

## How are Oregon K-12 Public Schools Funded?

School districts are funded through a combination of federal, state and local dollars, many of which come with a complex list of regulations dictating how, where, and on whom they may be spent.

### FEDERAL FUNDS

Federal grants are allocated to states based on student need (IDEA, Title I, Title II, Title III). These funding amounts are determined at a federal level. Estimations are provided in early spring for the upcoming school year, but often not confirmed until summer or early fall. They can change between estimation and actual.

### STATE AND LOCAL FUNDS

State-provided education funds go through a state-specific funding formula to calculate the amount of the state education budget that will be allocated to each district in the state. State funding formulas typically take into account district enrollment, student characteristics, and community wealth. States also provide categorical grants that are similar to federal funds, in that they are restricted to specific kinds of expenditures.

#### Oregon: Prior to Measure 5, Measure 50

Prior to Measure 5 in 1990 and Measure 50 in 1997, public school districts in Oregon were primarily funded by local property taxes (about 70%) with the state covering the remaining amount (30%). Measure 5 limited the proportion of local taxes on schools (\$5/\$1,000). Measure 50 limited how quickly taxes could increase (permanent rate limit; 3% of assessed value). Since then, the state picks up the majority of the funding allotment, which means K-12 funding competes with other state funding obligations.

### OREGON K-12 PUBLIC SCHOOLS FUNDED BY ENROLLMENT, USING A WEIGHTED FORMULA (ADMw)

Step 1: School districts estimate their enrollment for the upcoming year (ADM<sub>r</sub>)

Step 2: These numbers are then “weighted” based on additional need (ADM<sub>w</sub>)

- a. Students in ESL programs (.5)
- b. Students in Pregnant and Parenting Programs (1.0)
- c. Students on an IEP, capped at 11% (1.0)
- d. Students in poverty (.25)
- e. Students in foster care (.25)

Step 3: The state allows the LARGER of the previous or upcoming school year’s ADM<sub>w</sub> to calculate funding. This is called the Extended ADM<sub>w</sub>.

Step 4: Teacher Experience Adjustment is multiplied by \$25 and added \$4,500. This number is then multiplied by the Extended ADM<sub>w</sub> and the funding ratio (approx. 2.34) to arrive at the General Purpose Grant amount.

Step 5: General Purpose Grant + Transportation Grant (70% reimbursement) = Total Formula Revenue.

**Final Step: Total Formula Revenue is what the district receives in its General Fund.**

**Total Formula Revenue – Local Revenue taxes collected = State School Fund Grant (SSF) Allocation**



Total Formula Revenue (ADMw) \$

Local Taxes \$

State Funds (SSF) \$

## What are the 4 budget funds?

1. Capital Projects

2. Debt Service

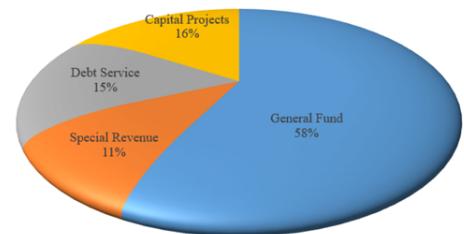
3. Special Revenue

4. General Fund

Money designated in each fund must remain there. Special Revenue funds are restricted to specific purposes and cannot be shifted to the General Fund. When grants come in lower than projected, the General Fund picks up the difference.

DISTRICT BUDGET - FINANCIAL SUMMARY  
Fiscal Year 2024-2025

FUND	Proposed Budget 2024-25		2023-24 Adopted		Change Increase/(Decrease)
	\$ Amount	%	\$ Amount	%	
General Fund	159,040,621	58%	156,284,722	52%	2,755,899
Special Revenue	30,412,795	11%	29,248,334	10%	1,164,461
Debt Service	42,874,466	16%	41,356,038	14%	1,518,428
Capital Projects	44,249,416	16%	75,709,650	25%	(31,460,234)
TOTAL ALL FUNDS	\$ 276,577,298	100.00%	\$ 302,598,744	100.00%	\$ (26,021,446)



**Capital Projects Fund: Related to acquisition, construction, equipping and furnishing of new schools and other facilities** [e.g. 2014 BO Bond; 2019 GO Bond; Land Bank; CET].

**Capital Bond Taxes – School districts may, through voter approval, collect additional taxes (up to a limit) to purchase General Obligation Bonds to fund capital projects (new or remodeled facilities, improvements).** These funds cannot be used for annual operating expenses (e.g. teachers, general curriculum, etc.) and must be expended based on what the GO Bond Ballot described.

**Debt Service Fund: Payment of GO and PERS bonds principal and interest.**

**Special Revenue: Specific programs funded by federal, state and local grants or restricted accounts.**

**Funds must be spent as required by the grant** [e.g. Early Literacy Grant; Medicaid Administration; Title I, II, III; IDEA; High School Success Grant; SIA Grant; Summer Learning Grant; Nutrition Services; Outdoor School Grant].

**Fund 270 High School Success Grant (M98) – Passed in 2016 to improve High School Graduation**

Funded per high school student. Funding is restricted to HS with small percentage towards MS.

**2024-2025 allocation: \$2,745,715:** supports CTE Teachers, HS Teachers, Academic Success Coordinators, MS TOSAs, Creative Engagement Specialists (approximately 18 FTE)

**Fund 271 Student Investment Account – Passed in 2019 as part of the Student Success Act.** Funding in the SIA grant is restricted to mental and behavioral health needs as well as academic disparities for students who have historically experienced disparities in schools. Funding is based on Title I criteria (low income, poverty).

**2024-2025 allocation: \$8,689,824:** Special Education Learning Specialists, Nurses, Counselors, Social Workers,

English Language Development Specialists, K-5 teachers (class size), Psychologists, FEC Coordinator, WKOAs, librarians, and one licensed staff development day in August (approximately 58.4 FTE)

**General Fund: Revenue and expenditures intended for instructional purposes and related support services. The Total Formula Revenue is deposited into the General Fund.**

**Local Option Taxes – School districts may, through voter approval, collect additional property taxes (up to a limit) to supplement the amount provided by the Total Formula Revenue.**