

Changes to the K12 Funding Formulas

Warning

Slides are not done. This is just some todo notes for me.

Funding Basics

Details on the interaction of property tax with the state allocation.

- ▶ Get more property tax, get less from the state
- ▶ A few districts in a few years get nothing from the state because high property values and few students

The Two Funding Formulas

From ORS 327.013

- ▶ the cost sharing transportation formula
- ▶ the non-cost sharing general formula

How Equal Funding Results in Unequal Class size

- ▶ Will pull data for this and make a graph that shows class size vs school year for rural (low salary) and urban (high salary) districts
- ▶ Quick illustrative average class size
 - ▶ PPS 23(They have extra funding)
 - ▶ Parkrose 27
 - ▶ David Douglas 26
 - ▶ Centennial 27
 - ▶ Reynolds 25
- ▶ Rural
 - ▶ Bandon 20
 - ▶ Baker 12
 - ▶ Gervis 21
 - ▶ Many in the 10s

What this Means

- ▶ Even if you fund the Quality Education Model fully
- ▶ High cost areas will still have high class sizes, lower test scores and lower graduation rates than the low cost areas.
- ▶ Funding that puts class size in high cost areas into the low 20s would put class size in rural, low cost, areas into the low teens or even single digits.
- ▶ Equal funding is not the same as equitable treatment.

Could you move funding to increase aggregate graduation rates?

- ▶ Decreasing class size when class sizes are large generates larger increases than decreasing class sizes when class size is small.
- ▶ IOW, Moving from 27 to 26 increases graduation rates more than decreasing class size from 20 to 19.

Can we Change the funding formula?

It depends . . .

Oregon Constitution VIII.8(2)

2. Consistent with such legal obligation as it may have to maintain substantial equity in state funding . . .
 - ▶ We have variations in the transportation component by cost
 - ▶ We have variations in the general component based on experience.

What is the change?

$$F * (\$4,500 + \$25(\text{Average Teacher Experience} - \text{State Average})) * ADM_w$$

to

$$F * (\$4,500 + m * \text{Average Annual Teacher Salary}) * ADM_w$$

The key is m .

- ▶ F is the “Funding Percentage” which adjusts each district’s funding to meet the state budget allocation.
- ▶ Big m give more equal class size but reduces incentives to negotiate over salary
- ▶ Small m gives less equal class size but increases incentives to negotiate

The politics

- ▶ Rural vs Urban
 - ▶ Rural will object but:
 - ▶ Transportation takes into account cost difference why not the general
 - ▶ They often get more money because of the small schools grant (another nod to cost difference)

Supporting Data