

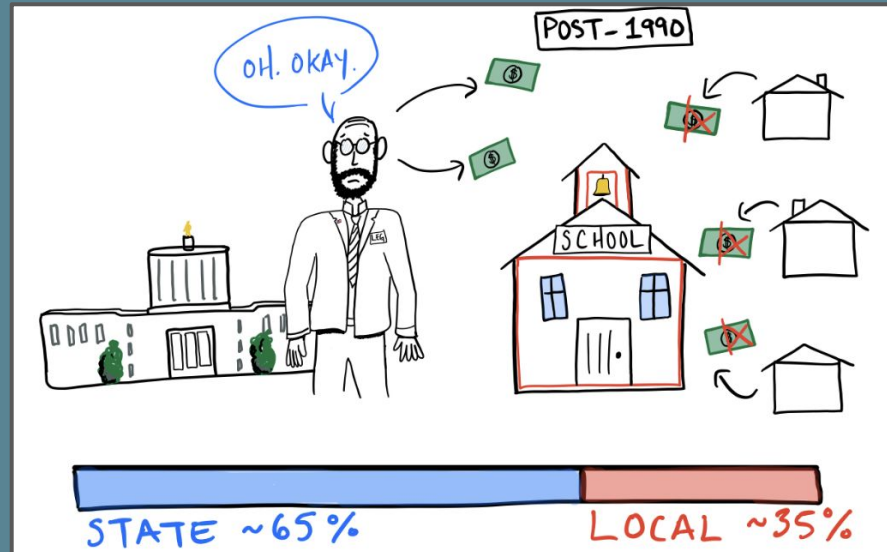
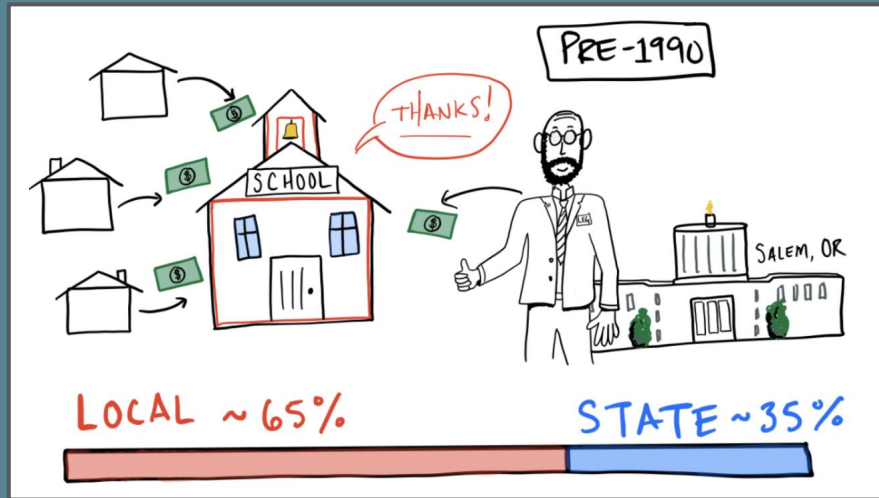
V FUND OREGON  
V SCHOOLS  
ADVOCACY  
V

Education Funding & Advocacy

March 2025

# Oregon Public Education Funding "Before & After"

FUND OREGON  
SCHOOLS  
ADVOCACY



We've flip-flopped



# Funding the 2023-2025 Biennium

## FEDERAL



## STATE (\$ 10.2 B - 65%)

## LOCAL (\$ 5.1 B - 35%)

Federal  
Budget  
Dollars

General Fund (\$ 8.8 B)  
Student Success Act (\$ 2.9 B)  
Lottery Fund (\$ 604 M)  
Marijuana Tax (\$ 41 M)  
65% of the Ed. Budget

Property Taxes (\$ 4.9 B)  
Common Sch. Fund (\$ 149 M)  
County Timber (\$ 48 M)  
County Sch. Fund (\$ 27 M)  
35% of the Ed. Budget

(+ Local Funding:  
Local Option Levies  
& Local School Bonds)

Local funds get put into \*one pot, along with the State Funding. This is called the **FORMULA FUNDING**, which then calculates the General Purpose Grants then distributed according to a formula, to all districts.

