

# Recipe for an Effective 2025 Legislative Session

# ~Menu~

~Accurate, Stable, and Adequate  
Funding for K-12 Education

~Avoid Creating New, Restricted Grant Programs

~Correct Past and Avoid Creating New Unfunded Mandates

~Direct Administrative Collaboration Between the Oregon  
Health Authority and Oregon Department of Education

## Stable and Adequate Funding for K-12 Education

- ***Accuracy***
  - **State School Fund of \$11.3 Billion**
    - Accepts Governor's proposed CSL calculation changes
- ***Adequacy***
  - **State School Fund of \$12.187 Billion**
    - Accounts for PERS employer rate increase of 6% (+\$320M)
    - Accounts for Paid Leave Oregon costs of \$10.2 million (+\$300M)
    - Accounts for raising SPED cap to 14% (+\$173M)
    - Accounts for full High Cost Disability reimbursement (+\$94M)
- ***Investment***
  - **State School Fund of \$13.052 Billion**
    - Approaches recommended full implementation Quality Education Model (+\$765M)
    - Summer programs funding of \$50 million/year (+\$100M)

## Increase Special Education Funding & Support

- Per-student funding (regular) = \$10,544
- Additional 1.0 weight for SPED = \$10,544
  - Total SPED funding up to 11% cap = \$21,088/student
- Current SPED population = 14% or approximately 2,590 students
  - Approximately 500 students are above the 11% cap
  - State most recently provided 277.1 weights in SSF for students above the cap, which equaled \$2.922 million
    - ***District absorbs \$2.351 million/year for remaining students***
- Difference between double weighting and High Cost Disability threshold of \$30,000 is \$8,911/student (in 2022-23, 319 students fell into this category)
  - ***District absorbs \$2.843 million/year in unreimbursed costs***
- High Cost Disability (\$30K+) expenditures = \$5,418,644
  - Reimbursement rate is  $\$0.41/\$1.00 = \$2,221,644$ 
    - ***District absorbs \$3.197 million/year in unreimbursed costs***
      - ***Total SPED cost absorption = \$8.391 million/year***

## **Avoid Creating New, Restricted Grant Programs**

- **2023-25 biennium included 38 restricted categorical grants**
  - Applying for and reporting on these small grant programs is an administrative burden.
  - Carve-outs from the State School Fund result in underfunding of core programming.
  - The subdivision of state education aid into small, inflexible streams limits program efficiency and fund braiding.

### *Request:*

- *Look for opportunities to consolidate grants either back into the State School Fund or into larger buckets.*

## **Correct Past and Avoid Creating New Unfunded Mandates**

- **Paid Leave Oregon (PLO)**
  - HSD Year 1 (2023-24):
    - 247 Staff Members
    - 10,466 Days
    - Paid benefits of \$1,922,017 on top of regular sick/personal/jury or other leaves paid by the district
  - Employer program cost:
    - \$1,020,484 in employer-paid premium
    - \$936,838 in extended contract
    - \$2,764,308 in increased substitute costs
      - Total estimated impact in 2023-24: \$4,722,629
      - Total estimated impact in 2024-25: \$4,864,308

### *Request:*

- *Provide district with extra funding for expanded PLO requirements.*

## **Correct Past and Avoid Creating New Unfunded Mandates**

- **House Bill 2531** – Prohibits manufacture/sale of compact fluorescent and linear fluorescent lamps
  - HSD cost = \$5.321 million, estimated
    - 75% of district-wide lighting (for buildings not affected by 2017 bond work) is fluorescent tube/fixtures that need to be replaced with tubular LED lights/fixtures.
    - Cost estimate based on HSD staff doing the work and does not account for rebate incentives; however, there will be fewer of these available as of 1/1/25 than in the past.
    - Ultimately will result in lower electricity costs, but will take years.

### *Request:*

- *Consider unintended consequences of bills to school districts that do not receive formula funding for structural enhancements and/or provide funding to help cover the costs.*

## **Correct Past and Avoid Creating New Unfunded Mandates**

- **Senate Bill 819** – Restricts ability of districts to place students on abbreviated day
  - HSD cost = \$400,000+, estimated
    - ODE reduced IDEA grant by \$300,000 because of their need to increase staffing to implement this new law.
    - HSD had to add a half-time data technician.
    - Additional extended contract, caseload, and reporting requirements.
    - Additional out-of-district placement needs at \$80,000+ each not captured in the estimated figure above.

### *Request:*

- *Provide districts with extra funding to support Senate Bill 819's ongoing implementation.*





## **Correct Past and Avoid Creating New Unfunded Mandates**

- **Senate Bill 3** – Requires personal finance 0.5 credit for graduation
  - HSD cost = \$850,000+, estimated
    - \$600,000 for staffing and scheduling
    - \$250,000 for curriculum
- **Senate Bill 489** – Unemployment insurance benefits for 10-month employees
  - HSD cost = available in late October when the Oregon Employment Division provides 3<sup>rd</sup> quarter information

### *Request:*

- *For new curriculum requirements – provide funding/materials. For Senate Bill 489 – exclude qualification for staff who knowingly accepted a 10-month job.*

## **Direct Collaboration Between OHA and ODE**

- There are many mental health needs in schools and no additional funding outside of the basic formula to address them.
- K-12 education has received a steadily decreasing proportion of the state's budget over the last 20 years, while health and human services' budget has vastly increased.
- This aligns with OHA's recently announced strategic objective to eliminate health inequities in Oregon by 2030.

### *Request:*

- *Rather than reallocate money between the two entities, direct the Oregon Health Authority and the Oregon Department of Education to collaborate on ways to reduce administrative barriers between the two agencies on things like Medicaid billing and allowing OHA-funded mental health professionals to serve students in schools during the school day.*



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