

*******Draft Outline*******
School Funding Task Force

- I. The charge to the task force is in HB 2506 (1)(3): “The task force shall make recommendations regarding possible modifications to the funding formulas used to distribute State School Fund moneys to school districts and education service districts.”

- II. Desired outcome of the task force: a blueprint for revisions to Oregon’s school funding formula that improves funding equity across all of Oregon’s school districts and ESDs

- III. Background
 - A. The goal of Oregon’s funding formula is school funding equity

 - B. School funding equity can be viewed from a number of perspectives
 1. Equity of resource inputs
 2. Equity of opportunity
 3. Equity of outcomes

 - C. Equity is a value judgment, so there is no single principle or perspective of equity on which all people will agree

 - D. The specifics of the funding formula will depend on the principles of equity that policymakers adopt
 1. Since the formula distributes resources to school districts, it’s focus is on student equity

 2. Before the task force can evaluate Oregon’s current funding formula and propose possible changes, it must decide what principle of equity the formula should achieve.

 3. The recent policy debate, both in Oregon and nationally, has focused on equity of student outcomes as the primary equity goal

 4. Taxpayer equity is achieved primarily through the tax system, not the funding formula

 - E. In trying to achieve its equity goals, the formula creates incentives that can influence district behavior
 1. These incentives can create inefficiencies

2. The specifics of how the formula is designed can reduce the inefficiencies

IV. Evaluating Oregon's current formula

A. Brief History

B. Basic Structure

1. Student weights
2. Carve-outs
3. Why do we have both student weights and carve-outs?

V. Key Issues for the task force to address

A. What principle of educational equity should the funding formula reflect?

B. Is the current formula falling short of its equity goals, and if so, in what way?

1. It does not reflect the equity principle we desire.
2. It does reflect our desired equity principle, but it is not achieving it.
 - a. is a fundamentally different structure needed?
 - b. or do we just need to refine the current structure?

C. Does the current formula create incentives that have undesirable effects?

1. Do the student weights cause over identification of special needs students?
2. Do the reimbursement provisions for high-cost disability students and transportation spending promote inefficiencies?

D. Are there non-equity goals that the formula should address?

1. Incentives for innovation
2. Promotion of best practices
3. Promotion of efficiencies
4. Promotion of state-level goals
5. Transition issues
 - a. 5th year diploma issue
 - b. Pre-K to K-12 transition
 - c. HS to post-secondary transition