

*******Draft Outline: Revised 6/24/14*******
School Funding Task Force

- I. Introduction

- II. Conclusions and recommendations
 - A. 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.
 - B. 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.
 - C. The task force was unanimous(correct?) 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.
 - D. 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.
 - E. 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.
 - F.

- III. 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.”

- IV. Desired outcome of the task force: a blueprint for revisions to Oregon’s school funding formula, or for further analysis, needed to improve funding equity across Oregon’s school districts and ESDs

- V. Background
 - A. The primary goal of Oregon’s funding formula is school funding equity among Oregon’s 197 school districts and 19 Education Service Districts.
 - B. While this goal is reflected in the distribution of funding among school districts and ESDs, the equity of those distributions is grounded in principles of equity among students.

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

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

- E. 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

- F. The measures developed to measure whether or not the state is meeting its equity goals also will depend on the principles of equity that policymakers adopt.
 - 1.
 - 2.
 - 3.

- G. 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 these inefficiencies
 - 3. Specifics

VI. Evaluating Oregon's current formula

A. Brief History

1. The current formula was developed by the 1991 Legislature and became effective for the 1992-93 school year.
2. It is a foundation type of formula with student weighting factors.
3. There was a phase-in period where low-funded districts were brought up and high-fund districts were held harmless.
4. The core of the formula—the student weights—were based on national research and by what other states were doing.
5. The weights have not changed since the formula was adopted.
6. The effect of the formula was to dramatically reduce the differences in per-student funding across districts that existed prior to the formulas adoption (data?)
7. A number of changes **not** involving the weights have been made.
 - a.
 - b.
 - c.

B. Basic Structure

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

VII. Key Issues for the task force to address

- A. What principle of educational equity should the funding formula reflect?
- B. Given the adopted principle, what measures should be developed to tell us whether the equity goals are being met.
- C. 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?
- D. Are there specific aspects of the formula that the TF thinks are not working and should be addressed immediately?
 1. High Cost Disability Grant not funded sufficiently
 2. What about the 0.9 and 1.2 weights for elementary-only and HS-only districts? The notion that high schools cost more to run than elementary schools is based on a programmatic view of costs rather than on the costs of achieving a desired outcome.
 3. ADMw extended—still make sense to use greater of current and prior?

- E. Are there factors that influence equity that the formula does not address?
 - 1. Regional cost differences
 - 2. What else?
- F. 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 allow inefficiencies?
- G. 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 (such as?)
 - 5. Transition issues
 - a. 5th year diploma issue
 - b. Pre-K to K-12 transition
 - c. HS to post-secondary transition