

SENATE REVENUE COMMITTEE
FEBRUARY 17, 2003 1:00 PM STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Vice Chair
Senator Tony Corcoran
Senator Charlie Ringo

Members Excused: Senator Ryan Deckert, Chair
Senator Lenn Hannon
Senator Bruce Starr

Invited Witnesses Present: Steve Johnson, Office of Special Education, Oregon Dept. of Education
Brian Reeder, Oregon Department of Education
Representative Hopson, District 22
Carolyn Ortman, Hillsboro School District
Maureen Casey, Special Education Program Director
Ozzie Rose, Confederation of Oregon School Administrators

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

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003	Vice-chair Ferrioli	Calls meeting to order at 1:10 pm as subcommittee.
012	Brian Reeder	Describes the objectives of the study on small schools performed by the Department of Education School Finance, Data, and Analysis Office at the charge of the 2001 legislature. Exhibit 1.
055	Reeder	Discusses the study approach.
086	Reeder	Compares teacher and student costs of small and large schools.
141	Reeder	Discusses benefits of large v. small schools.
153	Reeder	Discusses the small school correction.
178	Reeder	Discusses transportation costs.
194	Sen. Ferrioli	Asks about differences in transportation costs for high density areas. Discussion follows.
243	Reeder	Discusses cost variables by district size.
286	Reeder	Recommends developing strategies to use ESD's as resources for small schools.
325	Reeder	Recommends developing separate adjustments for size vs. transportation costs.
329	Reeder	Recommends incorporating these suggestions into the quality education model.

341	Reeder	Recommends looking at the weights in the current formula.
358	Sen. Corcoran	Asks about consolidation of districts. Discussion follows.
400	Sen. Ferrioli	Asks about a 4-day school week. Discussion follows.

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065	Reeder	Revisits the objective of the study.
099	Sen. Ferrioli	Asks about diminishing returns in larger schools. Discussion follows.
128	Reeder	Describes the objective of the study on ESD's and School District Services in Oregon performed by the Oregon Department of Education School Finance, Data, and Analysis Office at the charge of the 2001 legislature. Exhibit 2.
147	Reeder	Discusses the study approach.
204	Reeder	Discusses results of study in terms of per student spending.
233	Reeder	States that ESD spending has not been equalized from Measure 5 and that the formula is intended to phase in equalization.
267	Reeder	Recommends that if the weights do not move toward equalization, they should be revisited.
278	Reeder	Discusses spending in special education districts.
316	Sen. Ferrioli	Discusses his understanding of the reports and stresses their importance.
394	Sen. Ferrioli	Accepts the small school and ESD reports on behalf of the committee, which meet the requirements of SB 519 and SB 260 (2001 Regular Legislative Session).

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022	Rep. Hopson	Introduces the Special Education Task Force Report (Exhibit 3) and discusses the legislative charge to the Special Education Task Force.
052	Rep. Hopson	Discusses the guiding vision for the work of the task force.
101	Carolyn Ortman	Makes recommendations on instruction and service delivery.
134	Ortman	Makes recommendations on performance standards, expectations, and accountability.
160	Ortman	Makes recommendations on qualified personnel.
205	Maureen Casey	Summarizes work of the funding subcommittee.
232	Casey	Discusses finding that the statewide average incidence rate has increased since the early 1990's.

287	Casey	Discusses finding that special education expenditures in Oregon exceed available revenue sources.
301	Casey	Discusses finding that the proportion of students with high needs who receive high-cost services in a district is directly related to the amount of funds a district spends for special education.
325	Casey	Discusses finding of cost shifting.
346	Casey	Discusses finding that changing demographics indicate increases in cultural and linguistic diversity of special education students and their families.
369	Casey	Recommends developing a two-tiered distribution formula with a 13 percent cap that would provide a higher weight to serve students with high-need services.
418	Sen. Corcoran	Asks about recommendation of raising the percentage caps. Discussion follows.

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017	Sen. Corcoran	States that the recommendation to eliminate cost shifting of health-based and other support services is impossible with the current budget shortfall and shrinking human services.
042	Sen. Ferrioli	States that it is important to recognize that cost shifting is placing a heavy burden on the school and that the objective of the study was to recognize this. Discussion follows.
095	Casey	Recommends that the members lobby Congress to fully fund the Federal share of Individuals with Disabilities Education Act (IDEA).
103	Casey	Recommends maintaining a special purpose fund targeted to protect districts from high-cost services that the formula does not address.
125	Casey	Reviews recommendations regarding changes to the funding formula.
186	Casey	Recommends early intervention services. Discussion follows.
203	Sen. Ferrioli	Accepts report from the Task Force and ask that the committee keep them on the table.
221	Steve Johnson	Thanks members of the Task Force and discusses the recommendations that the Department of Education is working towards.
279	Sen. Corcoran	Asks about the incidence of autism. Discussion follows.
327	Ozzie Rose	Comments on the studies on small schools and on special education and states that now that there is better data out there the funding formula should be looked at to target the funds better.

379	Sen. Corcoran	Asks about consolidation of school districts. Discussion follows.
431	Sen. Ferrioli	Agrees with Rose on the point that there is a need to better match resources with needs.
484	Sen. Ferrioli	Adjourns meeting at 3:01pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Brian Reeder, The Costs of Operating Small Schools in Oregon, 37pp.
2. Brian Reeder, An Evaluation of Education Service Districts and School District Services in Oregon, 97pp.
3. Rep. Hopson, A Report to the Oregon Legislature from the Oregon Legislative Special Education Task Force, 103pp.