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March 20, 2014

Dear Members of Oregon's School Funding Task Force,

I am appreciative of the opportunity to address the task force on School Funding. The Oregon school funding formula is complex while at the same time functional. I am not aware of all of the changes or factors being considered, but I will weigh in on a couple of items that I believe are being discussed.

First, I would like to share satisfaction in response to the change in the poverty calculations. Redmond School District will benefit from this new data source and calculation as it more accurately reflects the growth in our district in the number of students living in poverty. The use of more current data will likely produce a higher frequency in variance, but I am confident that it will more accurately represent the needs of school districts around our state.

I understand that changes to Special Education weights and the High Cost Disability grants have been discussed as well. In my opinion, the formula is not significantly flawed; however, capping the second weight for special education students at 11% of ADMr is problematic. This year, Redmond School District has approximately 170 special education students for whom we are not receiving a second weight. I would be pleased if the double weight could apply to all of our special education students including those that are above the current 11% mark. However, that change in and of itself would not be adequate in the absence of an increase in the amount of state revenue that funds K-12 education. The cost of providing specialized instruction continues to tax our general fund, and providing quality instruction would be significantly enhanced if additional funding was available.

Similarly, the threshold and cap on High Cost Disability reimbursement creates undue strain and taxes our general fund far too often and too much. For example, the cost of a one-to-one nurse for just one of our medically fragile students, approximately \$40,000, far exceeds the amount of reimbursement, approximately \$4,200. We have seen the reimbursement percentage on the per student cost that exceeds \$30,000 fall from 76% for 2007-08 to 42% for 2011-12. In 2011-12, Redmond School District had 28 high cost special education students. We spent over \$1.1 million educating, transporting and serving these students and were reimbursed by the state only \$127,000 or 11% of the cost. For the reimbursement percentage to decrease that dramatically, it is clear that the \$18 million annual carve out is woefully inadequate. Frankly, it would not suffice to simply increase the amount of the High Cost Disability grant. This is a clear example of the inadequacy of the amount of state revenues directed to educating Oregon's high need students.

I also understand there has been conversation about tracking and monitoring ELL funds differently. I would advocate strongly that the system is not currently broken and that adding a layer of tracking would once again create potentially additional and/or redundant work developing data that is already available.

Finally, not necessarily a formula issue but critical nonetheless, is that of Kindergarten funding. I understand that the legislature has provided assurance that we will receive a full ADM for a full time kindergarten student beginning in 2015. However, the percentage of state revenues allocated to K-12 education must go up substantially in order to fund the increased costs to districts in providing staff, space and materials for additional full time students. Redmond School District recently completed a five year financial forecast which estimated

that, in order for the Redmond School District to fund all-day kindergarten without cutting school days, increasing class sizes or freezing compensation, the K-12 share of the state's budget would have to increase from its current 39.5% to approximately 44%.

Oregon has appropriately bold goals for P-20 education, we need bold funding to support those ambitions.

Thank you for this opportunity to share some of my thoughts.

Sincerely,

A handwritten signature in black ink that reads "Michael D. McIntosh". The signature is written in a cursive style with a large, stylized 'M' at the beginning.

Michael D. McIntosh  
Superintendent, Redmond School District