

# FundEd: Oregon Report

## A Detailed Look at Oregon's Funding Policies



## Oregon



### Funding Basics

#### Formula Type

Oregon has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students both through program-specific grants and by applying multipliers to the base amount to generate supplemental funding for certain students.

The categories of students generating supplemental funding in Oregon are English-language learners, low-income students, and students with disabilities. Services for students enrolled in career and technical education programs and in small and remote schools are provided through program-specific allocations.

#### Base Amount

Oregon has a fixed base funding amount per student. For FY2018, 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 "Teacher Experience Difference," which is 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 ensures that all money appropriated for the formula will be distributed to school districts. In FY2018, the statewide average base funding level was \$7,680.

### 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 and its revenue from other local sources. Each district is expected to contribute the lesser of a rate that differs by county in a way that is related to the county's historical tax rates, or \$5.00 for every \$1,000 of real market value. Each district is also required to contribute revenue from other local sources, such as revenue from federal and state lands.

The state expects districts to contribute revenue received from a number of other sources, including federal forest reserve revenues, revenue from state managed forest lands, and revenues from 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.

## 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 by county. 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 differs by county in a way that is related to the county's historical tax rates, and a constitutional limitation of \$5.00 for every \$1,000 of real market value for the purpose of funding its 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 a school district's limit based on assessed local property wealth exceeds \$5.00 for every \$1,000 of real market value, it is limited at \$5.00 for every \$1,000 of real market value.

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 properties to fund capital improvements. The tax on new construction is limited to a certain percentage per square foot on both residential and non-residential property and a dollar maximum per non-residential property. In FY2018, this tax was limited to \$1.00 per square foot for new residential properties, and \$0.63 per square foot for non-residential properties, and \$31,400 in total per non-residential property.

## Other Local Taxes for Education

School districts in Oregon receive local revenue only from property taxes.

## District Characteristics

### Grade Level

Oregon does not differentiate funding based on students' grade levels.

## English-Language Learner

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

The total funding generated for any one student who is receiving services for a disability and is also an ELL is capped at three times the base amount. This cap does not currently have practical effect but could if the legislature increased the multiplier for either category of student need.

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 FY2018.

## Poverty

Oregon provides increased funding for students from low-income households. It does so 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 United States 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 Department of Human Services.

The state also mandates that all students eligible for reduced-price lunch under the National School Lunch Program be given free lunch, and it allocates funds to districts to cover this cost.

## 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.

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 using a lower multiplier determined by the Department of Education. Additionally, the state provides partial reimbursements for the education of students whose approved special education costs exceed \$30,000.

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 the district to support services provided to 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 Talented and Gifted staff member at the state level to provide districts with technical assistance.

## Career and Technical Education

Oregon provides increased funding for career and technical education (CTE) programs. It does so through competitive grants.

The Oregon 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. School districts may request up to \$350,000 and collaborations involving multiple districts may request up to \$450,000. In considering applications, the state prioritizes CTE summer programs for students at the middle school level, because the state had previously funded a CTE program for middle-schoolers.

## 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 through a formula that considers school enrollment and the number of grades served by the school, with the elementary school formula also considering the remoteness of the school. Small high schools also receive an additional supplemental grant.

In order to qualify for remote elementary school funding, an elementary school must have no more than an average of twenty-eight students in each grade served, and the school must be located more than eight miles from the nearest other elementary school. In order to qualify for small high school funding, a high school must be in a district with less than 8,500 students and must have an enrollment of fewer than 350 students if the school has four grades, or 267 if the school only serves three grades.

The state appropriates \$2.5 million annually for the small high schools supplemental grant. The funding is divided among the qualifying schools in amounts proportional to their enrollment.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