Title I Funds  
SpEd Funds  
Nutrition

### These funds affect our schools at these three levels

Choices between  
State level priorities

Choices between  
District level priorities

Choices between  
School level priorities

School Day  
Experience

THE FUNDING

THE DECISIONS

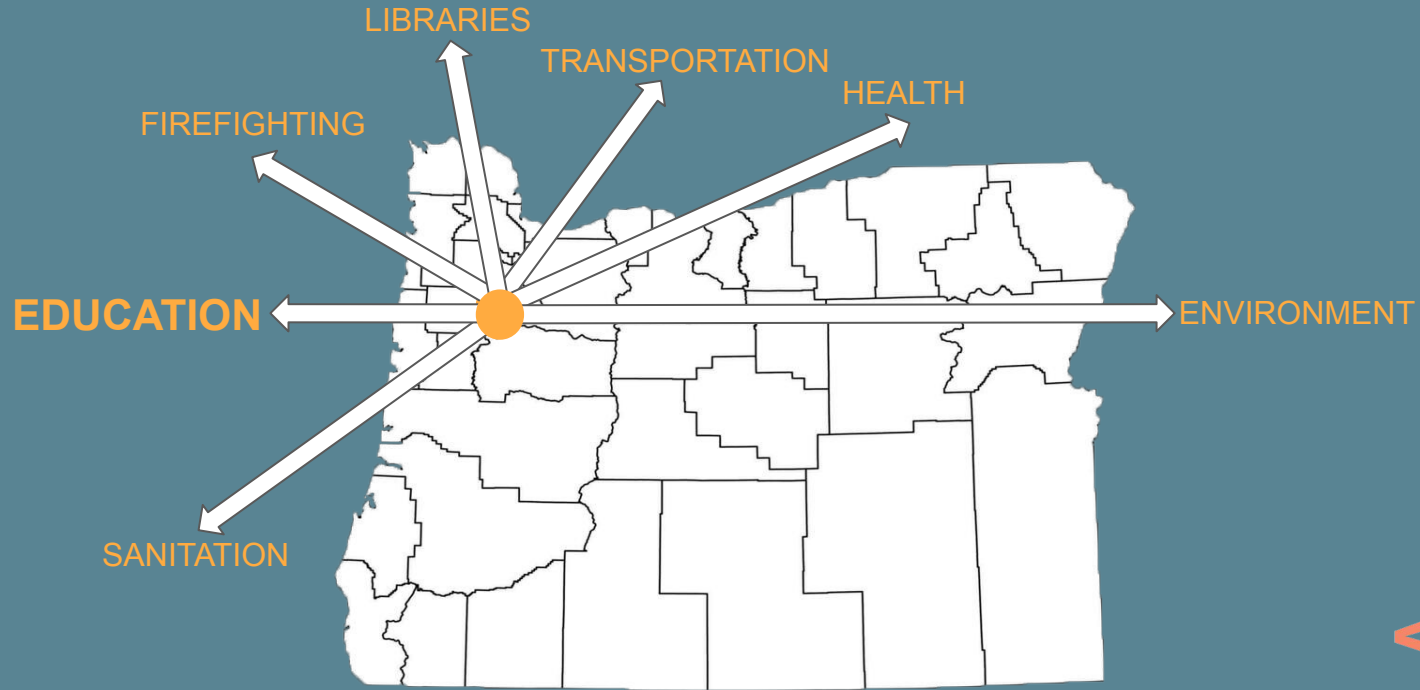
THE EFFECT

\*each district keeps their local funding in their own accounts. The state then decides the formula number based on the info of what each local district has in local funding, so the formula is different depending on the district. (Each district therefore has a different per student contribution from the state.)

