

**HOUSE REVENUE COMMITTEE**  
**MAY 7, 2003 8:30 AM STATE CAPITOL BUILDING**

Members Present: Representative Lane Shetterly, Chair  
Representative Joanne Verger, Vice Chair  
Representative Phil Barnhart  
Representative Vicki Berger  
Representative Elaine Hopson  
Representative Max Williams

Members Excused: Representative Wayne Scott, Vice Chair  
Representative Pat Farr  
Representative Mark Hass

Witness Present: Representative Jerry Krummel, District 26  
Rob Saxton, Sherwood School District  
Connie Hansen, Sherwood United for Schools  
George Lanning, Oregon Small Schools Association

Staff Present: Paul Warner, Legislative Revenue Officer  
Steve Meyer, Legislative Revenue Office  
Kathy Tooley, Committee Assistant

**TAPE 158, SIDE A**

004 Chair Shetterly Calls meeting to order at 8:42 a.m.

**OPENS WORK SESSION ON SB 550A AND 819A**

025 Rep. Krummel Introduces SB 819-A7 amendments (Exhibit 1), which creates a high growth grant. Offers support for the amendments and discusses the Sherwood school district.

050 Rob Saxton Discusses Sherwood school district growth and spending per student, which is less than any district in Oregon. Discusses executive report developed last year (Exhibit 2). Gives history of local option in Sherwood.

200 Rep. Barnhart Asks what the minimum amount per student to fund Sherwood school district is.

210 Saxton Responds that last session they were allotted 5181 per student, which they didn't feel was adequate. States that there are exceptions to the formula for various circumstances and Sherwood does not qualify for any of them, even though they cannot adequately fund their schools.

238 Rep. Barnhart Asks if Sherwood qualifies for capital matching funds.

241 Saxton Responds that he is not aware of capital matching funds.

248 Rep. Barnhart Asks about increasing numbers of younger children.

252 Saxton Responds that kindergarten classes are growing larger each year.

259 Rep. Barnhart Asks if the district is holding these kids or if the families move to a more established district as they get older, putting less stress on the high schools.

262	Saxton	Responds that he doesn't know because they are such a young community, but that right now it looks like they are holding them.
255	Rep. Barnhart	Asks how are Sherwood is paying for hard assets such as property.
270	Saxton	Responds that the last construction was done with facility grant dollars, but they have used operating dollars.
287	Connie Hansen	Testifies in support of SB 819-A7 amendments. Discusses cuts being made in Sherwood school district. Discusses the history of local options in Sherwood and the problems created by high growth in the area.
402	Rep. Verger	States that she is envious of growth and doesn't believe that a cookie cutter approach to school funding problems will work because each district is different and has different problems.
421	Rep. Krummel	States that the amendments would fit in SB 550 or SB 819.

**TAPE 159, SIDE A**

012	Rep. Krummel	States that there are flaws in funding formula, particularly with high growth, and that this bill is a way to meet the demands of the school districts.
024	Rep. Hopson	Asks how many schools could receive high growth grants.
028	Steve Meyer	Responds that he has only identified Sherwood.
033	Rep. Barnhart	Asks if Sherwood expects this growth rate into the future.
035	Saxton	Responds that they expect an increase in growth by 30% over next 5 years. Discussion follows.
053	George Lanning	Testifies in support of SB 550 because it benefits small rural districts. Discusses Harney and Malheur county and their difficulties in providing transportation. Discusses connection to high cost special education.
120	Rep. Hopson	Asks if boarding costs come out of transportation monies.
123	Meyer	Nods affirmatively.
125	Rep. Hopson	Asks for information on distances between schools.
132	Meyer	Responds that he does not have that information, but the Department of Education may.
137	Rep. Barnhart	Asks if this change in transportation funding formula would apply to boarding costs.
141	Meyer	Responds affirmatively.
150	Steve Meyer	Discusses SB 819-A10 amendments (exhibit 3).
160	Meyer	Discusses the "High Cost Special Education" table (Exhibit 4), which estimates costs per student.  Clarifying questions and answers interspersed.

- 220 Chair Shetterly Asks if districts that have a higher proportion of lower cost students would see a decrease in their average per student.
- 224 Meyer Responds that it is the other way around and that districts that have a lot around the \$25,000 - \$35,000 tend to be better off with the \$20,000 reduction.
- 232 Rep. Berger Asks how many districts did not report.
- 235 Meyer Responds that 9 did not respond.  
Discussion follows.
- 245 Meyer Discusses "Local Option Tax Excluded from School Formula Local Revenue" (Exhibit 5).
- 276 Chair Shetterly Asks for example using Gilliam school district.  
Discussion follows.
- 294 Meyer Gives example using Multnomah school district.
- 301 Rep. Verger Expresses confusion about the number under current law.
- 303 Meyer Responds that under current law the amount of local option that can be excluded is the lesser of 10 percent or \$500 per student.
- 311 Rep. Barnhart States that it looks as though there are at least 2 districts that are flowing money into the formula.
- 320 Meyer Responds that the numbers may indicate that, but it is not the case because the local option number is the amount imposed and not collected.  
Discussion follows.
- 365 Meyer Discusses "School Finance Distribution" (Exhibit 6).  
Discussion follows.
- 412 Rep. Hopson Asks about the Neah-Kah-Nie district.
- 416 Meyer Responds that Neah-Kah-Nie has typically been in the situation where local revenue is greater than their formula allocation, so that they don't receive any school funds, but that with this change they would qualify for additional formula revenue.  
Discussion follows.
- 456 Rep. Barnhart Asks if redistributing funds would modify the table.
- 458 Meyer Responds negatively.

**CLOSES WORK SESSION ON SB 550 A AND SB 819 A**

- 462 Chair Shetterly Meeting adjourned at 9:40 a.m.

Kathy Tooley, Committee Assistant Tara Lantz, Committee Assistant

Exhibit Summary:

1. SB 819 A, Representative Krummel, Proposed SB 819-A7 Amendments, 3pp.
2. SB 819 A, Rob Saxton, Executive Summary, 1p.
3. SB 819 A, Steve Meyer, Proposed SB 819-A10 Amendments, 19pp.
4. SB 550 A, Steve Meyer, High Cost Special Education, 6pp.
5. SB 819 A, Steve Meyer, Local Option Tax Excluded from School Formula Local Revenue, 6pp.
6. SB 550 A, Steve Meyer, School Finance Distribution, 6pp.