

HOUSE REVENUE COMMITTEE
March 21, 2003 9:00 AM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
 Representative Wayne Scott, Vice Chair
 Representative Joanne Verger, Vice Chair
 Representative Vicki Berger
 Representative Pat Farr
 Representative Elaine Hopson

Members Excused: Representative Phil Barnhart
 Representative Mark Hass
 Representative Max Williams

Witness Present: Brian Reeder, Department of Education
 Susan Castillo, Superintendent of Public Instruction

Staff Present: Paul Warner, Legislative Revenue Office
 Steve Meyer, Legislative Revenue Office
 Tara Lantz, Committee Assistant

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004	Chair Shetterly	Calls meeting to order at 9:21 am.
009	Susan Castillo	Discusses the current situation in Oregon's public schools including increasing standards, increasing numbers of students with special needs, and decreased funding. Refer to written testimony (Exhibit 1).
104	Castillo	Discusses misperceptions of Oregon public schools.
154	Castillo	Gives suggestions for raising revenues in the next biennium.
221	Rep. Farr	Discusses conversation with Eugene school board in which it was pointed out that students meeting high standards might be cyclical and now that pre-Measure 5 students are graduating, the high education standards that have been met might decrease.
251	Rep. Verger	Asks why the schools will lose money if they don't comply with meeting standards.
267	Castillo	Responds that they will lose federal money if they don't comply with federal law and that there are strict timelines and guidelines.
303	Rep. Shetterly	Asks if it is just No Child Left Behind dollars that might be lost or all federal dollars.
307	Castillo	Responds that there are other dollars at risk, including Title 1 dollars.
313	Rep. Verger	Discusses views on federal mandates, the CIM and CAM, and the suggestions on raising revenues. Asks how the school community will demonstrate to the public that they are willing to share in the pain of the current situation.
391	Castillo	Responds that teachers are already making these sacrifices, such as in

Portland where the teachers have agreed to work for free for 10 days. States that the burden should not just be placed on the teacher's backs.

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- 009 Rep. Verger Agrees that it should not be placed on the teacher's backs, but that the perceptions of the public need to be considered.
- 025 Rep. Berger Asks if Castillo has any thought on how to change people's perceptions on the money spent on schools.
- 044 Castillo Responds that they need to be giving the public better information on how the money is spent and discusses the Business Association's communications campaign on the success of the public school system.
- 081 Rep. Berger Cautions that we need to inform the public on the successful students rather than the ones who don't succeed.
- 091 Rep. Shetterly Agrees that we need to give a message that the school system is a winner, but also states that we need to give a message that they are facing challenges that threaten that success.
- 144 Rep. Hopson Expresses concern that a PR campaign may have worked a few years ago, but that since people are only hearing about the crisis that schools are in they are going to be less likely to want to invest.
- 186 Rep. Scott Disagrees that adding additional money to the budget would go to the schools and discusses things that need to be changed in the schools, such as PERS and healthcare. Disagrees with the suggestions to raise revenue.
- 224 Rep. Farr Discusses the education background of members of the committee and expresses that the comments and suggestions given by Castillo are in good hands.
- 245 Castillo Discusses a student advisory committee that was recently formed and suggests that the student committee testify before the revenue committee about funding issues.
- 280 Brian Reeder Introduces study performed by the Department of Education on small schools. Discusses the charge of the legislature in doing the study (Exhibit 2).
- 310 Reeder Discusses the objectives and approach of the study.
- 390 Reeder Discusses the relationship between high school size and cost per student.

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- 006 Rep. Hopson Asks if the cost per student would be even higher if the transportation costs were factored in.
- 008 Reeder Responds affirmatively and explains that they took out the transportation costs in order to effectively look at school size rather than geographic location.
- 019 Hopson Asks about money from ESD's.
- 025 Reeder Responds that all money from ESD's is included in the study except for administration costs.
- 034 Reeder Discusses the relationship between elementary school size and cost per

student.

043	Rep. Verger	Points out that many schools are combining to include more students.
051	Reeder	Explains that combined schools were not included in the study.
062	Reeder	Discusses the finding relating to if small school correction is working. Questions and answers follow.
118	Rep. Hopson	Asks if boarding costs were included in transportation costs.
121	Reeder	Responds that they reimburse schools for boarding costs as transportation costs and points out that those schools were not included in the study.
136	Reeder	Discusses the independent affect of district size on per student costs.
174	Rep. Shetterly	Asks how many school districts fall below the recommended size.
179	Reeder	Responds that there are a lot.
240	Reeder	Introduces the study done by the Department of Education on Education Service Districts (Exhibit 3). Discusses the legislative charge of the study.
262	Reeder	Discusses the approach of the study.
289	Reeder	Discusses the findings of the study.
346	Rep. Verger	Asks why they were looking at 1999-2000 data.
347	Reeder	Responds that it was the latest available data when they began the study.
358	Reeder	Discusses the inequities among ESD's. Discussion follows.
452	Rep. Shetterly	Adjourns meeting at 11:00 am.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. Susan Castillo, Written Testimony, 5pp.
2. Brian Reeder, The Costs of Operating Small Schools in Oregon, 38pp.
3. Brian Reeder, An Evaluation of Education Service District and School District Services in Oregon, 98pp.