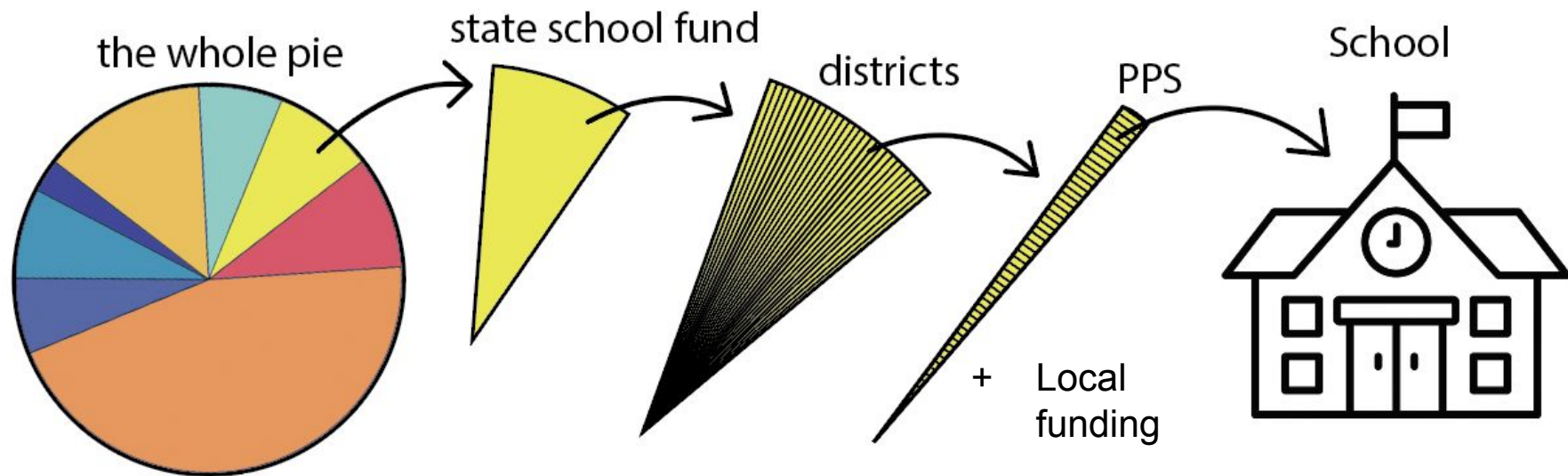
The very simplified chart above shows the main sources of funding (especially the General Fund, local property taxes, and the Student Success Act) and how they flow to school districts mainly using the state formula that calculates the "General Purpose Grants" for each district. It also shows the levels at which decisions are made, based on where the revenue originates.



# Education in Competition



## Smaller and Smaller Pieces of Pie



# Quality Education Model

## Section 8

### Text of Section 8:

#### Adequate and Equitable Funding

(1) The Legislative Assembly shall appropriate in each biennium a sum of money sufficient to ensure that the state's system of public education meets quality goals established by law and publish a report that either demonstrates the appropriation is sufficient, or identifies the reasons for the insufficiency, its extent, and its impact on the ability of the state's system of public education to meet those goals.

(2) Consistent with such legal obligation as it may have to maintain substantial equity in state funding, the Legislative Assembly shall establish a system of Equalization Grants to eligible districts for each year in which the voters of such districts approve local option taxes as described in Article XI, section 11 (4)(a) (B) of this Constitution. The amount of such Grants and eligibility criteria shall be determined by the Legislative Assembly.<sup>[1]</sup>

The QEM  
Loophole



## BALLOT MEASURE 1 REPORT

GOVERNOR JOHN A. KITZHABER, M.D.  
DECEMBER 1, 2000

*"This measure constitutionally requires the Legislature to provide funding adequate to meet the quality education goals established by law – and to explain how the legislatively adopted budget meets those goals. In short, this is about accountability. It will force the K-12 debate in Salem to take place not around large, abstract numbers -- \$5.8 billion, \$4.9 billion – but rather around what we want those dollars to achieve in the classroom to advance the goals of the Education Act."*

*Governor Kitzhaber's State of the State Address  
January 21, 2000*

Ballot Measure 1 (adopted by voters in November 2000): The Legislative Assembly shall appropriate in each biennium a sum of money sufficient to ensure that the state's system of public education meets quality goals established by law, and publish a report that either demonstrates the appropriation is sufficient, or identifies the reasons for the insufficiency, its extent, and its impact on the ability of the state's system of public education to meet those goals.

### GOVERNOR'S FINDINGS

The Governor's Recommended Budget for primary and secondary schools (K-12) for 2001-03 is not sufficient to ensure that the state's system of public education meets the quality goals established by law. The budget does not appropriate the funding levels estimated by the Quality Education Commission, established under Executive Order 99-16, as being sufficient for Oregon's students to meet the academic standards established through the Oregon Educational Act for the 21<sup>st</sup> Century. The recommended budget is \$862 million below the level estimated by the Commission to fully meet the costs. However, the budget addresses the priority targets identified by the Quality Education Commission for phase-in to eventual full funding.

### REASON FOR THE INSUFFICIENCY

Revenues available under current law cannot support the continuation of all state programs into the 2001-03 biennium at the program levels currently in place. The Governor's budget recommends program reductions throughout the state budget to deal with this revenue gap. Funding available to K-12 has been increased to focus on those performance targets identified by the Quality Education Commission as being the highest priority for expansion.

