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Testimony of Representative Michael Brennan introducing

LD 1402, An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population

Before the Joint Standing Committee on Education and Cultural Affairs

Good afternoon, Senator Rafferty and fellow members of the Education and Cultural Affairs Committee. My name is Michael Brennan, and I represent House District 115, which includes a portion of Portland. I am here to introduce **LD 1402, An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population.**

In January, the non-lapsing account in General Fund Purpose Aid (GPA) to education had a balance of \$36 million. The Essential Programs and Services (EPS) formula allocates over \$1 billion a year in state funding to local school districts. Given the many factors that contribute to allocate funds, the GPA account has historically experienced surpluses. In fact, legislation was paused in the mid-1990s to address this issue.

Since the funds in the GPA account have been ratified by the Legislature and the Governor, I am proposing that the funds stay in the account and be allocated to communities based on the number of students identified through free and reduced lunch. A school district would also qualify if 15% of the property in the district were tax exempt. The bill would require the school district to submit a plan identifying how and when to assist economically disadvantaged students.

The current school funding formula places a significant weight on property valuation to determine “wealth” in a school district.

There is a direct relationship between property taxes and school funding. A recent report showed that over the past year, property taxes across the country increased twice as fast when compared to the rate of increase in 2021. The report noted that property taxes in the Northeast continue to be higher than other parts of the country.

This bill will provide additional resources to families and students who are most in need and communities struggling with property taxes.

Thank you for your consideration.