

Oregon

Funding Basics

Formula Type

Oregon has a primarily student-based formula. It assigns a cost to the education of a student with no special needs or services, called a base amount, and provides increased funding to educate specific categories of students. The categories of students considered in Oregon's funding policy are students in certain grade levels; English-language learners (ELLs); students from low-income households; students with disabilities; students enrolled in career and technical education (CTE) programs; and students enrolled in small high schools and small, remote elementary schools.

Oregon expects school districts to contribute to the funding of their public schools, with the amount of the local share based on districts' property values, their proceeds from other local sources, and districts' school funding histories. Districts are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for ELLs, students from low-income households, students with disabilities, and students in particular grade levels is generated by applying multipliers to the base amount. Supplemental funding for students in small high schools and small, remote elementary schools is provided through a formula-based allocation. Additional funds for students in certain grade levels, ELL services, and career and technical education programming are provided through program-specific allocations.

Base Amount

Oregon has a fixed base funding amount per student. For FY2022, the per-student base funding amount was $4,500.

This means that an average student with no special needs or disadvantages would, in theory, be funded at that level. However, no student is actually funded at this level, because the base amount for each district is adjusted to reflect the district's staff costs. This adjustment is based on the amount by which the average of the number of years of teacher experience in the district exceeds that average statewide. This amount, which may be positive or negative, is multiplied by $25 and added to the $4,500 base to create a new, district-specific per-student base amount.

After teacher experience adjustments are made, the new base amounts are adjusted by a ratio that is calculated annually to ensure that all money appropriated for the formula will distributed to school districts. In FY2021, the statewide average base funding level was $8,755.

Local Revenue

Expected Local Share

Oregon expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values, its revenue from other local sources, and historical property values. Each district is expected to contribute property tax revenue at a tax rate determined based on each district's past tax rates and property assessment history. However, the rate is capped at $5.00 per $1,000 of real market value.

The state expects districts to contribute revenue received from a number of other sources, including federal forest reserves, state-managed forest lands, and state lands dedicated to public schools, called the Common School Fund. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Most districts may levy a limited, optional tax for school operations with voter approval (see "Property Tax Floors and Ceilings" for a description of this policy). If the proceeds from this tax exceed the lesser of two thresholds—25% of the amount equal to the sum of the district's base funding and its state grants for transportation, facilities, and high-cost services for students with disabilities; or a set amount per student in the district's adjusted student count, which was set at $2,000 in FY2019 and is adjusted upward by 3% per year—then the revenues exceeding this threshold are counted as part of the district's local share.

Property Tax Floors and Ceilings

Oregon sets a ceiling for local property tax rates and a level above which voter approval is required. School districts are limited to a tax rate that differs from district to district. However, school districts may exceed this limit with voter approval to impose a rate of up to $5.00 for every $1,000 of real market value.

School districts in Oregon face two restrictions in property tax rates they may impose: a maximum rate that is related to districts' past tax rates and property assessment history, and a constitutional limitation of $5.00 for every $1,000 of real market value for the purpose of funding the districts' schools. If a school district's limit based on assessed local property wealth is lower than $5.00 for every $1,000 of real market value, school districts may exceed this limit with voter approval to impose a rate up to $5.00 for every $1,000 of real market value. If the proceeds from this tax exceed the lesser of two thresholds—25% of the amount equal to the sum of the district's base funding and its state grants for transportation, facilities, and high-cost services for students with disabilities; or a set amount per student in the district's adjusted student count, which was set at $2,000 in FY2019 and is adjusted upward by 3% per year—then the revenues exceeding this threshold are counted as part of the district's local share (see "Expected Local Share" for a description of this policy).

School districts may exceed the constitutional limit of $5.00 for every $1,000 of real market value to issue general obligation bonds and impose an additional tax on newly constructed or improved properties to fund capital improvements. The tax on new construction is limited to a certain percentage per square foot on both residential and nonresidential property and a dollar maximum per nonresidential property. In FY2021, this tax was limited to $1.39 per square foot for new residential properties, $0.69 per square foot for nonresidential properties, and $34,600 in total per nonresidential property.

Other Local Taxes for Education

School districts in Oregon receive local revenue only from property taxes and revenues related to property, such as moneys received in lieu of property taxes and revenue from federal and state lands.

Student Characteristics

Grade Level

Oregon provides different levels of funding for students in different grade levels through a program-based allocation and by applying multipliers to the base per-pupil amount for students in districts serving different grade levels.

Oregon provides funding to districts, charter schools, and detention and correctional programs serving students in grades 9-12 as part of the High School Success fund. Recipients must create High School Success plans governing the use of these funds, which are intended to establish or expand efforts in the areas of dropout prevention, career and technical education, and the provision of college-level education opportunities. Separately, the state applies multipliers to the base per-pupil amount for students enrolled in districts offering only grades K-6, only grades K-8, or only grades 9-12.

In districts offering only grades K-6 or K-8, the base amount is reduced by 10%, or effectively multiplied by 0.9. In districts offering only grades 9-12, the base amount is multiplied by 1.2.

