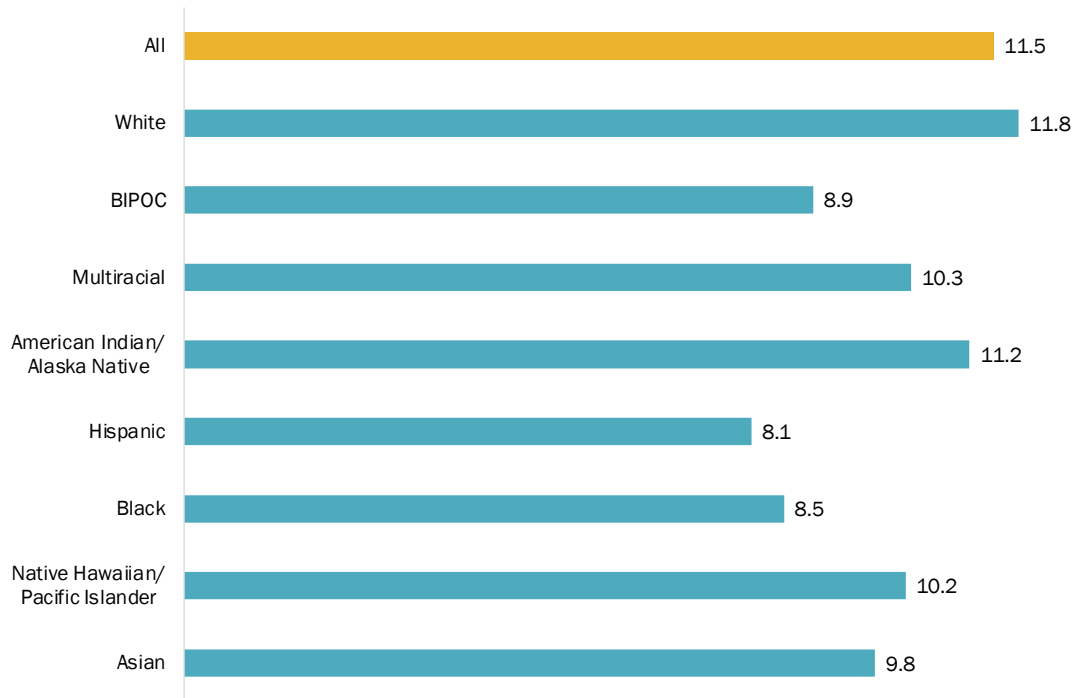
Source: ECONorthwest

### Teacher experience

In light of the research finding that both teacher experience and teacher diversity are relevant to student outcomes, this section provides information about teacher experience as it relates to both teacher and student race and ethnicity. Exhibit 27 shows average years of teacher experience by teacher race and ethnicity. Notably, BIPOC teachers tend to have less experience than white teachers; Black and Hispanic teachers have an average of about three fewer years of experience than white teachers. They are also much more likely to be in their first or second year of teaching (about 30 percent of Black and Hispanic teachers are in their first or second year, compared to 17 percent of all teachers), the period when teacher effectiveness increases rapidly. This underscores the importance of both recruitment and retention in efforts to diversify the teacher workforce.

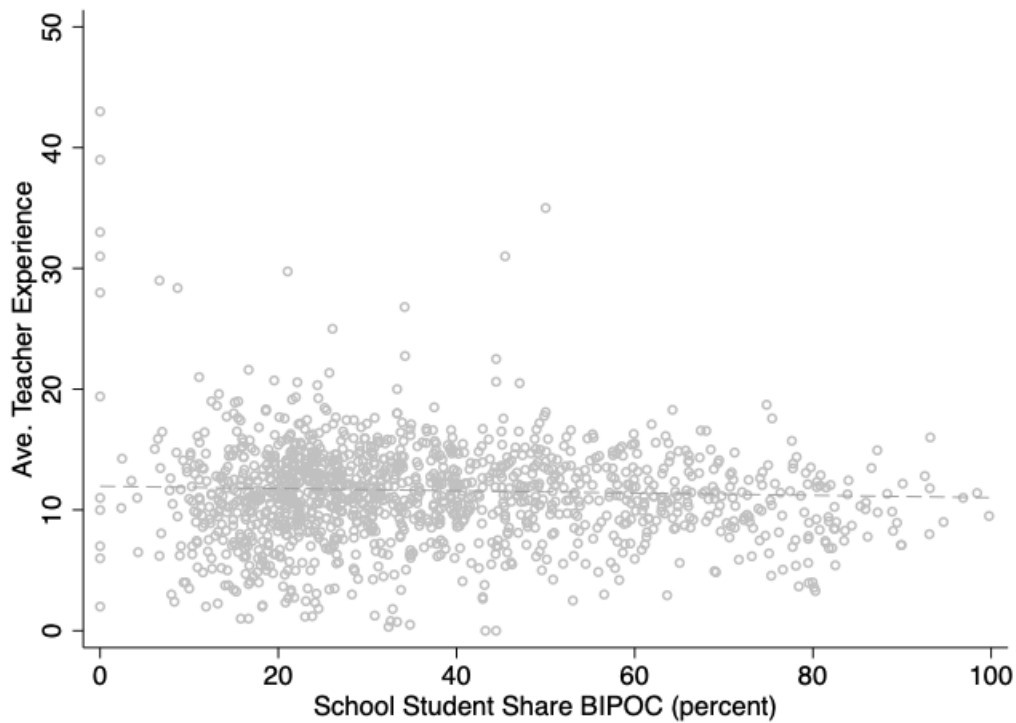
Consistent with Exhibit 27 and Exhibit 22, showing the increase in share of BIPOC teachers with increasing BIPOC student enrollment, Exhibit 28 provides the average years of teacher experience and BIPOC share of students by school. Comparing the share of a school's teachers in their first or second year to BIPOC enrollment yields a similar picture. Exhibit 29 displays the average experience level of BIPOC students' teachers. In general, BIPOC students have slightly less experienced teachers and are more likely to be taught by teachers in their first or second year of teaching. Exceptions include Asian students, who on average have more experienced teachers, and American Indian/Alaska Native students, whose teachers fall somewhat further behind those of white students, in terms of experience, than those of other student populations shown in the table.

**Exhibit 27. Average years of teacher experience by teacher race and ethnicity, Oregon, 2021-22**



Source: ECONorthwest

**Exhibit 28. School student share BIPOC and average years of teacher experience by school, Oregon, 2021-22**



Source: ECONorthwest



**Exhibit 29. Average years of experience of student’s teachers, by student race and ethnicity, 2021-22**

Student race/ethnicity	Ave teacher experience	Percent in 1st or 2nd year
All	11.5	17.4%
BIPOC	8.9	27.4%
American Indian/Alaska Native	11.8	16.1%
Asian	10.3	20.1%
Black	11.2	20.3%
Hispanic	8.1	31.4%
Native Hawaiian/Pacific Islander	8.5	30.4%
Multiracial	10.2	18.8%
White	9.8	23.5%

Source: ECONorthwest

The exhibits in this section paint a picture of increasing student and teacher diversity while suggesting the importance of considering more than just aggregate diversity measures in evaluating options for teacher workforce diversity. Further investigation of staff diversity might provide further insight into the educational experiences of BIPOC students. The section below takes small steps in that direction.

## Identifying correlates of success

The final analyses included regression analyses designed to explore the relationships among teacher, school, and staff characteristics; and educational outcomes. For these analyses we assembled individual-level student, teacher, and calculated each student’s exposure to race-congruent teachers in each academic year and the share of race-congruent staff at each student’s school for each of the staff groupings described in Exhibit 26, above. We then estimated regression models to identify the relationships between teacher/staff congruency and attendance, discipline, performance on Oregon’s statewide assessments, ninth grade on-track, and on-time high school graduation. Analyses were restricted to BIPOC students. Model specifications varied across these outcomes.

Identified below, several findings from this analysis suggest a handful of avenues for further investigation. The research design, of necessity, does not identify causal effects. Instead, as a broad, high-level investigation of numerous inputs and outcomes, findings from this analysis help identify areas potentially worthy of further investigation.

Further, because existing literature is less well-developed and because we cannot directly measure student exposure to staff other than teachers, findings regarding other staff should be treated with additional caution (i.e., primarily as warranting deeper analysis). In addition, an apparent correlation could exist because BIPOC staff systematically choose or are assigned to a school due to factors not captured in the analysis. Bearing in mind these caveats, consistent with

other research, our analysis identified the following statistically significant correlations related to BIPOC students' high school outcomes (controlling for other student, staff, and school characteristics):

- Having a race-congruent teacher in ninth grade is associated with an increase in on-time high school graduation of 1.2 to 1.5 percentage points.
- The share of race-congruent educational assistants is positively correlated with ninth-grade on-track.
- Race congruency of principals and assistant principals is negatively correlated with high school steady attendance.

Additional analyses that refine measures of race congruency (e.g., to assess the potential role of having multiple race-congruent teachers, or of having a race-congruent math teacher as opposed to any race-congruent teacher) or other aspects of the analysis could provide deeper insight into the relationships described above.

## 7. Engagement

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This section outlines the engagement methodology and summarizes the findings from the survey and the focus groups and interviews completed for the study.

### Engagement methodology

A meeting and a focus group held with the SFF Advisory Committee informed the development and refinement of the engagement methodology. We adjusted the research priorities, questions, and approach based on input from the Committee. We interviewed state and district-level representatives and conducted a survey of key individuals from Oregon's school districts. The methodology components are as follows:

#### State-level interviews

Initial interviews with state public education system employees provided critical information about real and perceived gaps and limitations in data availability as well as the broader effects of local resource allocation and spending decisions, including non-monetary policies and practices that contribute to disparities in student outcomes.

#### District-level interviews

We conducted 13 one-on-one interviews with superintendents, business managers, district equity leads, and finance directors from 11 Oregon school districts. The interviewees represented school districts that are diverse in their size (number of students enrolled), racial/ethnic diversity (share of students identifying as BIPOC), and region. We asked interviewees how their school district allocates the SSF; how the SSF differs from other sources

of revenue; whether the school district tracks expenditures at the school and student levels; and whether the interviewees saw a relationship between how the fund is allocated and outcomes for their BIPOC students (see Appendix C for more about the interview protocol and process).

During the interviews, we took detailed notes on the experiences of the participants and asked follow-up questions about factors affecting fiscal decisions made by district leadership, especially concerning issues of equity. We analyzed interview notes to identify recurring themes. Fundamental to the method were regularly rereading the notes, immersing in the data, taking time to reflect, and verifying themes that emerged from the material.

### District-level survey

To efficiently collect information about topics suggested by the literature review and state-level engagement, we sent a survey via email to the superintendents and business managers of all 197 school districts in Oregon and to school board members in the study's 30 focus districts.<sup>56</sup> The survey was open for approximately four weeks, from mid-February to mid-March 2023.<sup>57</sup> We received responses from 52 superintendents (26% response rate), 73 business managers (37% response rate), and 14 school board members (9% response rate) (139 responses in all). The exhibits in this section represent responses from superintendents and business managers unless otherwise noted.<sup>58</sup> Respondents represented approximately 100 different school districts and at least 18 school districts had multiple respondents across positions.<sup>59</sup>

The survey included both multiple choice questions and open-ended questions. The questions focused on district SSF-distribution rules/practices. Appendix D includes detailed results from the survey, and Appendix E includes the survey instruments. Exhibit 30 presents respondent counts by selected characteristics of respondents' school districts (size, or number of students enrolled; and share BIPOC, or share of students who are Black, Indigenous, or people of color).<sup>60</sup> We also disaggregated the survey responses by "gap" categories (not shown in the table), or the size of the difference in each district between white and BIPOC graduation rates and test scores.

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<sup>56</sup> Given the number of school board members per district, we limited that survey to the focus districts only. The Oregon School Boards Association (OSBA) generously assisted with distribution of the school board member survey.

<sup>57</sup> We piloted the survey instrument prior to dissemination and incorporated feedback from district representatives and the advisory committee. Within the survey we asked respondents if they were interested in being interviewed for the study or if they'd recommend particular individuals for interviews.