# UNDERFUNDED by over **\$22 BILLION**

## EXHIBIT A: GAP BETWEEN QEM AND ACTUAL STATE FUNDING

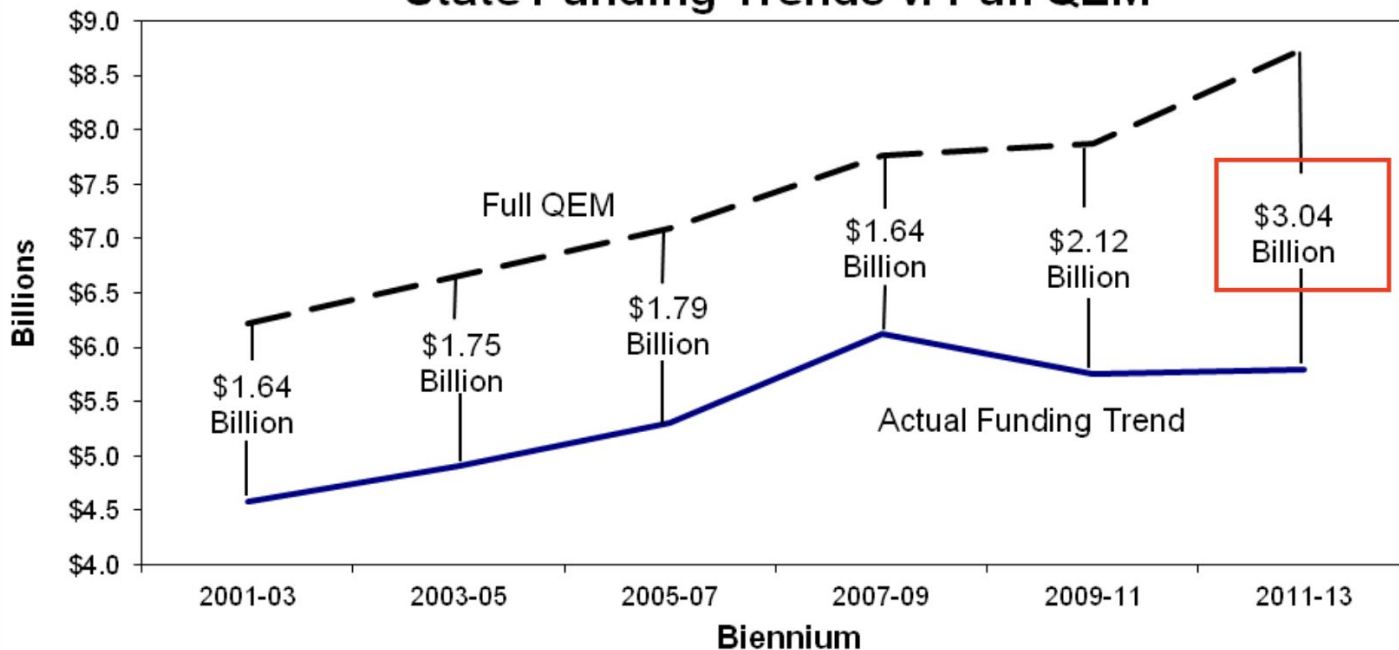
Biennium	QEM Full Implementation Model	SSF Legislative Appropriation	SSA Funding	Total State Funding	Funding Gap	Gap as Percentage
1999-2001	\$5.654	\$4.562		\$4.562	\$1.092	23.9%
2001-2003	\$6.215	\$4.573		\$4.573	\$1.642	35.9%
2003-2005	\$6.659	\$4.907		\$4.907	\$1.752	35.7%
2005-2007	\$7.096	\$5.305		\$5.305	\$1.791	33.8%
2007-09	\$7.766	\$6.131		\$6.131	\$1.635	26.7%
2009-11	\$7.872	\$5.756		\$5.756	\$2.116	36.8%
2011-13	\$8.004	\$5.799		\$5.799	\$2.205	38.0%
2013-15	\$8.775	\$6.650		\$6.650	\$2.125	32.0%
2015-17	\$9.158	\$7.376		\$7.376	\$1.782	24.2%
2017-19	\$9.971	\$8.200		\$8.200	\$1.771	21.6%
2019-21	\$10.773	\$9.000		\$9.000	\$1.773	19.7%
2021-23	\$11.163	\$9.300	\$1.306	\$10.606	\$0.557	6.0%
2023-25	\$13.227	\$9.372	\$1.338	\$10.710	\$2.517	26.9%



2001-2025: 24 years of reports explaining why Oregon has insufficient revenue to fund public schools.

