

## SCHOOL FUNDING TASK FORCE

December 2, 2013

Hearing Room A, State Capitol Building, Salem, OR

### Members Present:

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

Steven Isaacs  
Sena Norton  
Bobbie Regan  
John Rexford  
Heidi Sipe  
Michael Wolfe

### Members Excused: Sen. Fred Girod

### Staff:

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

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

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The task force convened at 12:09 pm. Sen. Girod was excused. Heidi Sipe participated by phone.

Chair Devlin reviewed the agenda.

### DISCUSSION OF INFORMATION REQUESTED BY TASK FORCE MEMBERS

Reeder stated that he sent out information via e-mail in response to requests at the last meeting. They were a list of school districts by ADMw; definitions of some terms; and the funding history of facility and high cost disability grants. Staff is still working on other requests. Member Sipe has made an extensive data request; it makes sense to have that request supported by the entire task force.

### DISCUSSION OF ADDITIONAL INFORMATION REQUESTS

Reeder stated that Sipe had asked for data starting in 1996, with the logic that by 1996, the formula was largely phased-in. Prior to that, some districts were still receiving stop-loss or flat-funding; districts that would have received less were frozen.

Reeder stated that he thought it was helpful to get a pre-Ballot Measure 5 and post-Ballot Measure 5 snapshot.

Sipe requested the following data:

- Percentage of special education students, by district, over this period.
- Percentage of ELL students, by district, over this period.
- The difference between funded poverty and reported poverty. Census poverty data has been used to calculate poverty in school districts except in very small districts where the data was unreliable;

then Free and Reduced Lunch counts were used, if it was larger than the census report. Census data was only updated every ten years, a drawback to that method. The department and State Board of Education would like to use the American Community Survey (and other data sources), for greater accuracy.

- Other state models and their weights
- Graduation rates by subgroup
- Five-year and six-year graduation rates aligned with OAKSs scores
- Transportation expenses as a percentage of district expenditures
- Weighted v. unweighted ADM ratio – 22% higher.

Add'l info requests:

- Chair Devlin asked for what level of funding comes through the state, for other states.
- Member Rexford asked for other studies done previously on transportation and special education.
- Member Wolfe asked for special education information by district including high cost. The poverty issues seems to be getting addressed.
- Chair Devlin asked about the 11% cap and what the experience was with that.
- Chair Devlin asked for sources/foundation documents for the 1991 formula.
- Chair Devlin asked for other state information about state support over time, and also state that have similar weights. Rep. Komp suggested Washington. Comparable state criteria.
- Rep. Sprenger asked about comparing per student spending state to state.
- Add'l info request: NCES grad rates by ethnicity; where Oregon falls nationally.

At Chair Devlin's request, Dae Baek, Legislative Revenue Office, stated that he and Ozzie Rose had looked through the documents housed in the Legislative Revenue Office's library. He thought they likely had the documents from the 1970s and 1980s that formed the basis for the 1991 school funding formula.

Rep. Komp asked about other state comparisons; revenue sources varied across the states. Oregon is a little different from most states. Will the task force discuss revenue sources? (After some discussion, the answer seemed to be no).

Discussion:

- How long high revenue-producing districts were frozen. 1997? 1999? As late as 2001, there were three districts on stop-loss.
- The difference between flat funding and stop loss funding.
- That the more the school revenue comes from the state, the more emphasis there is on equity.
- Whether the legislature considered weighting homeless students and foster children.
- Whether the committee will discuss revenue sources.

#### **NEXT STEPS, MEETING SCHEDULE**

Chair Devlin proposed meeting once a month. They would need to schedule around the February session.

#### **CREATION OF A WORK PLAN**

Members discussed a possible work plan.

Discussion:

Final report due Oct. 1; much of the conversation will need to be wrapped up some time before that.