<sup>58</sup> Business managers and superintendents provided relatively similar answers across the survey questions, while school board members' answers sometimes varied. For that reason, as well as the low response rate for school board members, we report on their responses only in the Appendix.

<sup>59</sup> Most respondents provided the name of their district, which allowed matching with other available district-level data. Four respondents chose to not disclose the name of their district.

<sup>60</sup> These characteristics are based on enrollment data from ODE in connection to the respondent-provided school district. When the respondent did not provide a school district a connection was made based on respondent-provided data.

**Exhibit 30. Survey Respondent Counts by District Characteristics**

Position	Enrollment				Share BIPOC		
	Fewer than 500	500 - 2,000	2,000 - 7,000	More than 7,000	Less than 20%	20%-40%	More than 40%
Business Managers	14 (20%)	20 (28%)	28 (39%)	9 (13%)	27 (39%)	22 (31%)	21 (30%)
Superintendents	16 (31%)	15 (29%)	13 (25%)	8 (15%)	21 (40%)	21 (40%)	10 (19%)
School Board Members	0 (0%)	0 (0%)	8 (57%)	6 (43%)	0 (0%)	7 (50%)	7 (50%)
<b>Total</b>	<b>30 (22%)</b>	<b>35 (26%)</b>	<b>49 (36%)</b>	<b>23 (17%)</b>	<b>48 (35%)</b>	<b>50 (37%)</b>	<b>38 (28%)</b>

Notes: School district size could be identified for 137 respondents; share BIPOC could be identified for 136 respondents.  
Source: SSF Study Survey and ODE enrollment data, 2019-2020

## Engagement findings

Interviewees’ and survey respondents’ deep knowledge of and experience with school funding in Oregon are reflected in the findings summarized in this section. The perspectives of these school business managers, superintendents, and school board members from across Oregon are an essential component of this study as well as the larger efforts to address long-standing outcome inequities. As in any study involving primary data collection, participants’ individual perspectives and biases may also be reflected in the findings. As noted below and as an example of self-selection bias, representatives from smaller school districts and districts with higher shares of BIPOC students may have been more inclined to take the survey as a result of their experience working with smaller budgets and/or a particular interest in funding for BIPOC students. School funding is a complicated and nuanced topic, and engagement participants may also have gaps in their knowledge and understanding of all the relevant complexities and details.

### Advisory Committee focus group

The research team conducted a focus group with members of the SSF Advisory Committee. Two of the key themes that emerged were 1) the methodology for the engagement phase of the study and 2) the lack of clarity on how state school funds are spent.

**Methodology:** The Committee suggested ways to approach the research questions, what qualitative data to use, and how to integrate the qualitative and quantitative data. Most agreed that interviews with school and school district employees would be more helpful than interviews with state-level administrators.

**Clarity of expenditures:** Several participants noted the difficulty in knowing exactly what the SSF actually funds, given that it is part of a larger funding pool. Within a district that is receiving weighted funds, it is unclear how the district is utilizing those additional funds or if they are being used to reduce inequities for the students receiving them. The group discussed

the implications of the lack of deliberate weights for BIPOC and Tribal students and expressed some frustration that the only tracking of weighted funds was for the EL weighting (because of HB 3499).

## State-level interviews

The research team conducted a few initial interviews with state-level public education system employees. A few themes emerged:

In response to questions about the relationship between SSF spending and outcomes, interviewees mentioned a lack of tracking and knowledge about how those specific funds are spent, especially when combined with other funds. However, every interviewee in the first round of interviews discussed House Bill 3499 as an example of linking accountability and spending, recognizing that even this approach has some issues to resolve. While interviewees noted that having accountability for weighted English-learner (EL) spending is important, they indicated that additional components could make accounting for outcomes even more effective, and they recommended this level of accountability for other weighted components of the SSF (not just EL), and the SSF in general. This call for increased tracking and accountability was unique to state-level staff; district-level staff expressed general resistance to increased tracking and accountability, as discussed in the following section.

Regarding outcomes for EL learners at the school/district level, one concern that arose is that there are no state-level recommendations on best practices for spending the allocated money and school districts don't have the time/resources to do their own research to identify best practices. While school districts reportedly appreciate the control over how to spend their funds, they would like more data, research, and recommendations on what is working in other districts. One interviewee characterized it in this way:

*“There’s a lack of guidance around what best practices look like so districts have been forced to make their own decisions. There’s a lot of research and data out there to show us what works around academic performance, but there’s no organized push out of that data. Instead, we have money being pushed out. Districts don’t have time to spend on research to find best practices. Throwing money at the situation does create inequities because the money is used haphazardly, not with BIPOC students in mind.”*

Second, interviewees reported that school districts often don't have (or collect) the data to draw linkages between how funding is being spent and how spending affects outcomes, but when they are provided with data or information that highlights or clarifies these linkages, they are more likely to invest in things that “move the needle” for equitable outcomes. School staff care about and are interested in equitable outcomes but lack understanding of how to code expenditures in a way that would allow spending to be tied to outcomes. One interviewee noted that they see a lack of meaningful communication between a district's business offices, its academic offices, and the local community. They noted that some districts communicate better than others, and one benefit of the roll out of the SIA grant funding is that it requires more

conversations across school business offices, academic offices, and the local community, as the SIA program requires a review of academic return on investment.

Finally, state-level interviewees identified at least two factors as critical to BIPOC student success. First, qualified, diverse, and supported teachers are needed. “Students have to be able to see themselves reflected in the educators they’re seeing every day.” Hiring must be intentional – “not just what they look like but what they bring to the table, their struggles and challenges and how they overcame them.” Students need teachers and educators who are great facilitators of learning and who are supported with resources and ongoing pedagogical training. The second key factor was “a strong curriculum, an instructional base that students can build their knowledge on.” These two factors were noted as critical to advancing the success of BIPOC students.

### District-level interviews and survey

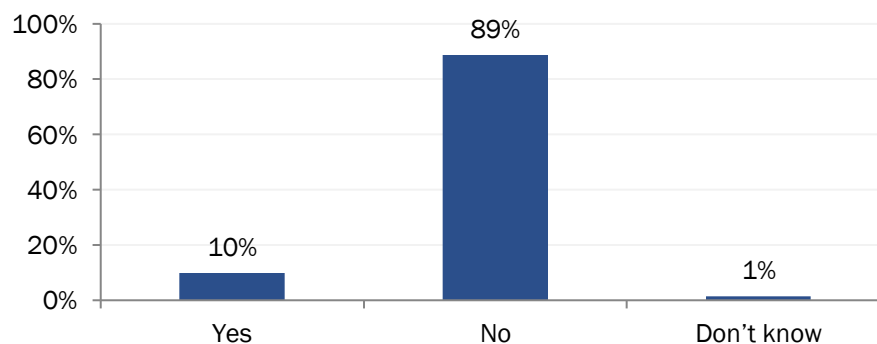
Several dominant themes emerged from the survey and interview data:

- School districts do not separately track expenditures of SSF revenue at the school, staff, or student level.
- School districts’ general-fund distribution rules/practices – and other practices – are generally believed to be narrowing racial/ethnic disparities in educational outcomes.
- School district staffing and funding formulas are primarily based on student enrollment and class sizes.
- Most district representatives described insufficient funding levels.
- Many district representatives noted the additional burden and administrative costs that would be involved with adding reporting and accountability measures to the SSF.

School districts do not separately track expenditures of SSF revenue at the school, staff, or student level

Nearly all (89%) of survey respondents indicated that their school district does not allocate and track expenditures of SSF revenue separately from expenditures of non-SSF general fund revenue. Open-ended survey results helped to clarify this finding.<sup>61</sup>

**Exhibit 31. Responses to, Does your district allocate and track expenditures of SSF revenue separately from expenditures of other non-SSF, general-fund revenue?**



<sup>61</sup> We contacted a few of the respondents who initially answered “Yes” to this question and, after further discussion, they requested we change their response from Yes to No. In other cases, “Yes” respondents’ open-ended responses

Though many districts have equity plans and some have staff dedicated to improving equity, most district representatives who were interviewed said that they were unable to track SSF expenditures to the school, staff, or student level in order to measure whether the SSF funds affected equity efforts. Generally, SSF revenue is combined with the district’s property tax revenue to make up the school district’s general fund. School districts can track how the general fund is spent at the school and staff level but don’t know what portion of that expenditure is from the SSF. Many survey respondents who expanded, in open-ended survey responses, upon whether they track their SSF expenditures shared similar sentiments.

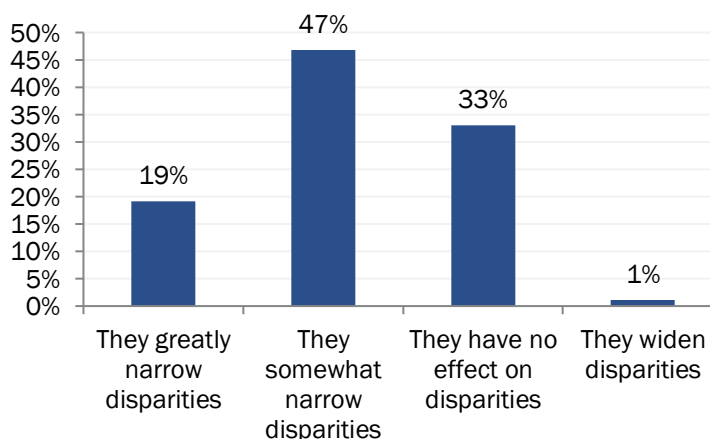
<p>Business Manager: “As the major source of income, the SSF covers the majority of our expenses. In our district, the minor other General Fund resources like a rental income (\$2,000) or athletic gate fees (\$11,000) offset some expenditures in facilities or athletics, but [are] not tracked specifically.” (survey)</p>	<p>Business Manager: “It would be extremely difficult to track SSF dollars separate from all other general fund revenues. I would say for a small school district almost impossible.” (survey)</p>
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School districts’ general-fund distribution rules/practices—and other practices—are generally believed to be narrowing racial/ethnic disparities in educational outcomes

Most survey respondents (66%) said that they believe their district’s general fund either somewhat or greatly narrows racial and ethnic disparities in educational outcomes. School board members and superintendents expressed the most confidence, with 75 percent indicating their rules or practices somewhat or greatly narrow disparities (60 percent for business managers).

Respondents from larger school districts (enrollment above 7,000) agreed with this statement at a higher rate (92%) than did smaller school districts (enrollment below 500) (52%). And respondents from school districts in which 40 percent or more of the students are BIPOC agreed with the statement at a higher rate (80%) than did respondents from school districts with fewer than 20 percent BIPOC students (51%).

**Exhibit 32. District general-fund and/or SSF distribution rules or practices affect racial/ethnic disparities in educational outcomes.**



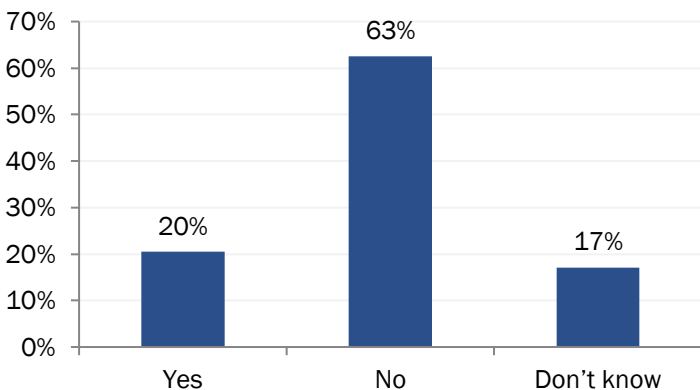
In addition to following general-fund distribution rules and practices that narrow disparities, many districts incorporate equity into their programming and classrooms. Specifically, while few respondents indicated in the survey (20%) or in interviews that their school district had

suggest that they do not actually track SSF separately. We cannot at this time say with assurance that any school district is tracking expenditures of SSF revenue separately from expenditures of non-SSF general fund revenue.



recently adjusted their general fund distribution method to reduce racial and ethnic disparities (see Exhibit 33), most of them noted a reason for this and described alternative methods to addresses inequities.