A billion is a lot more than a million.  
\$22 billion in underfunding is equal to 22,000 million.

## Projected Oregon School Funding Gap State Funding Trends v. Full QEM





## Review of Oregon's Current Public K–12 Education Funding Formula

### Submitted to:

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Legislative Policy and Research Office  
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*American Institutes for Research*

February 2025

<https://olis.oregonlegislature.gov/liz/2025R1/Committees/SED/2025-02-26-17-30/MeetingMaterials>



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## To fix what ails Oregon schools, spend a lot more money, new report suggests

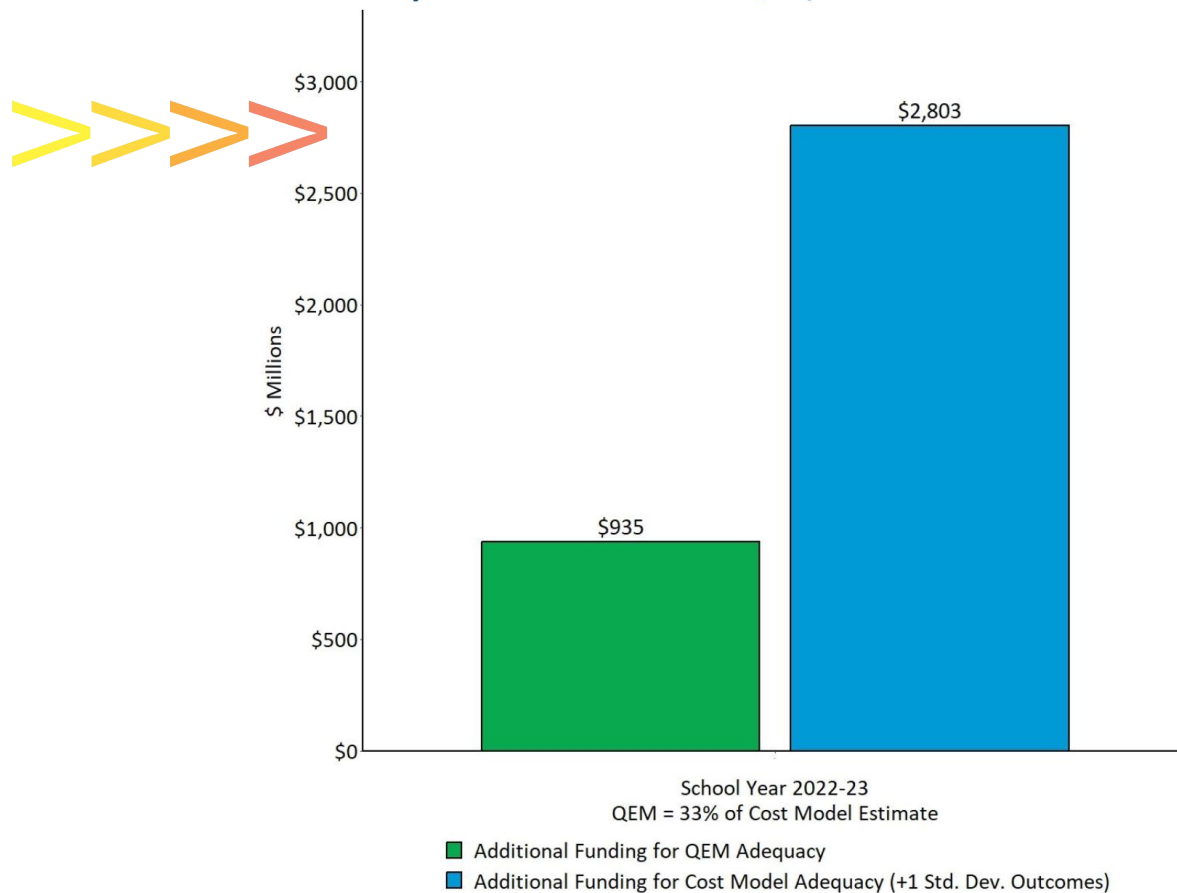
Updated: Feb. 20, 2025, 6:01 a.m. | Published: Feb. 20, 2025, 6:00 a.m.