English-Language Learner

Oregon provides increased funding to English-language learners (ELLs) by applying a multiplier of 1.5 to the base per-pupil amount for these students.

The total funding generated for any one student for whom any of three multipliers are applied to the base amount—the multipliers for ELLs, students with disabilities, and students enrolled in school districts offering only elementary grades or only high school grades—is capped at three times the base amount. This cap does not currently have practical effect but could if the legislature increased any of the above multipliers.

Additionally, Oregon has an English Language Learner Improvement Fund, an appropriation that supports technical assistance for and oversight of districts that are not providing adequate ELL services to their students. Funding for this program was $6.25 million in FY2021.

Poverty

Oregon provides increased funding for students from low-income households by applying a multiplier of 1.25 to the base per-pupil amount for these students.

The number of students eligible for supplemental funding is determined using the U.S. Census Bureau's Small Area Income Poverty Estimate, which gives an estimate of the number of school-aged children in families below the federal poverty level for each district in the state. The same level of supplemental funding is also provided for students in foster homes and for students in state-recognized facilities for neglected and delinquent children, based on reporting from the state department of human services.

The state also mandates that all students from households with incomes at or below 300% of the federal poverty level be given free lunch; the state department of education allocates funds to districts to cover the cost of doing so for students not otherwise eligible for free lunch under the National School Lunch Program. This mandate is modified in years when the state department of education has insufficient funds to provide for the cost. In FY2021, the state appropriated $1.425 million for the free lunch program.

Special Education

Oregon funds special education using a single student weight system, providing the same amount of state funding for each student with disabilities regardless of the severity of those disabilities. It does so by applying a multiplier of 2.0 to the per-student base amount for students with disabilities.

Students eligible for this funding are those identified as falling within one of 12 different disability categories listed in state law; however, the percentage of enrollment that can be funded using this multiplier may not exceed 11%. Above that prevalence threshold, students with disabilities are funded at a lower level determined by the state department of education. Additionally, the state provides partial reimbursements for the education of students whose approved special education costs exceed $30,000 per year.

The remainder of state special education funding is distributed through specific program-based allocations, including the Oregon School for the Deaf; hospital programs, day treatment programs, and residential treatment programs for children with disabilities; regional services provided to children with low-incidence disabilities; evaluation services to determine eligibility for special needs services; and matching grants for Medicaid dollars secured by each district to support services for children with disabilities. The speech pathology program and skilled nursing facilities are supported by separate state funding streams.

Gifted

Oregon does not provide increased funding for gifted and talented students.

However, the state does appropriate $150,000 annually for a statewide Talented and Gifted staff member to provide districts with technical assistance.

Career and Technical Education

Oregon provides increased funding for career and technical education (CTE) programs through a competitive grant.

The state department of education offers a competitive grant program each biennium to enhance collaboration between education providers and employers for new or existing CTE programs of study. Select school districts and federally recognized tribal nations are invited to apply; invitees are selected with an eye toward enabling small schools and those with insufficient grant funding from other sources to provide robust CTE programs.

Many districts also receive support from the High School Success fund that can be used to support CTE programming (see “Grade Level” for a description of this fund).

District Characteristics

Concentrated Poverty

Oregon does not provide increased funding for districts based on the concentrations of students from low-income households. However, Oregon does provide funding for individual students from low-income households (see “Poverty” For more information).

Sparsity and/or Small Size

Oregon provides increased funding for small and remote elementary schools and for small high schools. In both cases, it does so through a supplemental per-student amount calculated using a formula that considers school enrollment and the number of grades served by the school, and that considers remoteness for elementary schools.

In order to qualify for remote elementary school funding, a school must have no more than an average of 28 students in each grade served, and the school must be located more than 8 miles from the nearest other elementary school. In order to qualify for small high school funding, a school must be in a district with fewer than 9,500 students after the count has been increased through the application of multipliers to account for the needs of students in particular need categories, and it must have an enrollment of fewer than 350 students if the school has four grades or 267 if the school serves only three grades. To qualify in either category, a school must not have changed locations since 1995. Eligible elementary schools must have qualified as remote, small schools in 2011, and eligible high schools must have qualified as small high schools in 2009.

Charter Funding

Funding for charter schools in Oregon is calculated based on a formula similar to the one used to calculate funding for traditional public schools.

Like traditional public schools, charter schools are funded through a student-based funding formula that considers the characteristics of students they educate. Charter schools authorized by a local school district receive from that district 80% of the district's weighted per-student funding for students in grades K-8 and 95% for students in grades 9-12. Charter schools that are authorized by the state board of education receive, from the school district where they are located, 90% of the district's weighted per-student funding for students in grades K-8 and 95% of the district's per-student funding for students in grades 9-12. As with traditional public schools, charter schools receive state funding that reflects any additional funding generated by students in special needs categories.

Some charter schools in Oregon may receive a share of local tax revenue, while other charter schools may not. Distribution of local tax revenue is left to individual districts, so charter schools in some districts may receive a share of local revenue.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