- Will we hear from interest groups? Superintendents, business officers, for example (yes).
- Open to subcommittee meetings.
- Look at each area of the funding formula, whether it makes sense, whether it is fair. If we change it, there will be winners and losers; to change it we will need a very good reason. Will want to know what how each school district is spending their money; may not be possible in the time allotted.
- Need to time synthesize the data; late spring will need work groups or something.
- Need substantial input by stakeholders. April-May could be very busy time for task force
- Nice to have umbrella of topics and then hear from those folks.
- Need to know whether the formula is right and doing it well; if it isn't we need to change it. If it is, we need to affirm that. Start with the current formula and whether it is addressing the needs, and whether there is a better option. This is a distribution formula; how to distribute the pot of dollars we have. Not this committee's role to deal with revenue. Would start with the original formula, whether it is meeting the goals.
- Rep. Komp shared that she was working on her dissertation on this topic.
- Take the various categories and look at them, and compare with other states. Some don't have ELL allocations. Some have more special education categories. Maybe do subgroups with different topics. Doubt if the task force could make recommendations within bill timeframe. Might need more time. Need stakeholder feedback.
- Recommend that we meet in subgroups.
- Responsibility to all students. Want to look at trends, not just anecdotal.
- The value of agreeing on what members mean by "equity." Do we mean the same amount of dollars going in, or whether students have equitable opportunities to succeed academically?
- Pre-k is a new element for education; do we consider that? And community colleges and higher education, given the 40-40-20 Goal?
- If equity is a major topic, we will need more data.
- Whether the current formula already creates winners and losers. Might need to identify issues that have been brought up to them, and parts that seem to be working well.
- What students are succeeding and not succeeding? Might want to hear from different districts as to how they are allocating their dollars; gives PPS example of taking 8% of budget and targeting low achievement students.
- Goal of formula should be to have 100% graduate from high school.
- Whether it automatically goes that changing the distribution formula will necessarily affect student performance. Tying funding to performance somewhat problematic. Have our kids changed since the formula was created? That needs to be discussed prior to outcomes/performance.
- What is the goal of public education? Meeting a performance target? Creating an adequate workforce?
- Take next three months to gather information. At January meeting, after leg days, task force should meet in Hearing Room 350, 347, or 343 around a table, less formal. See if we divide up into groups and bring back information. At next meeting, in February, take public testimony and meet at tables. In March can plan next phase where we determine what gaps exist, decide whether to recommend something totally different (huge undertaking) or not. That gets us to June/July. Need three months to write/revise report and make recommendations. May identify some items that need further study. Three phases. Meet in two hearing rooms on the third floor suggested. Discuss equity at January and Feb. meeting. Could spend entire meeting on spec education and ELL. Might be issues that they dismiss, e.g. pregnant students. Will want to narrow the discussion.

- What kind of schools do we want to have in ten years? Aim towards that. Student needs are not being met. Impact is played out for years.

### **WORK ASSIGNMENTS FOR STAFF**

Devlin asked if the legislative staff can support the task force.

Reeder asked if the outline could be used as a framework for the work. Staff assignments could be drawn from the outline.

Reeder hands out experience with current formula, both state and local(handout). In the beginning there was quite a bit of variance, but is largely the same now. Brian gives increase. Inflation.

Discussion:

- Weighting; how much information can we get, and how reliable is it?
- The current formula acknowledges that it takes more resources to provide education to some students. The same resources to every student does not meet the current idea of equity. How much more does it cost to education students with certain characteristics? Do we mean getting them the same opportunities? Inputs v. outputs. Do we have a responsibility to create a formula that creates equitable outcomes? There are different costs. If you don't know where you want to go, it's hard to know if you've gotten there.
- Whether handout includes youth corrections (no). If not, is that an area where there is lack of equity? How is it funded now? To what age of students?
- Cost of incarceration v. education?
- Whether all levels of education should be funded at the same level.
- The connection between weighting and equity.
- Role of local school boards, allocating funds, connection to student outcomes.
- Charter school funding, adequacy.
- In discussing changing the weights among groups; and whether the single weight was adequate as a starting point.
- Whether funds in weights should be connected to spending.
- What prompted the task force? Complaints? (No conversation for 17 years; general feel that it is time to look at it.)
- How do we help all students learn and graduate? The new 40-40-20 Goal comes back to the formula and whether it is doing what it is supposed to do.
- The need to listen to stakeholders.
- Gain Share dollars, how they flow, not counted as local revenue.

Will meet in January in different room so members are around table. Will talk about equity, decide on subcommittees. In February will meet again around tables in the morning, and public hearing in the afternoon. In March, will compile where we are and determine how to approach next 4-month period. June-July-August start the draft for recommendations. Next meeting: week of 20<sup>th</sup> or maybe 27. Staff will poll members.

### **ADJOURN**

Chair Devlin adjourned the committee at 2:30 pm