**Exhibit 33. Within the last five years, district leadership altered general-fund distribution rules/practices for the purpose of reducing racial/ethnic disparities.**



Half of interviewees shared, for example, that they have a specific equity plan for the district and/or an equity director. Interviewees noted that even with minimal funding, they were at least trying to develop equity policies and programs throughout their schools in ways that consider race/ethnicity, income, and other factors.

Respondents' open-ended survey responses on this topic varied by school district characteristic (share BIPOC, size of outcome gaps, size). Of respondents that indicated their school district incorporates equity into its programming, 49 percent were from school districts with more than 40 percent BIPOC students, and another 29 percent were from school districts with between 20 and 40 percent BIPOC students. Both interviewees and respondents from high-BIPOC-share districts described district-wide equity initiatives implemented because their BIPOC and/or ELL students are evenly spread across their schools. School district leaders and staff who are surrounded by a more diverse population of students are likely better positioned to think about the implications of their programming on BIPOC student experiences.

Responses also varied based on school district size. Of respondents that indicated their district incorporates equity into its programming, 61 percent were from districts with more than 2,000 students, compared to districts with fewer than 2,000 students (39%). This could be because larger schools have more resources and staff to dedicate toward equitable programming efforts than do smaller schools.

However, most respondents that reported their district incorporates equity into its programming noted in open-ended survey responses and in interviews that they use their SIA funds or other revenue sources to support these equity measures rather than the SSF. For example, one school district used its SIA funds to create a teacher pathway program that would increase the number of certified teachers who are BIPOC and to also fund professional

development for white teachers on the topics of implicit bias, restorative justice, and improved discipline.

Survey respondents and interviewees said that they use SIA and other funds rather than the SSF for equity-related purposes partially because those revenue sources have specific requirements to be directed toward certain equity goals such as supporting ELL students. However, they also expressed that they use non-SSF funds because the SSF does not provide a large enough amount of funding to advance equity goals. Generally, school districts said that they use the SSF to cover the basic needs and programs of their schools.

Business Manager: “We have made targeted adjustments to address academic outcomes of underperforming students [via] grant funded support and district level support. SSF funding, again, allows for minimal redistribution for targeted initiative while still covering the ‘have to’s.” (survey)

Business Manager: “We have tried to increase support for English language learners in many ways in recent years. We have a separate staffing allocation for those distributions. This survey doesn’t seem to take into account that there is great pressure on the general fund. We spent a great deal of time evaluating our process this school year, but the SSF can’t support making a change.” (survey)

Superintendent: “The way our general fund is provided to us, it makes it tough to target dollars to those who most need it. The Student Success Act was helpful as is the High School Success [fund].” (survey)

### School district staffing and funding formulas are primarily based on student enrollment and class sizes

Many school districts noted in open-ended survey responses and in interviews that their funding formulas are based on enrollment and/or class sizes and not based on a specific equity distribution method. These survey respondents shared that if there were remaining funds after accounting for class sizes, they would dedicate those funds to meet specific needs, such as culturally relevant sports opportunities, safety needs, teacher workshops on discipline and race, or teaching certification programs.

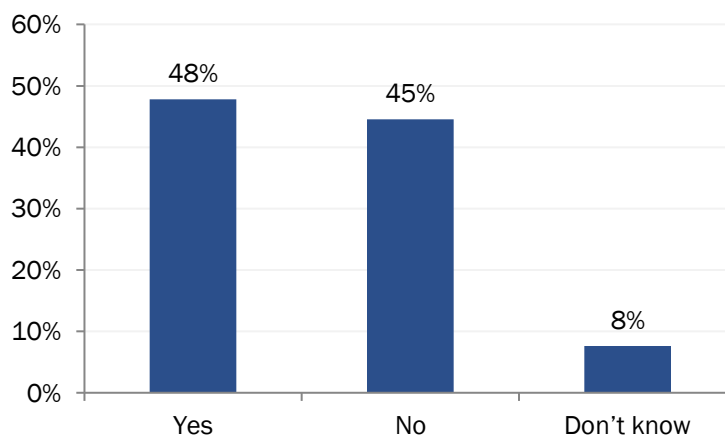
Superintendent: “General funds are generally distributed by the number of students each school serves. The goal is to make sure that class sizes and opportunities are relatively equal for our student population. After that, we add resources based on student need. For instance, our higher poverty schools have an extra counselor and we have Community Liaisons in place at schools with a higher Latino population. We have not locked ourselves into a weighting formula as we need to stay flexible based on changing circumstances.” (survey)

Business Manager: “We use a staff allocation model that determines the number of staff based on class size. Then we evaluate and add/move staff based on need. Special needs teachers, ELL teachers and Title staff are all added after the allocations are created.” (survey)

Only one school district shared in interviews that they have a specific staffing formula that considers equity, using a Title 1 or Comprehensive Support and Improvement (CSI)/Targeted Support and Improvement (TSI) designation, where the Title 1 designation is based on economic need and poverty, and the CSI/TSI designation uses a comprehensive, targeted support intervention that considers thresholds of achievement. Neither designation is explicitly based on race. However, this school district does have an equity formula that accounts for historically underserved and BIPOC students.

When asked about the distribution of their school district’s general fund, 48 percent of survey respondents said that their district considers school-level educational outcomes in the general fund distribution method, while 45 percent said that their district does not. Another 8 percent of respondents were unsure. Respondents from school districts with larger gaps in test scores and graduation rates between BIPOC and white students tended to report including educational outcomes more often in their funding decisions.

**Exhibit 34. Percent of school districts that incorporate school-level educational outcomes into the general-fund distribution method.**



Some school districts explained in interviews and open-ended survey questions that they have not adjusted their general fund distribution method to address racial and ethnic disparities due to the demographics of their school population. Respondents from school districts with a majority of students who are students of color, English language learners, or low-income, noted that such students were evenly spread across the district’s schools. According to business managers, it makes more sense in these districts to distribute funding using a class-size formula rather than a formula based on specific student populations or educational outcomes.

Superintendent: “We only have one school in our district, so there is no disparity between multiple buildings as with some districts. We have a single K-12 school building.” (survey)	Superintendent: “Our small school system allows us to provide the same options, opportunities, and staff to every student in our district regardless of income, ethnicity, race, religion, etc.” (survey)
Superintendent: We have not [altered the fund to address racial/ethnic disparities] because we do not need to. We spend our money on all of our students to support their educational needs regardless of race or ethnicity.” (survey)	Superintendent: “[Our district] is less than 3% diverse - state obligations are way out of sync with what we are currently experiencing - we do a great job at meeting educational needs with the budget we have” (survey)
Superintendent: “We are a very small, rural, remote school and students have equal opportunities to take the courses offered. We have very small class sizes (8-22), so students are not overlooked. We have programs to meet the needs of all students, regardless of current academic status. We are a school-wide Title I school, so all students qualify for extra help in reading. We have an alternative education program for students with credit deficiencies. All students eat free breakfast and lunch.” (survey)	

Respondents from districts with both lower enrollment and a lower BIPOC share indicated in open-ended survey responses that they believe their smaller size decreases the likelihood of having existing disparities to address in the first place. These schools noted that they focus more

on individual student needs rather than student identity when planning how to distribute their funding or position their programs.

### Most district representatives described insufficient funding levels

Many survey respondents, as well as all but two of the school district representatives we spoke with, indicated that their districts do not currently have an adequate level of funding to meet all of their students' core needs, nor to dedicate additional funding to specific equity measures. Representatives report needing to assess the trade-offs of cutting one valuable program or another in order to balance their budget. A good portion of the school districts represented in this engagement effort were either small districts or had a large number of schools with higher percentages of underserved and BIPOC students who—as a result of structural racial and economic injustices—have much higher needs.<sup>62</sup> Representatives of these school districts noted slightly more often that their general fund is not large enough to meet their students' needs.

Equity Administrator: “I think because of the chronic underfunding of schools we are always in a position of [balancing different needs]. Because of the decrease of ESSER funding we are looking at making decisions around funding that will directly impact programming and services to students. Because the budgets are based on a year-to-year implementation and yet we know in education sometimes it's going to be a multiyear process to get to those equity outcomes that we are striving for.” (interview)

Business Manager: “People are thinking of my budget as \$36 million, but 1.2 million is dues and fees for insurance. [Another] 94% of my budget is teachers and people. [...]. I might have to close a school or cut the number of days kids go to school. [...] This next year, when I'm going to be cutting, where do I cut? I haven't given a budget increase to anyone in 8 years because I put all the money in the classrooms.” (interview)

Of survey respondents who indicated across open-ended survey responses that the general fund is not adequate to meet the needs of marginalized students (even if they are making efforts to incorporate equity), 37 percent represented a school district with between 20-40 percent BIPOC students, and 37 percent were from school districts with more than 40 percent BIPOC students. For the same sentiment, 67 percent of survey respondents represented school districts with more than 2,000 students enrolled, compared with school districts with fewer than 2,000 students enrolled (33%).

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<sup>62</sup> Representatives from smaller districts and those with higher shares of BIPOC students may have been more inclined to take the survey as a result of their experience working with smaller budgets and/or a particular interest in funding for BIPOC students.

Business Manager: “I only want to share that current conversations in our district betray a lack of understanding of the degree to which resources are insufficient. The current appropriation for education is more than \$1 billion short of the Quality Education Model. While I am 100% in support of resource equity, Oregon really needs to be having a conversation about resource sufficiency first. We cannot achieve resource equity until we have more than the bare minimum.” (survey)

Superintendent: “However, as a district that represents almost 70% students of color, we have intensive needs that are not well addressed by our general fund. The current formula is equalized and in the end has an impact on how we can address the needs of Black, Latino, and Pacific Islander students. Because our district is equally diverse, we are not able to allocate more toward one school that is more impacted by need. They all require intensive support. Oregon school funding formula is inequitable by design.” (survey)

Superintendent: “Again, we do not receive enough general fund revenue to increase our current practices in these areas. We do use the SIA, HSS, and Title funds to address these areas.” (survey)

Superintendent: “As you will see from our document, our Student Investment Account and High School Success dollars are directly addressing the needs of our racial/ethnic disparities. Please note, our district's distribution of students is 67% students and families of color” (survey)

Business Manager: “Our general fund is used to “turn on the lights.” We do not have a local option levy, so the general fund is focused on Division 22 standards, life/safety, and operating expenses. SIA, High School Success, and federal funds are used to reduce racial/ethnic disparities.” (survey)

A few interviewees noted a decline in enrollment—and thus in general fund—during the pandemic, when schools transitioned to virtual learning and some families moved to different areas of the state or out of state.

Business Manager: “Our enrollment has gone down even more than the rest of the state. We had close to 700 students displaced, with very little housing in our area. A lot of students had to move to other states, other districts. Some were able to come back with temporary housing. We do have a lot of houseless students. This was a big hit to us for the SSF and property taxes. We received a grant from the state and based on that, we were able to continue our [current] programs.” (interview)

Many district representatives noted the additional burden and administrative costs that would be involved with adding reporting and accountability measures to the SSF

School district representatives indicated in interviews and open-ended survey questions that the administrative effort that would be required to track SSF expenditures to the school, staff, and/or student level would be considerable, especially for smaller districts. Half of interviewees expressed concern about a potential need for additional reporting and accountability measures associated with the SSF, while the other half expressed interest and support for potential reporting and accountability measures, with some caveats. For example, some interviewees said that it would be easier to track SSF expenditures to specific schools, areas, or programs than it would be to track expenditures to specific students.

Interviewees from smaller school districts that serve majority-BIPOC and low-income students reported that they would have trouble tracking equity-related SSF expenditures to schools and staff, as equity-based programs are integrated and interconnected into their core programming across the entire district. It would be unfeasible to untangle and track SSF separately from other funds. Other school district representatives suggested that ODE would need to increase the

overall amount of SSF and add a weight for historically underserved students for school districts to be able to adequately support BIPOC students and prove that they are doing so. Representatives from smaller school districts reported that they would also need financial and technical assistance to complete accountability reports.