By [Julia Silverman](#) | [The Oregonian/OregonLive](#)

Oregon needs to drastically revamp its [decades-old funding formula](#) and spend far more per pupil to come close to meeting its [stated goals for student success](#), particularly in schools that serve a concentration of students from low-income families, according to a prominent national research institute.

**Exhibit 29. Comparison of Additional Funding Required to Meet Statewide Adequacy Standards Estimated by the AIR Cost Model and QEM, School Year 2022–23**



# The Underlying Issues

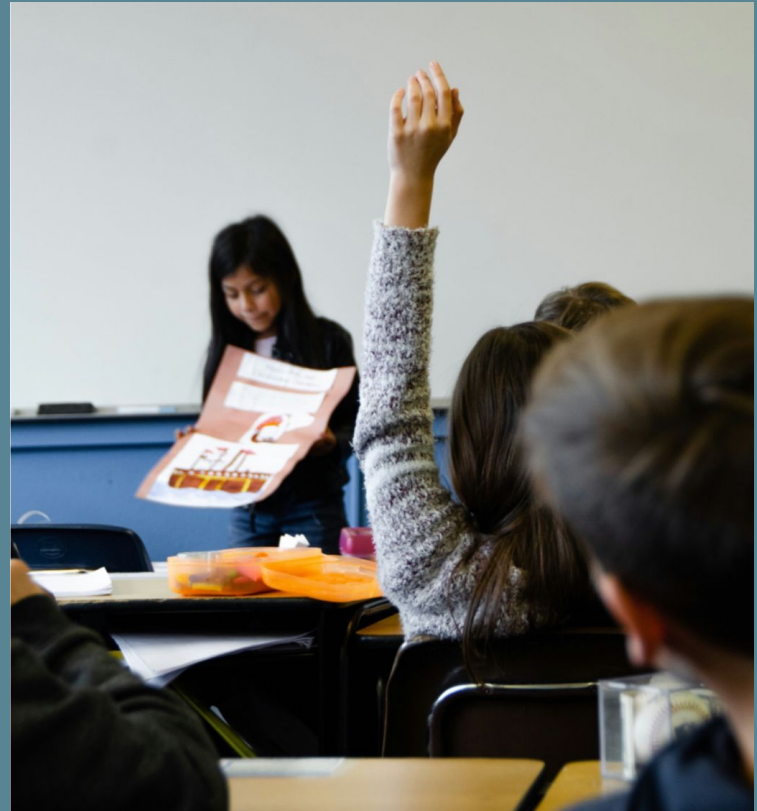
- We are one of five states that have no sales tax.
- Measure 5 and 50 capped property taxes.
- Oregon is the only state with a Kicker Credit.
- Fluctuating Income Tax = an unstable primary revenue source for funding schools.

