

# SCHOOL FUNDING TASK FORCE EQUITY SUBCOMMITTEE

6/23/2014

## Observations

- When the distribution formula was created in 1991 in response to Measure 5, equity in resource allocation among districts was the goal; the former system of school funding (2/3 property taxes) provided funding levels that varied so much across districts that the system was widely considered to be inequitable.
- The current distribution formula provides a far more equitable distribution of resources than the former system, but the level of resources dedicated to K-12 is still not adequate.
- When the original distribution formula was created, setting of the weights for at risk students was based on research from other states. Oregon's weights have not been changed since the formula was first created. Now, Oregon has data to allow more in-depth study of the cost differences across categories of students.
- The fact that we still have achievement gaps for students with special needs suggests that the current weights may not be directing sufficient additional resources to districts with disproportionately large populations of students with special needs.
- However, the fact that comparable school districts have different student outcomes suggests that additional money alone cannot eliminate the achievement gaps. Educational practices do matter and should be factored into the evaluation of the formula.
- When school funding reaches more adequate levels it will be easier to make adjustments to the student weights, if they are justified.
- The state's 40-40-20 Goal could/should help steer education funding policies.

## 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.