<p>COO: “Either don’t require [reporting and accountability measures] or fund it adequately.” (interview)</p>	<p>Business Manager: “It would not be a good idea to restrict this money. It’s nice to have some room to tweak the budget when needed.” (interview)</p>
<p>Superintendent: “I think your question about making the funding follow the students is edging toward a solution. It would be complicated to make it follow the student, but certainly making it correlate to areas or schools that have higher needs would be useful.” (interview)</p>	<p>School Board: “We’d support the legislature putting more restrictions on targets and tracking outcomes. We’ve been in favor of that, but our size is the barrier. [...] It’s not that we don’t want to be told what to do.” (interview)</p>
<p>Other Staff: “When you’re doing things like integrated programming, that could really be complicated because how would we parse that out [in reporting the expenditures]? What percent of every person’s lesson is about language development? And if we added all that up, the weighted funding would not cover that. We’ve invested way above and beyond.” (interview)</p>	<p>Business Manager: “We already have a lot of reporting to do. It will be difficult to budget time. Having to think about how much we’ll get in property taxes...we never know exactly how much we’re going to get. It’s a moving target.” (interview)</p>

We asked interviewees about how the SIA fund reporting requirements affect them. Interviewees mentioned frustration with the requirements and restrictions on where the money can be spent, while also noting that the SIA funds helped them achieve their equity goals and provided at least some flexibility in terms of what types of programs can fit under a particular category of spending. Interviewees indicated that if the SSF adopted a similar structure, they would appreciate that same level of flexibility. One school district advocating for flexibility brought up an example of how their district unexpectedly received an influx of refugee students, who were therefore not accounted for in the preceding budget plan. Flexibility in how funds can be expended would help school districts handle such unexpected circumstances.

<p>Board Member: “I will say that our size plays a role. The more restricted something is, the more admin and labor needed to report and track that. Even with SIA, that was a barrier.” (interview)</p>	<p>Other Staff: “I don’t really think their accountability measures are accurately capturing accountability. It’s tricky to really measure the efficacy of some of these things. But if SIA funds were taken away from our district, it would be crippling. [...] The FTE that we’ve put into those positions, extra social workers, people who support families in transition— those are tied to SIA.” (interview)</p>
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Survey respondents shared similar sentiments regarding the impact that restricted funds with reporting requirements would have on their administrative capacity. Interestingly, school districts with BIPOC-student-share below 20 percent and those above 40 percent represented larger shares of this particular response, at 43 and 39 percent respectively. School districts with



fewer than 500 students and school districts with 2,000-7,000 students also represented a larger share of these responses, at 33 and 50 percent respectively.

School Board: “As a district with less than 3,000 students (again, 70% BIPOC, 72% low-income) and a slim administrative staff, the overhead of record keeping for special grants and projects is a barrier for us. It is difficult to have so many funding streams with so many different record keeping requirements.” (survey)

Business Manager: “If you put more restrictions we may need more funding for FTE to track outcomes.” (survey)

## Case Studies

This section highlights two school districts in Oregon that have a relatively high share of BIPOC students that are spread relatively evenly across the district. These districts base their funding distributions on district-wide goals rather than on formulas that prioritizes certain schools. Representatives from each of these districts reported that adding requirements to meet goals reducing racial/ethnic outcome gaps and/or to track progress toward those goals would be a substantial undertaking for them, for the following reasons:

1. The SSF (and therefore the general fund) is not large enough to cover basic expenses.
2. The current funding distribution method—an equal-distribution method that covers district-wide initiatives, as the needs of students are evenly distributed—does not include a way to track expenditures to specific student populations.
3. The school districts do not have the administrative capacity to fulfill additional reporting requirements.

### School District 1

Representatives of School District 1 indicated in interviews and surveys that almost 70 percent of the students in the district are BIPOC, with BIPOC students evenly spread among the schools. While enrollment numbers in District 1 have been declining, representatives indicated that the school district still has a greater level of need in comparison to other districts, related, for example, to financial assistance, food, and health care. One District 1 representative mentioned the Covid-19 pandemic as one possible contributor to declining enrollment rates, but more often referenced gentrification and displacement as the other catalyst. Wealthier white families are moving into the school district while putting in transfer requests for their children to attend a neighboring larger, better-funded district instead.

Superintendent: “These questions in the survey assume that our district’s needs are uneven. If you look at our four elementary schools and our middle school and high school, we have a wide distribution of need.”

Superintendent: “[In our area], we’ve taken on a great deal of gentrification over last 25 years. Used to be affordable, lower rent. We’re a district where we still have very unique diversity, but it’s really hard for our families to stay.”[...]“We have younger white families that come in and have transfer request meetings because they want their kid to go to a specific program in [larger, better-funded school district].”



According to District 1 representatives, their general fund is barely enough to cover their basic expenses, maintain current staff levels, and fulfill the requirements of unfunded mandates. As a result, the district is actively seeking to make cuts to extracurriculars, school days, classes, and other important features for student learning and development. With the district struggling to fund basic programs, any additional equity or tracking requirements related to the SSF would necessitate an increase in the amount of funding offered. District 1 representatives also recommended that the SSF add a weight for “historically underserved” students as a means to increase funding for districts that have a higher share of BIPOC students.

Business Manager: “Even though there’s a weight for kids with higher needs, there’s only \$55 million that all schools have to compete for. That’s a flaw in the formula federally and at the state level.”

Superintendent: “We need to be bold and do something dynamic, but we also need to be willing to pay for it.”

Superintendent: “We receive the weighted formula for our general fund, and I do believe they help us address the direct needs of language learners, pregnant teens, and address some issues of poverty. However, as a district that represents almost 70% students of color, we have intensive needs that are not well addressed by our general fund. The current formula is equalized and in the end has an impact on how we can address the needs of Black, Latino, and Pacific Islander students. Because our district is equally diverse, we are not able to allocate more toward one school that is more impacted by need. They all require intensive support. Oregon school funding formula is inequitable by design.”

Despite the lack of funding for equity-based initiatives, District 1 is doing what is possible to support students of color through district-wide initiatives. They are using alternative grants such as the SIA and embedding equity into their decision-making processes. District-wide initiatives through equalized funding is necessary within the school district because the district’s BIPOC students are evenly distributed across the schools:

School Board: “The District 1 student body is 70 percent BIPOC, evenly distributed across the six schools in our district. So our efforts at addressing disparities aren’t in funding rules but in district-wide goals. For example, our district goals this year included building a support system for students when they experience acts of racism at athletic events. A few years ago, our goal was to reduce the overrepresentation of discipline rates among Black/African-American students (2:1). These discipline rates were present at ALL of our schools.”

School Board: “With SIA funds, however, we were able to start a teacher pathway (“grow your own”) program for classified staff of color to become certified educators. We also used SIA funds to expand our partnerships with culturally specific organizations from the secondary to the elementary level (Elevate Oregon - for Black/African American students) and hire family liaison engagement specialists (Spanish-speakers) for each of our schools (this was a high priority community ask). Our district adopted an equity lens for decision making in 2017, and an “Every Student Belongs” policy in 2021. Because of our district goals we began educator of color caucus groups at each of our schools in 2020.”

Due to this evenly distributed funding through district-wide initiatives, the district would not be able to ensure that funds follow specific student populations or needs. Moreover, the district’s small size and limited administrative capacity would affect its ability to keep up with reporting requirements.

## School District 2

Like School District 1, School District 2 has a high percentage of BIPOC students enrolled (60-75 percent), as well as a student poverty rate above 80 percent. According to the district's representatives, the district has primarily Latinx students and a large number of English Language Development (ELD) students. Much of the funding that the district receives from the SSF is weighted toward ELD students.

School Board: "In my short time on the board I've seen more resources invested in efforts such as the migrant program with a majority of these youth being BIPOC students."

The SSF represents 60 percent of the District 2 general fund. Like District 1, District 2 representatives report using an equal-distribution funding model rather than a formula that targets specific schools because students' needs are similar across most of the schools. Staff compensation makes up the largest portion of the budget and district officials noted that they also allocate a large portion toward professional learning. District 2 representatives also noted that the general fund is not sufficient to meet their students' needs, and they have had to supplement the budget to support their small schools located in more-rural areas. Like District 1, District 2 representatives suggested that the general fund at current levels would not be enough to help the district reduce racial inequities.

Other Staff: "If we removed the federal funding and all of that, we couldn't make it work. The General Fund isn't sufficient to make all of this happen. That's why we go after other funding."

School Board: "I believe the school district is putting adequate resources to BIPOC students but the external barriers these youth face is more than the district's general fund can support at times. Housing, food security, and so on."

District 2 representatives indicated that an increased targeting of SSF dollars to BIPOC students and associated reporting on the expenditures would require more administrative capacity than they have. They noted that they are already struggling with keeping up with SIA reporting requirements and that they implement district-wide initiatives that would be difficult to break down and pinpoint to specific students or populations. District 2 representatives also expressed that they would prefer to maintain the flexibility that the SSF currently has.

Other Staff: "If we totally put that weighted funding in a box and it has to be tracked exactly for x, y, z, student, it's going to cripple what we're moving towards. It's not best practice for the K-12 system as a whole. If you wanted to integrate wrap-around, we need flexibility for using those funds. There need to be checks and balances for districts that misuse the funding, but most districts are not in that boat."

Other Staff: "In the ESL world, we know we get 'x' amount of dollars that we dedicate to a specific fund. The challenge we have is that we're an integrated ELD district. Everyone has taken that ownership and everybody is teaching language. We might have 1-2 specialists in the coaching role, etc., but in general everybody is contributing. We have a lot of sprinkled services throughout, so it's hard to quantify."

## 8. Conclusion

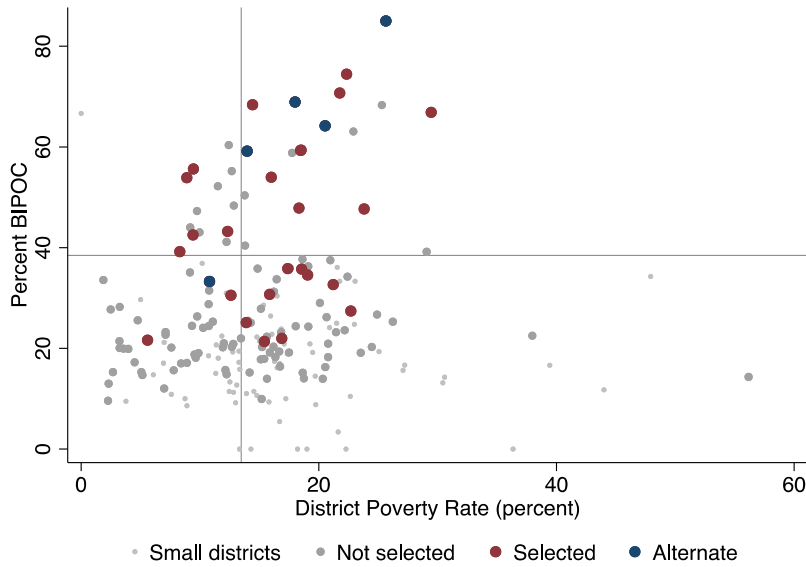
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School districts in Oregon do not track expenditures of SSF GPG separately from expenditures of other general fund revenue at the school, staff, or student level, making it difficult to determine with certainty whether spending patterns result in disparities between students who are BIPOC and those who are not BIPOC. State and local laws and policies such as formula weights, class size ratios, and required programming drive state and local resource distribution to schools, leading to a slightly progressive—but close to average among states—resource allocation with respect to race and ethnicity.

In light of persistent, long-standing outcome inequities between Oregon’s BIPOC and non-BIPOC students, some school districts have district-level equity plans and equity directors. Representatives of many school districts—especially smaller districts—report insufficient levels of funding for additional initiatives. Research referenced and applied to Oregon in this report indicates that additional resources, and the ways in which resources are allocated, can play a role in addressing long-standing outcome inequities.

