



SCHOOL FUNDING TASK FORCE

June 24, 2014

Hearing Room 343, State Capitol Building, Salem, OR

Members Present:

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

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

Members Excused:

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

NOTE: Exhibits and testimony submitted to the task force may be found on the task force's website.
<http://www.ode.state.or.us/search/page/?id=4122>

Chair Devlin convened the task force convened at 1:07 pm. He noted that the August date will need to be changed; staff will poll members as to the best date. Chair Devlin reviewed the agenda.

SUBCOMMITTEE UPDATES

ELL Subcommittee

Michael Elliott updated the task force on the ELL Subcommittee discussion. The subcommittee reviewed additional data sets including numbers and graduation rates for current English Learners (ELs); students who had ever been EL; students who have exited EL in the last two years. It heard and discussed a proposal from Deputy Superintendent Saxton about his proposal to do the following:

- Increase ESL weight to 0.6Give ESL weight for 7 years for students identified at level 1 or 2 and 4 years for students identified at 3 or higher.
- Require districts to spend at least 90% of ESL funding on ESL services.
- Give districts a \$250 bonus for every student who has ever been in ESL in the district who graduates. This would not be additional funding

Subcommittee members had expressed possible concerns with Deputy Superintendent's proposal that included student tracking requirements; funding tracking requirements; spending requirements; possible unintended consequences. The subcommittee will meet one more time to finalize recommendations to full committee.

Discussion:

- Whether there would be different ELL funding levels for smaller schools.
- Workload for school districts to track spending.
- Time spent in ELL programs; program differences.
- Keeping students in ELL programs seven and four years based on research.
- What problem does DS Saxton’s proposal solve?
- 40-40-20, Common Core State Standards; testing in English. Students need English.

Equity Subcommittee

Reeder/Devlin reviewed the tentative recommendations of the Equity Subcommittee; the subcommittee has not agreed upon the final wording yet.

Tentative Recommendations

- Oregon should maintain its existing weighted student formula until a thorough study of the formula can be conducted. The study should provide a clear statement of the state’s educational equity goals, then determine if the current formula is meeting those goals. The formula should be changed only if the study provides clear evidence that the current formula is not meeting the state’s agreed-upon equity goals.
- The legislature should appropriate funds to conduct the study, and the emphasis of the study should be on whether the current weights are an accurate representation of the cross-district cost differences for which they were intended to compensate. The Equity Subcommittee or a larger group of Task Force members should have input into the design of the study. The formula should be reviewed regularly—perhaps every 8 years—to make sure it is accomplishing its goals.
- The distribution of the “carve-outs” from the SSF, particularly the High Cost Disability Grant and the Facilities Grant, should be studied as well. Funding provided through strategic investments should also be evaluated for its equity effects. Both the carve-outs and the strategic investments should be evaluated for their incentive effects to make sure they do not create unintended consequences.
- The practices of successful districts should be identified and shared with other districts in a systemic way so that all districts can benefit. In order to achieve equity of student outcomes, all districts need to be using their resources in the most effective manner. Additional resources alone will not ensure better outcomes—resources must be used wisely.
- The study should explore if there are some equity issues that are best dealt with outside of the education system. (schools can’t do everything.)

Discussion:

- Challenges of small and remote districts.
- Challenges of being too large for a small school corrections grant.
- The need to alter the High Cost Disabilities funding; it is only funding 40% of the need. Districts must fund the “donut hole” between the double weighting and the \$30,000 as well as costs over \$30,000.

High Cost Disabilities Subcommittee

This subcommittee did not meet; staff is working on scheduling a final meeting.

TASK FORCE REPORT

Chair Devlin noted that the task force needs to make recommendations by October 1; there are only a few more meetings. Subsequent studies should involve stakeholders.

Reeder reviewed his outline (exhibit). He noted that school funding expert John Meyers suggested that the poverty weight was too low; a study could pay particular attention to that weight. The task force discussed the wording of the draft recommendations:

1. In general, the task force thinks Oregon's current funding formula works well and meets its objectives, but that the overall level of funding for Oregon's K-12 schools is inadequate to meet the state's educational goals. There seemed to be general agreement.
2. The majority of TF members support a view of school funding equity that focuses on equal outcomes for students, in contrast to a focus on equal inputs. There was some disagreement as worded.
3. The task force was unanimous that the current form of Oregon's formula-a foundation formula with student weights to compensate for the higher costs of serving students with greater needs is effective and should be maintained. Agreed.
4. The task force supports more in-depth research of the cost and student achievement differences across school districts to determine if the current weights in the formula should be adjusted. General agreement. General agreement. Want to clarify that research would include other states. Add: and it should be funded; define student achievement? (graduation? Postsecondary actions?)
5. The task force supports adjustments and greater funding for the high cost disability grant to more adequately fund services for these very high-cost students (default to subcommittee language)., general agreement

Discussion:

- Similarly funded districts have different outcomes; funding alone does not meet success.
- Whether equity of opportunities should be included in a definition of equity; "equity" should be balanced with inputs and outputs.
- That "equal" is not the same as "equitable." (#2)
- How do we know when we've achieved equitable outcomes? Is there one measurement?
- Students may be taught in an equitable manner; they may not all benefit equally.
- The need to include something about best practices.
- Teacher expectations of student performance are important.
- What a funding formula based on outcomes would look like (weights would be adjusted).
- Do we need to have a definition of equity? Equity of resource allocation was the basis of the formula. It is still working today.
- That people misinterpret "outcomes-based funding" to mean districts only get funded based on their student outcomes.
- ODE has tools to deal with districts who are not doing what they should. What are we trying to fix with the equity discussion?
- The challenges of small districts, lack of economies of scale.
- If a district has a high poverty level, should there be a different adjustment? E.g. 60% should have a larger weight.

- Test scores don't show the whole picture of a teacher's success with a student.
- The way poverty rate is calculated; it is based on community poverty, not on who is in the school. School may not get the funds it needs.
- Whether shifting money to HCD grant will shift money to larger districts.

Reeder will revise the recommendations based on the discussion and return with these at the July meeting.

HIGH SCHOOL SENIORS WHO STAY ON A FIFTH YEAR TO EARN COLLEGE CREDIT WHILE HAVING ENOUGH HIGH SCHOOL CREDIT TO GRADUATE

Chair Devlin introduced the topic. Who was bearing the cost of sending high school students to college?

Gary Tempel, Superintendent, Scio School District, described their program. Slides. Districts have different types of programs. Scio's early college program started in 2003. District officials wondered if they could they increase college completion. The program is based on research. The district was addressing multiple problems. The district could not schedule classes off campus. Teachers and classes were being cut. Senior attendance was poor. Seniors weren't challenged. Students weren't preparing themselves for college. Before the program only 8% were getting a four year degree. They wanted to bring something to the district of value, and break cycles of poverty. Kids weren't performing at their capacity.

Temple stated that they had worked with multiple community colleges and universities. They focused on students earning the Oregon Transfer Module. One option for students is a five-year "advanced" diploma. Temple described the program and said they ensured that students and parents understood the program. Students had to be accepted into the program. At-risk students are bused to the community college and get extra help.

The state should invest in this program because education pays off in higher wages and more revenue to the state. For every \$1 the state invests, it gets a \$4 return. An individual's lifetime earnings increase dramatically with additional education. Dollars not spent on tuition are being spent in the local economy. Students move through college faster. This kind of program gives the state the biggest bang for its buck. The district pays for 15 credits, books, fees. Students are entered into the ADM as program code 12. 36 credits = 1 FTE. There is no way to game the system, the way there is with half-time and full-time funding (student attends a fraction over half-time and the district gets full-time funding).

Issues: An OTM doesn't count as a completion for community college statistics. The program counts against the district in terms of 4-year graduation rate. The number of students count against the district in terms of OSAA classification.

Carol McKiel, Director, High School Partnerships, Linn-Benton Community College, described how the community college worked with school districts to award college credit to high school students. The 5th year program is more than a way to pay for the first year of college; it is a way to transition students to college. Students take 12-15 credits per term and must maintain a 2.0 GPA. They track the students' success. Students get a counselor. The program requires coordination between the high school and the college. They don't just hand off the student; they work together for the student's success. Students realize that school doesn't stop after high school. This gives students the infrastructure to get them on

the college path, firmly. One student earned his BA in just two years. This is a bridge from high school to college. The first year of college has the most washouts; students can't cope with the freedom and lack of support. High school counselors help students feel safe and accountable. Students in the 5th year program have higher completion rates. Students realize they can be a success in college. There is a huge increase in college-going students in districts with these programs, many of them first-generation college students.

Discussion:

- Expanded options program.
- Funding college using K-12 dollars presents an interesting issue. What is the fiscal impact to the State School Fund if all districts do this?
- Whether the state is paying more for an OTM under a fifth year program than would be incurred under normal circumstances.
- Some districts offer students a full year of college in their senior year, not as a fifth year.
- With the addition of full-day kindergarten, and a 13th year, that adds two more years.
- Should there be a means test?
- Whether it is fair to have some districts doing this and not others.
- The state could fund a 5th year program outside the SSF.
- Should funding shift from community colleges to the SSF?
- Whether all freshman need similar supports.
- Employers are looking for students ready for the workforce.
- How many districts are using this? is it legal? Does it adversely affect the state's graduation rate?
- ODE cannot distinguish between 5th year seniors who have enough credits to graduate and those who do not.

NEXT STEPS, MEETING SCHEDULE

Chair Devlin stated the subcommittees would wind up and make preliminary recommendations.

ADJOURN

Chair Devlin adjourned the committee at 3:55 p.m.