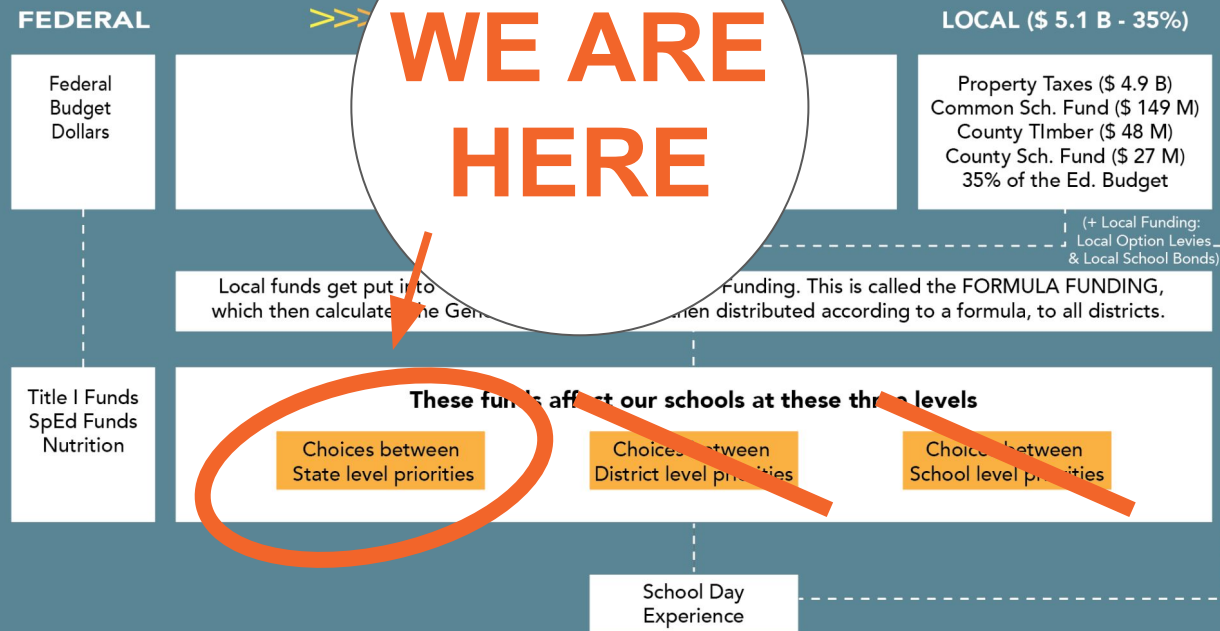


# NOW WHAT?

*Now we do whatever we  
can, as loud as we can,  
because we won't have  
another chance for 2  
years.*

*We need to fund to  
QEM!*





## THE FUNDING

## THE DECISIONS

## THE EFFECT

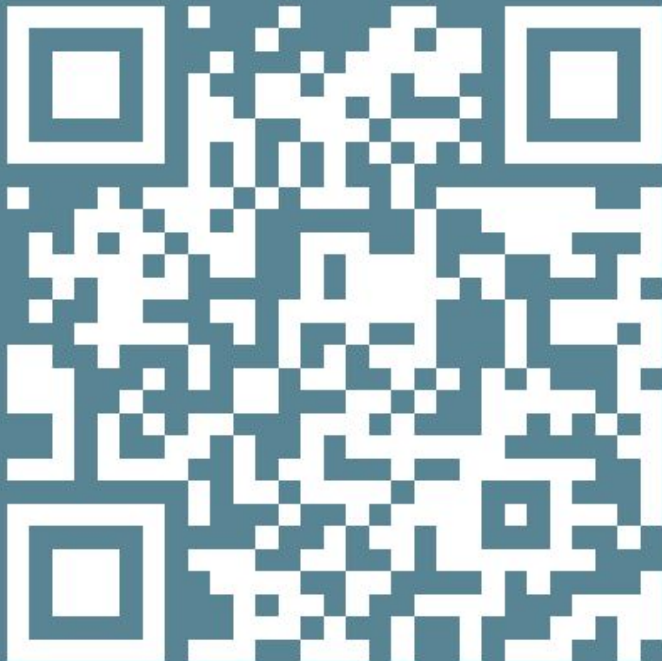
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[www.vernonpta.org/advocacy](http://www.vernonpta.org/advocacy)



## RESOURCES

[OREGON PTA SCHOOL FUNDING  
ADVOCACY](#)

[LATEST PTA FUNDING & ADVOCACY  
COMMUNICATION](#)

[PPS OFFICE OF GOVERNMENT  
RELATIONS](#)

[LATEST PPS FUNDING & ADVOCACY  
COMMUNICATION](#)

[THE FUND FOR PPS - ADVOCACY](#)

[COMMUNITY AND PARENTS FOR PPS](#)

[FAMILIES FOR EQUITY IN SCHOOLS](#)

[Q&A RESPONSES FOR LEGISLATOR  
ANSWERS](#)

[FINANCIAL DATA REPORTED BY  
SCHOOL DISTRICTS AND EDUCATION  
SERVICE DISTRICTS](#)

[SPEAK UP ABOUT FEDERAL CUTS TO  
THE DEPARTMENT OF EDUCATION](#)

## ACTION ALERTS!

[FIND YOUR LEGISLATORS](#)

[2025 COMMUNITY BUDGET HEARING:](#)

MARCH 22, GRESHAM

[PORTLAND FOR ALL POLICY TALKS: CITY](#)

[AND COUNTY BUDGET ADVOCACY:](#)

MARCH 26 - VIRTUAL

[SB 5515 ODE BUDGET BILL PUBLIC](#)

[HEARING:](#) MARCH 26

[SB 5516 STATE SCHOOL FUND BILL](#)

[HEARING:](#) MARCH 27

[OREGON PTA/ CPPS PARENT LOBBY](#)

[DAY:](#) APRIL 30 - SALEM