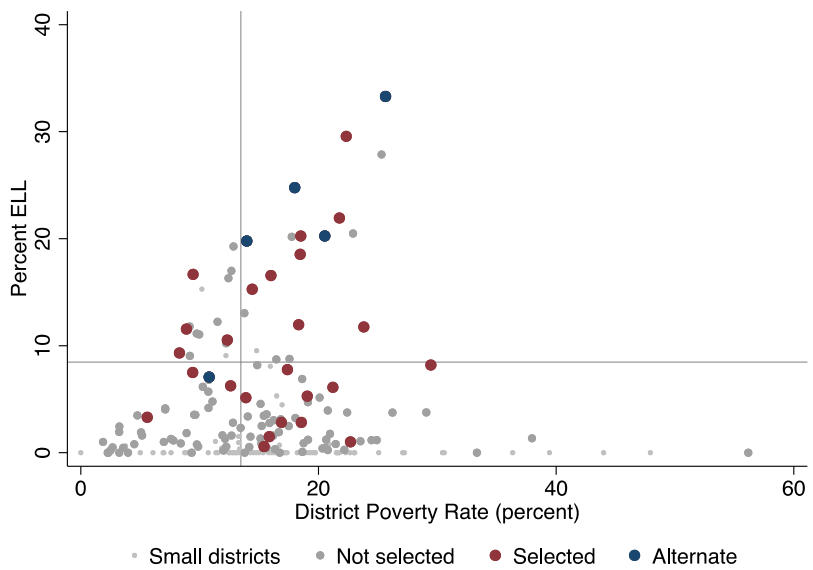
# Appendix A: Characteristics of Selected Districts

Exhibit A1. BIPOC Enrollment and District Poverty Rate by District Selection Status, 2019-2020



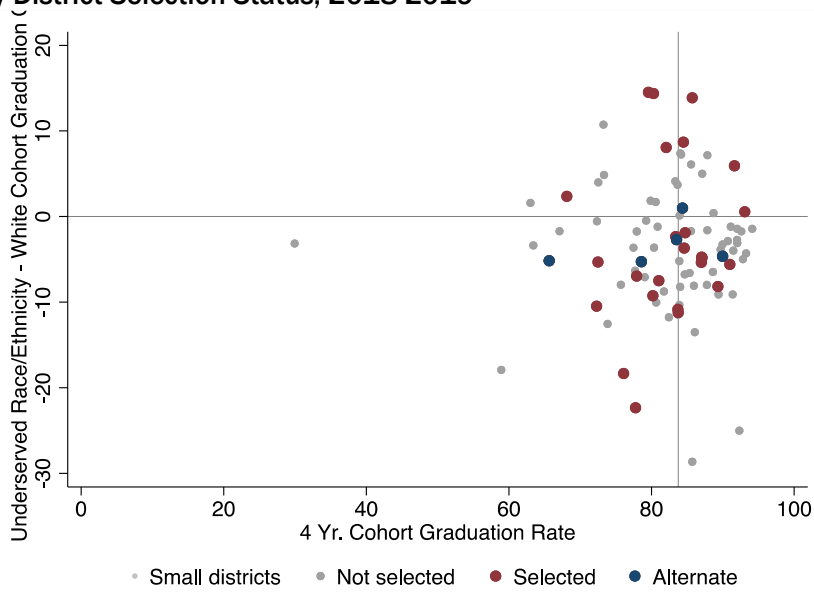
Source: ECONorthwest

Exhibit A2. ELL Enrollment and District Poverty Rate by District Selection Status, 2019-2020



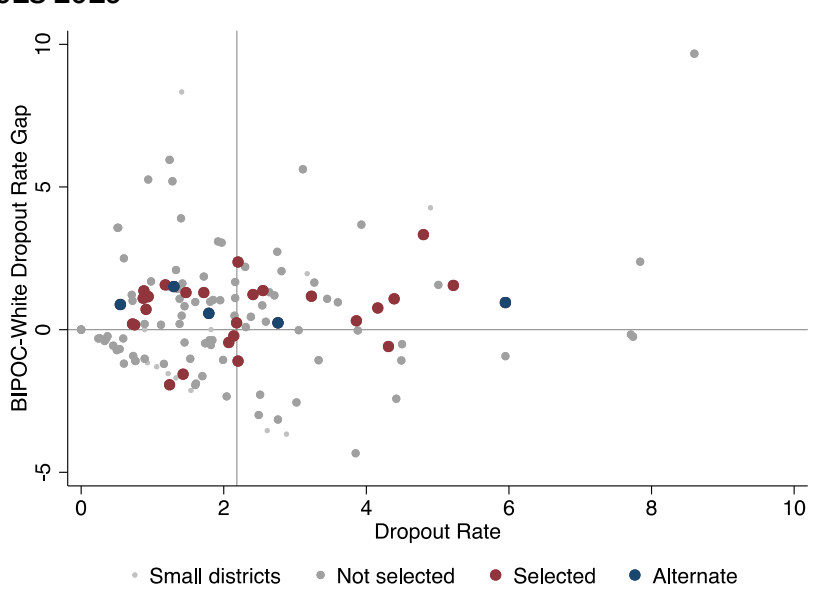
Source: ECONorthwest

**Exhibit A3. BIPOC-White 4-Year Cohort Graduation Gap and Overall 4-Year Cohort Graduation Rate by District Selection Status, 2018-2019**



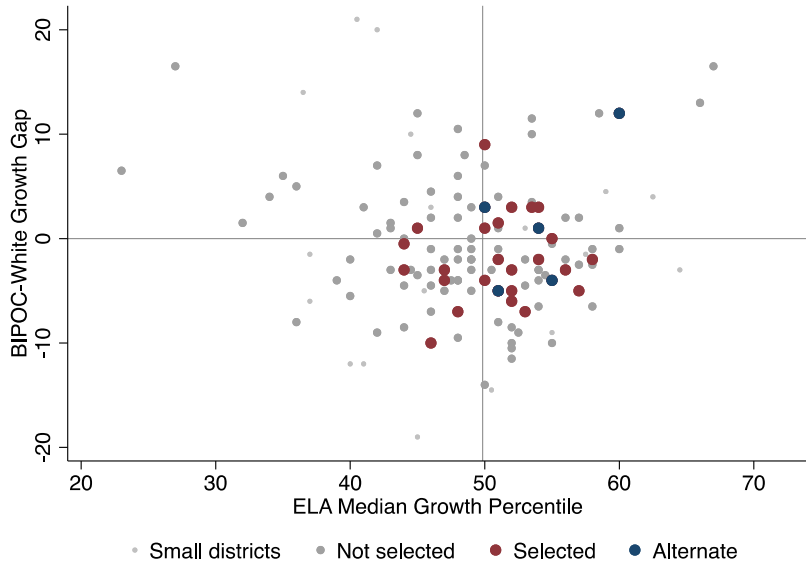
Note: BIPOC-white gap calculated as the difference between students of underserved races/ethnicities and white students.   
 Source: ECONorthwest

**Exhibit A4. BIPOC-White Dropout Rate Gap and Overall Dropout Rate by District Selection Status, 2018-2019**



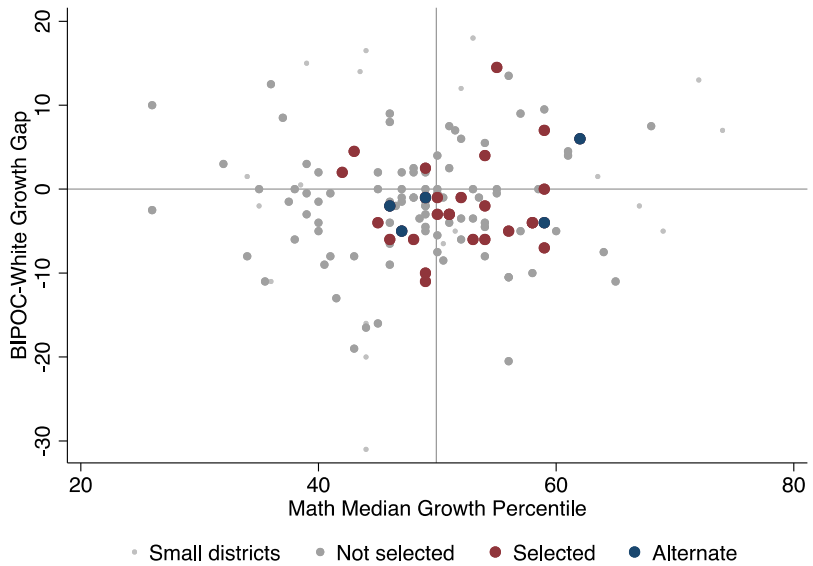
Note: BIPOC-white gap calculated as the difference between students of underserved races/ethnicities and white students.   
 Source: ECONorthwest

**Exhibit A5. BIPOC-White ELA Median Growth Percentile Dropout Rate Gap and Overall Median Growth Percentile by District Selection Status, 2018-2019**



Note: BIPOC-white gap calculated as the difference between students of underserved races/ethnicities and white students.  
Source: ECONorthwest

**Exhibit A6. BIPOC-White Math Median Growth Percentile Dropout Rate Gap and Overall Math Median Growth Percentile by District Selection Status, 2018-2019**



Note: BIPOC-white gap calculated as the difference between students of underserved races/ethnicities and white students.  
Source: ECONorthwest

## Appendix B: Revenue Allocation

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At the state level, we find a slight progressivity — close to average among states — in total school expenditures, as shown in Exhibit B1. The figure shows the estimated 2019-20 BIPOC-white expenditure gap expressed as a share of estimated BIPOC per-student expenditures and in dollars (a positive gap indicates that, on average, BIPOC students attend schools with higher per-student expenditures than do white students). General fund expenditures appear very slightly more progressive than do expenditures from all funds. However, outcome disparities remain significant. These results are consistent with estimates for Oregon from the national literature.

Note however that, consistent with findings described in the literature review, the unit of analysis matters. Calculations based on district-level spending suggest less progressivity than those based on school-level spending.

### Exhibit B1. Oregon’s BIPOC-White Expenditure Gap, 2019-2020

BIPOC-White Expenditure Gap		
	All expenditures	General Fund expenditures
Percent of BIPOC per-student exp.		
District level	1.8%	2.0%
School level	3.5%	3.7%
Dollars		
District level	\$242	\$226
School level	\$486	\$414

Source: ECONorthwest

The literature review suggests that Oregon districts’ reliance on non-formula local revenues could potentially undermine the distributive goals embedded in the SSF funding formula, and analysis so far supports this possibility, although the relative effects are generally small. Exhibit B2 shows per-student allocation of the SSF General Purpose Grant (GPG) in the first column, all General Fund in the second column, and all Funds in the third column, by quartile of district poverty.<sup>63</sup> Exhibit B3 shows similar information by quartile of BIPOC enrollment share.

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<sup>63</sup> The SSF General Purpose Grant (GPG) constitutes about 95 percent of the District Formula Revenue.



**Exhibit B2. Resource Allocation by Quartile of Poverty, 2019-2020**

Quartile	Per ADM		
	General Purpose Grant	General Fund Expenditure	Total Expenditures
Highest	\$10,779	\$11,260	\$14,116
2nd	\$10,427	\$10,798	\$13,514
3rd	\$10,137	\$11,078	\$13,633
Lowest	\$10,023	\$11,049	\$13,481
Top Q - Lowest Q as a share of Lowest Q	7.5%	1.9%	4.7%

Source: ECONorthwest

**Exhibit B3. Resource Allocation by Quartile of BIPOC Enrollment, 2019-2020**

Quartile	Per ADM		
	General Purpose Grant	General Fund Expenditure	Total Expenditures
Highest	\$10,787	\$11,329	\$13,921
2nd	\$10,175	\$11,712	\$14,388
3rd	\$10,146	\$10,516	\$13,363
Lowest	\$10,307	\$10,585	\$13,001
Top Q - Lowest Q as a share of Lowest Q	4.7%	7.0%	7.1%

Source: ECONorthwest

The percentages in the figure identify the progressivity of this distribution and are calculated as the difference in per-student spending between the highest-poverty quartile of districts and that for the lowest-poverty quartile.<sup>64</sup> The GPG allocation appears progressive. Other general fund expenditures are primarily non-formula local revenue; the allocation of these additional funds appears to reduce progressivity with respect to poverty but increase progressivity with respect to race and ethnicity. Adding all other expenditures, which include restricted federal funds, among other revenues, restore some of the progressivity with respect to poverty. Subsequent quantitative and qualitative analysis will explore these differences in more detail. The analysis will be limited by the fact that general fund expenditures at the school level are not identified by revenue source (e.g., GPG; non-formula local).

