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New Study Finds Schools Spending Initiative “100 Percent Phony”

(Silverton) A study released today by the Oregon Center for Public Policy (OCPP) calls a school spending initiative that has been promoted by at least five candidates for the Oregon House of Representatives “100 percent phony” because it would not improve student performance. The candidates are Joan Draper, Dominic Biggi, Robin Brown, Shirley Parsons, and Terry Rilling.

The so-called “65 percent solution,” initiative petition 24 for the 2008 general election, requires that each Oregon school district spend at least 65 percent of its operating budget on classroom “instruction” expenditures. At least five Republican candidates for the Oregon House of Representatives have included literature promoting IP 24 in materials they gave to voters this fall, and Republican leadership in the House have expressed an interest in moving the issue next session.

The OCPP study found that Oregon school districts that spend more of their operating budgets on “instruction,” as defined by IP 24, are not increasing the share of students testing proficient in math and English/language arts. This new analysis supports previous findings in studies conducted by researchers at the University of Oregon and at Standard & Poor’s.

“The 65 percent formula has no value for improving student outcomes,” said Michael Leachman, who authored the study for the OCPP. “Its 100 percent phony,” he added. That’s also the title of the report.

“The initiative puts certain types of spending that can be critical to student educational achievement at risk of cuts,” Leachman said, noting, as an example that training teachers in proven reading and math methods can improve student performance, but teacher training is not considered “instruction” under the measure. Leachman also noted that counselors, who help prevent drop-outs, and nurses, who help reduce days lost to illness, are also not included in the areas favored for spending under the measure.

Leachman added that the 65 percent formula “would force school districts to abide by an arbitrary and at times bizarre reward structure.” Leachman pointed out that the formula would reward districts that purchase new football helmets or organize more overnight trips but punish districts that spend to improve the nutritional quality of school lunches or add bus routes to improve attendance.

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“The 65 percent formula takes away the autonomy of individual schools that may have legitimate reasons to direct resources differently than the formula prescribes,” said Leachman.

The OCPP study also found that Oregon schools spend just 1.4 percent of their operating budgets on central – or district-level – administration. “Only 10 states spend a smaller share of their school operating budgets on district-level administration,” said Leachman. “This initiative is a solution in search of a problem.”

Leachman also noted that the IP 24 formula could generate unnecessary spending. “If the State were to impose or encourage new non-instructional spending, such as the installation of security cameras or metal detectors to improve safety, districts somehow would have to raise an additional \$2 for each dollar spent on meeting the new safety obligations, tripling the total cost of the new mandate,” he said.

IP 24 is part of a national campaign led by a group called First Class Education, whose goal is to implement the 65 percent formula in all 50 states. The primary funder of First Class Education is Patrick Byrne, a corporate executive who promotes school vouchers that would use public funds to support children attending private and religious schools. An internal First Class Education campaign memo, obtained by the *Austin American-Statesman*, points to the “political benefits” of the 65 percent rule campaign for public education opponents. The memo says that the 65 percent rule will split education unions by pitting administrators against teachers and will make voters more disposed to support school vouchers and charter schools.

“The 65 percent formula is a gimmick being pushed for thinly veiled political reasons,” said Leachman. “Oregon’s students deserve better.”

The ***Oregon Center for Public Policy*** uses research and analysis to advance policies and practices that improve the economic and social opportunities of all Oregonians.