# Appendix C: Interview Protocol/Method

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## Interview Plan

ECONorthwest consultants contacted superintendents, business managers, school board members, equity directors, and other staff from 15 selected school districts via email to participate in a 30-minute, semi-structured, confidential interview. Districts were selected based on a reasonable range of variation along several dimensions, including racial/ethnic diversity, geography, enrollment (size), student socioeconomic status, and observed disparities in funding and outcomes. Following ECONorthwest's outreach, 13 representatives from 10 different school districts signed up for an interview.

ECONorthwest developed an interview script with several questions about the school district's funding formula structure, allocation and tracking process, and impact on racial/ethnic disparities. While this study focused on equity rather than adequacy of funding, we anticipated that adequacy would be a topic of interest in the interviews and thus included a direct question about it.

Interviewers adjusted the scripted list of interview questions throughout the interview period as interviewees brought up topics that were worthy of further exploration. The main interview questions, including additions developed mid-interview process, are below:

- How do you allocate your SSF funds? What kinds of considerations do you make in your allocation?
- What is the relationship between budgeting processes and resource allocation/outcomes for BIPOC students?
- How do allocation processes differ for State School Fund revenue relative to other revenue sources?
- To what extent can your district tie specific revenue sources to expenditures at the school level (specific departments, staff salaries, etc)?
- Please reflect on the amount of SSF you receive relative to your district's needs.

## Interview Process

Each interview included one interviewer and one note-taker to capture interviewee sentiments and quotations. Interviewers first explained the purpose of the interview and notified participants that ECONorthwest consultants would not attach interviewees' names to specific quotations used throughout the report. Interviewers then asked the questions that were included in the interview script, in addition to follow-up and clarifying questions throughout the interview that were not scripted, in order to capture greater detail.

## Interview Analysis

A research analyst compiled relevant interview notes from each interviewee into one document that organized interview comments into several different topic areas. Where at least five unique interviewees made similar comments, the analyst grouped those comments into a topic area. The interview analyst then explored the comments in further detail to see what specific themes emerged within topic areas as they relate to the interview questions asked, and what types of school districts (small/large, higher/lower share BIPOC) shared certain themes most often.

## Appendix D: Detailed Survey Results

ECONorthwest sent a survey via email to the superintendents and business managers of all 197 school districts in Oregon and to school board members in the study’s 30 focus districts. The survey was open for approximately four weeks, from mid-February to mid-March 2023. We received responses from 52 superintendents (26% response rate), 73 business managers (37% response rate), and 14 school board members (9% response rate) (139 responses in all). Respondents represented approximately 100 different school districts and at least 18 school districts had multiple respondents across positions.<sup>65</sup>

The survey included both multiple choice questions and open-ended questions. Exhibit E1 presents respondent counts by selected characteristics of respondents’ school districts (size, or number of students enrolled; and share BIPOC).<sup>66</sup>

### School district characteristics

Exhibits E1 and E2 present selected characteristics of respondents’ school districts by respondent position.

**Exhibit E1. Survey respondents’ school district size (student enrollment)**

	School Board Members		Superintendents		Business Managers	
	Respondents	Percentage	Respondents	Percentage	Respondents	Percentage
Under 500	-	0%	16	31%	14	19%
500 - 2,000	-	0%	15	29%	20	27%
2,000 - 7,000	8	57%	13	25%	28	38%
Over 7,000	6	43%	8	15%	9	12%
Nonresponse	-	0%	-	0%	2	3%
<b>Total</b>	<b>14</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>73</b>	<b>100%</b>

**Exhibit E2. Survey respondents’ school district diversity: percent of students identifying as BIPOC**

	School Board Members		Superintendents		Business Managers	
	Respondents	Percentage	Respondents	Percentage	Respondents	Percentage
Under 20%	-	0%	21	40%	27	37%
20%-40%	7	50%	21	40%	22	30%
Over 40%	7	50%	10	19%	21	29%
Nonresponse	-	0%	-	0%	3	4%
<b>Total</b>	<b>14</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>73</b>	<b>100%</b>

Source: ODE enrollment data, 2019-2020

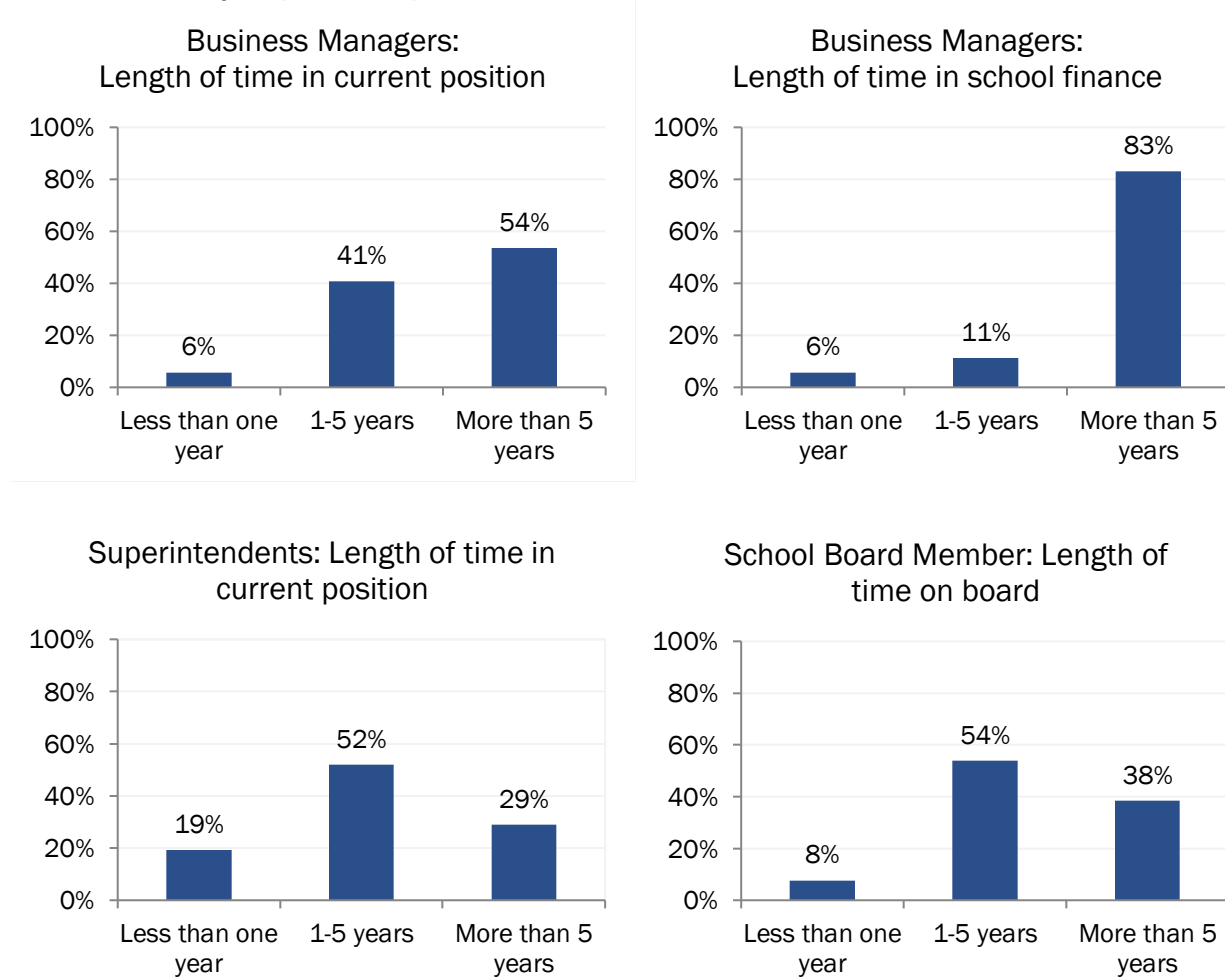
<sup>65</sup> Most respondents provided the name of their district, which allowed matching with other available district-level data. Four respondents chose to not disclose the name of their district.

<sup>66</sup> These characteristics are based on enrollment data from ODE in connection to the respondent-provided school district. When the respondent did not provide a school district a connection was made based on respondent-provided data.

## Survey respondent profile

Survey respondents were asked how long they had been in their current role. Business managers were also asked how long they have worked in school finance. Overall, business managers had been in their current position longest, with more than half having been in their current position for more than 5 years and only 5 percent having been in their role or a school finance position for less than a year. Superintendents and school board members had largely held their positions for 1-5 years though school board members were relatively more likely to have been in their position for more than 5 years.

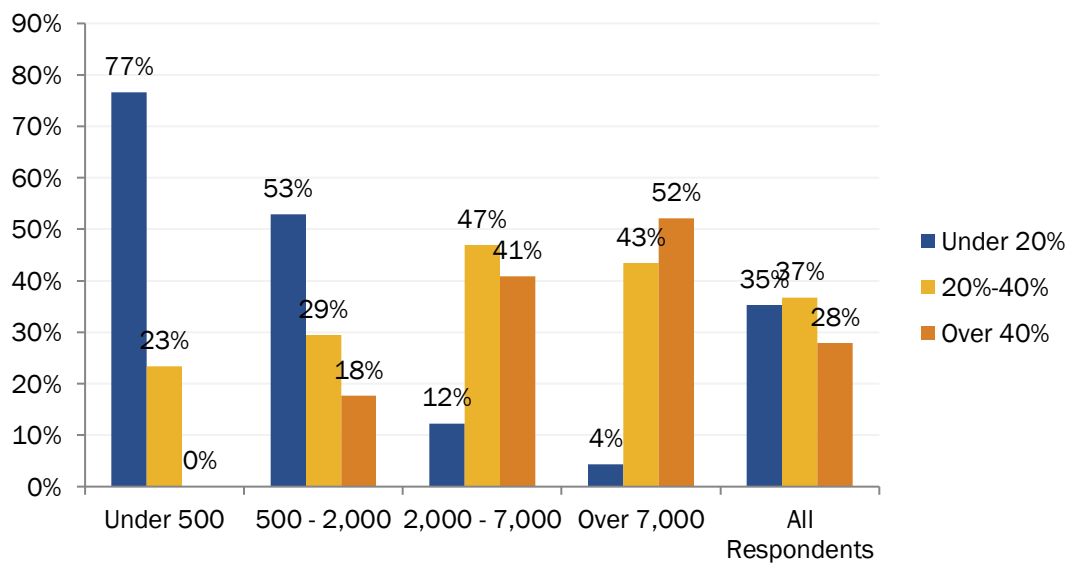
**Exhibit E3. Survey respondents' position tenure**



**Exhibit E4. Survey respondents' position tenure by selected district characteristics**

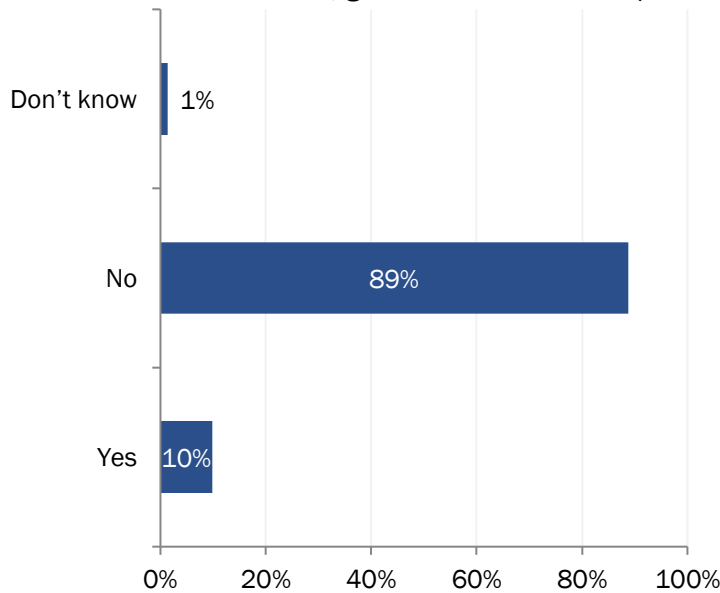
	All respondents	Finance Experience (Business Managers Only)	Enrollment				Share BIPOC		
			Under 500	500 - 2,000	2,000 - 7,000	Over 7,000	Under 20%	20%-40%	Over 40%
Less than one year	11% (15)	6% (4)	7% (2)	9% (3)	14% (7)	14% (3)	10% (5)	14% (7)	8% (3)
1-5 years	46% (63)	11% (8)	40% (12)	49% (17)	45% (22)	55% (12)	46% (22)	49% (24)	45% (17)
More than 5 years	43% (58)	83% (59)	53% (16)	43% (15)	41% (20)	32% (7)	44% (21)	37% (18)	47% (18)
<b>Total</b>	<b>100% (136)</b>	<b>100% (71)</b>	<b>100% (30)</b>	<b>100% (35)</b>	<b>100% (49)</b>	<b>100% (22)</b>	<b>100% (48)</b>	<b>100% (49)</b>	<b>100% (38)</b>

**Exhibit E5. Respondent school district size (student enrollment) by share of students who identify as BIPOC**

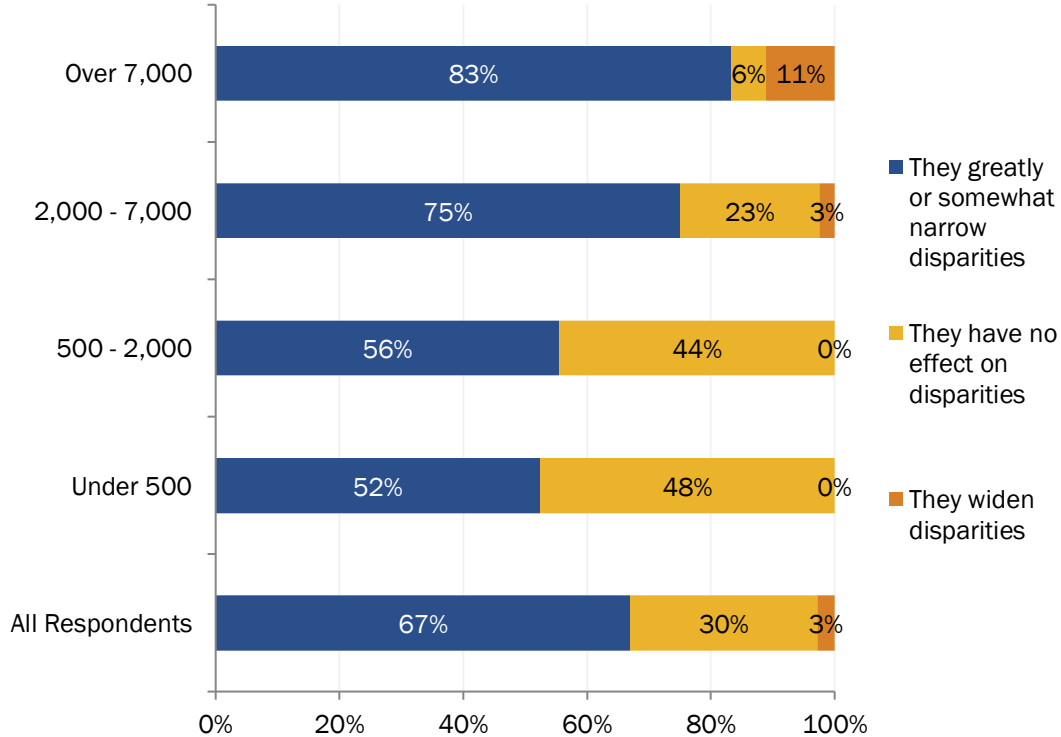


## Survey responses

**Exhibit E6. Does your district allocate and track expenditures of SSF revenue separately from expenditures of other non-SSF, general-fund revenue? (Business Managers only)**

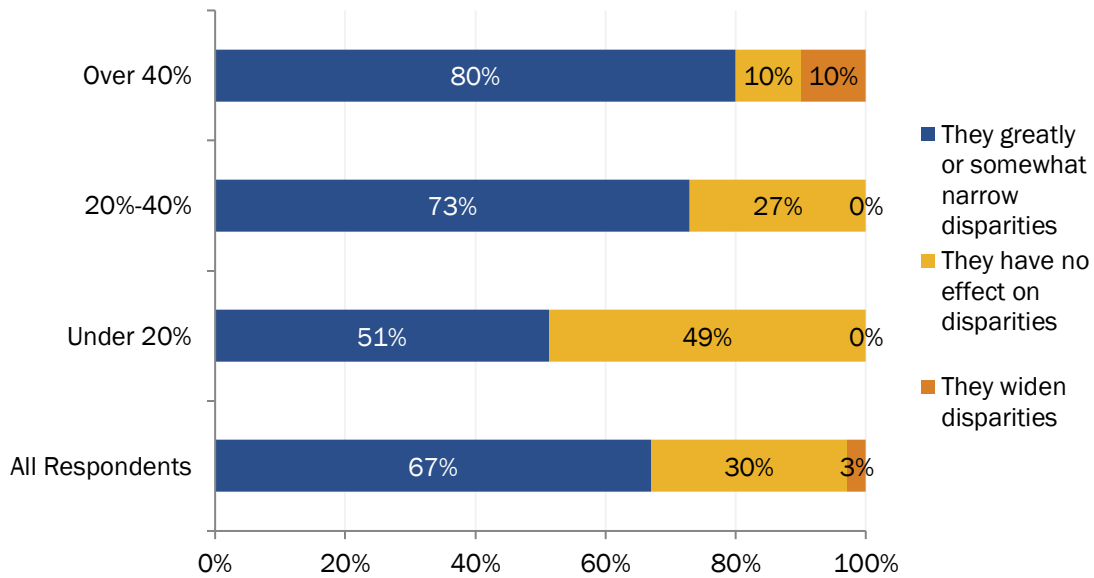


**Exhibit E7. Respondents by School District Size (Student Enrollment): In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?**

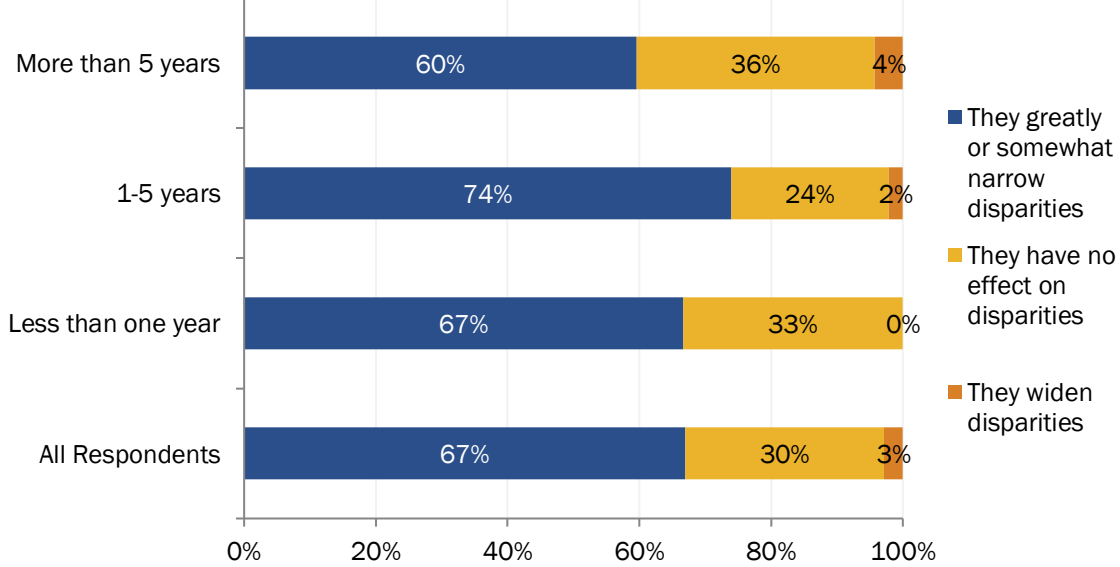




**Exhibit E8. Respondents by school district share BIPOC: In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?**



**Exhibit E9. Respondents by experience level: In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?**



**Exhibit E10. Are school-level educational outcomes (e.g., 3<sup>rd</sup> grade reading, high school graduation) incorporated into your district's general-fund distribution method? By district characteristics**

	All respondents	Enrollment				Share BIPOC		
		Under 500	500 - 2,000	2,000 - 7,000	Over 7,000	Under 20%	20%-40%	Over 40%
Yes	48% (44)	50% (10)	54% (15)	41% (13)	50% (6)	45% (17)	53% (16)	46% (11)
No	45% (41)	40% (8)	39% (11)	50% (16)	50% (6)	45% (17)	40% (12)	50% (12)
Don't know	8% (7)	10% (2)	7% (2)	9% (3)	0% (0)	11% (4)	7% (2)	4% (1)
Total	100% (92)	100% (20)	100% (28)	100% (32)	100% (12)	100% (38)	100% (30)	100% (24)

**Exhibit E11. Within the last five years, has district leadership altered general fund-distribution rules/practices for the purpose of reducing racial/ethnic disparities? By district characteristics**

	All respondents	Enrollment				Share BIPOC		
		Under 500	500 - 2,000	2,000 - 7,000	Over 7,000	Under 20%	20%-40%	Over 40%
Yes	27% (26)	5% (1)	21% (5)	28% (10)	59% (10)	11% (4)	26% (9)	48% (13)
No	58% (57)	81% (17)	63% (15)	53% (19)	35% (6)	72% (26)	60% (21)	37% (10)
Don't know	15% (15)	14% (3)	17% (4)	19% (7)	6% (1)	17% (6)	14% (5)	15% (4)
Total	100% (98)	100% (21)	100% (24)	100% (36)	100% (17)	100% (36)	100% (35)	100% (27)

**Exhibit E12. Are actual, as opposed to budgeted, per-student expenditures by school shared with the board and district leadership? By district characteristics**

	All respondents	Enrollment				Share BIPOC		
		Under 500	500 - 2,000	2,000 - 7,000	Over 7,000	Under 20%	20%-40%	Over 40%
Yes	51% (50)	40% (8)	52% (13)	61% (22)	41% (7)	51% (19)	50% (17)	52% (14)
No	40% (39)	45% (9)	40% (10)	31% (11)	53% (9)	35% (13)	44% (15)	41% (11)
Don't know	9% (9)	15% (3)	8% (2)	8% (3)	6% (1)	14% (5)	6% (2)	7% (2)
Total	100% (98)	100% (20)	100% (25)	100% (36)	100% (17)	100% (37)	100% (34)	100% (27)

# Appendix E: Survey Instruments

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## State School Fund Study Survey: Business Managers

### Introduction

**The Oregon Legislature provided ODE with funding through House Bill 5006 (2021) for “a study of the impacts of State School Fund spending and to determine if this spending pattern results in disparities between students who are black, indigenous or people of color (BIPOC) and those who are not BIPOC students.” ODE contracted with ECONorthwest to lead the study and appointed a State School Fund Advisory Committee made up of representatives from educational advocacy and community groups with experience working with historically underserved students. [This page](#) provides additional information.**

**In accordance with House Bill 5006 (2021), the study is focused on equity, specifically, on how funding policies and procedures affect equity in resource allocation and in student outcomes. This study is not about adequacy; the state created the Quality Education Commission to address questions of resource adequacy.**

**A key part of the study is to collect information from school districts, through the following survey as well as interviews, about how districts allocate SSF revenue to individual schools and track expenditures. We hope that you can take 15 minutes to respond to this survey and share your perspectives.**

## State School Fund Study Survey: Business Managers

1. Please identify your district. This information will help us link survey responses to other district data available for the study, such as differences in teacher characteristics across schools. Your answers will not be identifiable by name or district when we share the results of this survey with ODE.

District name:

2. How long have you been in your current position?

- Less than one year     1-5 years     More than 5 years

3. How long have you worked in school finance?

- Less than one year     1-5 years     More than 5 years

## State School Fund Study Survey: Business Managers

### About Your District

#### 4. Enrollment

- Under 500     500 - 1,999     2,000 - 6,999     7,000 or more

#### 5. Primary geography:

*Note: Frontier areas include Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman, Wallowa, and Wheeler counties. Rural areas are 10+ miles from a population center of 40,000 people or more.*

- Frontier     Rural     Urban/ Suburban

#### 6. Current share of students who are Black, Indigenous, or People of Color (BIPOC), if known:

## State School Fund Study Survey: Business Managers

**Oregon school districts receive a number of federal and state grants that are explicitly designed to reduce disparities in student outcomes, and those grant programs typically have specific performance expectations and reporting requirements. By contrast, the use of SSF dollars is highly flexible. District-developed budget rules, allocation methods, and practices determine the amount of SSF resources that each school receives.**

**NOTE: Throughout the survey, we are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula, including property taxes and in-lieu of property taxes from local sources, federal forest fees, Common School Fund, County School Fund, state-managed timber, ESD equalization, in-lieu of property taxes (non-local sources), and revenue adjustments.**

\* 7. Does your district allocate and track expenditures of SSF revenue separately from expenditures of other non-SSF, general-fund revenue?

Yes     No     Don't know

8. Please explain, if desired.



## State School Fund Study Survey: Business Managers

9. In your opinion, do your district's SSF-distribution rules/practices affect racial/ethnic disparities in educational outcomes?

- They greatly narrow disparities     They somewhat narrow disparities  
 They have no effect on disparities     They widen disparities

10. In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?

- They greatly narrow disparities     They somewhat narrow disparities  
 They have no effect on disparities     They widen disparities

11. Please explain your answer to the previous question, if desired, including which allocation rules/practices are responsible for this effect or lack of effect (e.g., staff allocation models, class size rules, weighting formulas, discussion with principals about specific needs).

*Note: We are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula.*

## State School Fund Study Survey: Business Managers

12. Are school-level educational outcomes (e.g., 3rd grade reading, high school graduation) incorporated into your district's SSF-distribution method?

Yes     No     Don't know

13. Are school-level educational outcomes (e.g., 3rd grade reading, high school graduation) incorporated into your district's general-fund distribution method?

Yes     No     Don't know

14. Please explain, if desired.

*Note: We are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula.*

State School Fund Study Survey: Business Managers

If you'd like to share documents describing your district's distribution methods, please enter a link or upload a document below.

15. Share a link to a website or document describing fund distribution method(s), if any.

16. Upload a document describing fund distribution method(s), if any.

Choose File

Choose File

No file chosen

## State School Fund Study Survey: Business Managers

17. Within the last five years, has district leadership altered SSF-distribution rules/practices for the purpose of reducing racial/ethnic disparities?

Yes    No    Don't know

18. Within the last five years, has district leadership altered general-fund distribution rules/practices for the purpose of reducing racial/ethnic disparities?

Yes    No    Don't know

19. Please explain, if desired.

*Note: We are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula.*

State School Fund Study Survey: Business Managers

If you'd like to share documents describing your district's altered distribution rules/practices, please enter a link or upload a document below.

20. Share a link to a website or document describing altered distribution rules/practices, if any.

21. Upload a document describing altered distribution rules/practices, if any.

Choose File

Choose File

No file chosen

## State School Fund Study Survey: Business Managers

22. Are actual, as opposed to budgeted, per-student expenditures by school shared with the board and district leadership?

Yes     No     Don't know

23. If yes, does your district regularly share information about SSF expenditures—separate from general-fund expenditures—with the board and district leadership?

*Note: We are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula.*

## State School Fund Study Survey: Business Managers

24. Would you like to share any additional information or thoughts about how SSF resources are allocated to schools within your district, and/or how state laws and local policies and procedures affect SSF resource allocation?

25. Would you like to share any additional information or thoughts about how general-fund resources are allocated to schools within your district, and/or how state laws and local policies and procedures affect general-fund resource allocation?

26. If you would be open to taking part in a one-on-one conversation, please enter your email address here:

*Note: We are defining SSF revenue as payments received from the state as well as all other local revenue included in the SSF formula.*

If you have questions or need assistance with this survey, please email [ssf-study@econw.com](mailto:ssf-study@econw.com).

Click [here](#) for information about this study.

## State School Fund Study Survey: Superintendents

### Introduction

**The Oregon Legislature provided ODE with funding through House Bill 5006 (2021) for “a study of the impacts of State School Fund spending and to determine if this spending pattern results in disparities between students who are black, indigenous or people of color (BIPOC) and those who are not BIPOC students.” ODE contracted with ECONorthwest to lead the study and appointed a State School Fund Advisory Committee made up of representatives from educational advocacy and community groups with experience working with historically underserved students. [This page](#) provides additional information.**

**In accordance with House Bill 5006 (2021), the study is focused on equity, specifically, on how funding policies and procedures affect equity in resource allocation and in student outcomes. This study is not about adequacy; the state created the Quality Education Commission to address questions of resource adequacy.**

**A key part of the study is to collect information from school districts, through the following survey as well as interviews, about how districts allocate SSF revenue to individual schools and track expenditures. We hope that you can take 15 minutes to respond to this survey and share your perspectives.**



## State School Fund Study Survey: Superintendents

1. Please identify your district. This information will help us link survey responses to other district data available for the study, such as differences in teacher characteristics across schools. Your answers will not be identifiable by name or district when we share the results of this survey with ODE.

District name:

2. How long have you been in your current position as superintendent?

- Less than one year     1-5 years     More than 5 years

## State School Fund Study Survey: Superintendents

### About Your District

#### 3. Enrollment:

- Under 500     500-1,999     2,000-6,999     7,000 or more

#### 4. Primary geography:

*Note: Frontier areas include Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman, Wallowa, and Wheeler counties. Rural areas are 10+ miles from a population center of 40,000 people or more.*

- Frontier     Rural     Urban/ Suburban

#### 5. Current share of students who are Black, Indigenous, or People of Color (BIPOC), if known:

State School Fund Study Survey: Superintendents

**Oregon school districts receive a number of federal and state grants that are explicitly designed to reduce disparities in student outcomes, and those grant programs typically have specific performance expectations and reporting requirements. By contrast, the use of general-fund dollars is highly flexible (SSF comprises most of most districts' general-fund revenue). District-developed budget rules, allocation methods, and practices determine the amount of general-fund resources that each school receives.**

6. In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?

- They greatly narrow disparities     They somewhat narrow disparities  
 They have no effect on disparities     They widen disparities

7. Please explain your answer to the previous question, if desired, including which allocation rules/practices are responsible for this effect or lack of effect (e.g., staff allocation models, class size rules, weighting formulas, discussion with principals about specific needs).

## State School Fund Study Survey: Superintendents

8. Are school-level educational outcomes (e.g., 3rd grade reading, high school graduation) incorporated into your district's general-fund distribution method?

Yes     No     Don't know

9. Please explain, if desired.

State School Fund Study Survey: Superintendents

If you'd like to share documents describing your district's distribution methods, please enter a link or upload a document below.

10. Share a link to a website or document describing fund distribution method(s), if any.

11. Upload a document describing fund distribution method(s), if any.

Choose File

Choose File

No file chosen

## State School Fund Study Survey: Superintendents

12. Within the last five years, has district leadership altered general-fund distribution rules/practices for the purpose of reducing racial/ethnic disparities?

Yes    No    Don't know

13. Please explain, if desired.

State School Fund Study Survey: Superintendents

If you'd like to share documents describing your district's altered distribution rules/practices, please enter a link or upload a document below.

14. Share a link to a website or document describing altered distribution rules/practices, if any.

15. Upload a document describing altered distribution rules/practices, if any.

Choose File

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## State School Fund Study Survey: Superintendents

16. Are actual, as opposed to budgeted, per-student expenditures by school shared with the board and district leadership?

Yes    No    Don't know

17. Would you like to share any additional information or thoughts about how general-fund resources are allocated to schools within your district, and/or how state laws and local policies and procedures affect general-fund resource allocation?

18. If you would be open to taking part in a one-on-one conversation, please enter your email address here:

If you have questions or need assistance with this survey, please email [ssf-study@econw.com](mailto:ssf-study@econw.com).  
Click [here](#) for information about this study.



## State School Fund Study Survey: School Board Members

### Introduction

**The Oregon Legislature provided ODE with funding through House Bill 5006 (2021) for “a study of the impacts of State School Fund spending and to determine if this spending pattern results in disparities between students who are black, indigenous or people of color (BIPOC) and those who are not BIPOC students.” ODE contracted with ECONorthwest to lead the study and appointed a State School Fund Advisory Committee made up of representatives from educational advocacy and community groups with experience working with historically underserved students. [This page](#) provides additional information.**

**In accordance with House Bill 5006 (2021), the study is focused on equity, specifically, on how funding policies and procedures affect equity in resource allocation and in student outcomes. This study is not about adequacy; the state created the Quality Education Commission to address questions of resource adequacy.**

**A key part of the study is to collect information from school districts, through the following survey as well as interviews, about how districts allocate SSF revenue to individual schools and track expenditures. We hope that you can take 15 minutes to respond to this survey and share your perspectives.**

## State School Fund Study Survey: School Board Members

1. Please identify your district. This information will help us link survey responses to other district data available for the study, such as differences in teacher characteristics across schools. Your answers will not be identifiable by name or district when we share the results of this survey with ODE.

District name:

2. How long have you been a member of the school board?

- Less than one year     1-5 years     More than 5 years

## State School Fund Study Survey: School Board Members

### About Your District

3. Enrollment:

- Under 500     500-1,999     2,000-6,999     7,000 or more

4. Primary geography:

*Note: Frontier areas include Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman, Wallowa, and Wheeler counties. Rural areas are 10+ miles from a population center of 40,000 people or more.*

- Frontier     Rural     Urban/ Suburban

5. Current share of students who are Black, Indigenous, or People of Color (BIPOC), if known:

State School Fund Study Survey: School Board Members

**Oregon school districts receive a number of federal and state grants that are explicitly designed to reduce disparities in student outcomes, and those grant programs typically have specific performance expectations and reporting requirements. By contrast, the use of general fund dollars is highly flexible (SSF comprises most of most districts' general fund revenue). District-developed budget rules, allocation methods, and practices determine the amount of general fund resources that each school receives.**

6. In your opinion, do your district's general-fund distribution rules/practices affect racial/ethnic disparities in educational outcomes?

- They greatly narrow disparities     They somewhat narrow disparities  
 They have no effect on disparities     They widen disparities

7. Please explain your answer to the previous question, if desired, including which allocation rules/practices are responsible for this effect or lack of effect (e.g., staff allocation models, class size rules, weighting formulas, discussion with principals about specific needs).



State School Fund Study Survey: School Board Members

8. Within the last five years, has district leadership altered general-fund distribution rules/practices for the purpose of reducing racial/ethnic disparities?

- Yes     No     Don't know

9. Please explain, if desired.

State School Fund Study Survey: School Board Members

If you'd like to share documents describing your district's altered distribution rules/practices, please enter a link or upload a document below.

10. Share a link to a website or document describing altered distribution rules/practices, if any.

11. Upload a document describing altered distribution rules/practices, if any.

Choose File

Choose File

No file chosen

## State School Fund Study Survey: School Board Members

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