

PUBLIC HEARING:

SB 252, SB 260, SB 509

TAPES 051-052, A/B

SENATE REVENUE COMMITTEE

February 22, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Steve Meyer, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Rep. Patti Smith, HD 56

Dan Barker, Superintendent, Crow-Applegate-Lorane
School District

Dean Livelybrooks, resident and board member,
Crow-Applegate-Lorane School District

Catherine Smith, resident of Crow

Steve Johnson, Associate Superintendent, Office of
Special Education, Oregon Department of Education

Ozzie Rose, Confederation of Oregon School

Administrators

Miguel Salinas, President, Hispanic Education
Advocacy Resource Team

Linda McKim-Bell, retired teacher

TAPE 051, SIDE A

- 005 Chair Ferrioli Meeting called to order at 8:40 a.m.
- 017 Paul Warner Gave overview of next week's bills to be discussed at Senate Revenue. The main feature will be the release on Thursday of the Revenue Forecast.
- 033 Chair Ferrioli Stated the House Co-Chairs will be meeting with him on Saturday to discuss transfer of bills between Senate and House to ensure continuity of intention. Also said that some of the bills previously heard in Public Hearings in Senate Revenue will be held until after final forecast is released.

OPENED PUBLIC HEARING ON SB 509

- 060 Rep. Patti Smith Urged support of SB 509.
- 079 Chair Ferrioli Explained how boundaries of different types of districts create different problems. Commented that the eight-mile limitation came from a time when the state forced consolidation of school districts. Its time is now past.
- 100 Sen. Corcoran Commented regarding the "take from one to give to another" scenario. Support of this bill would take \$2.6 million dollars away from other schools. That amounts to a loss of \$4.00 per student. Asked Rep. Smith how she can justify that.
- 107 Rep. Smith Responded it was not her responsibility to

justify that. It would be a hardship to lose these remote small schools just because of a funding formula problem.

- 117 Chair Ferrioli Pointed out that students in some of the small schools are not receiving the same amount of funds that every other school does. Reiterated that those schools are suffering because of a tactic whose time is past.
- 154 Dan Barker Discussed exhibits 1, 2, and 3. Spoke in support of SB 509 and said passage of the bill would help bring their school district back to some kind of program equity they have lost over the last eight or nine years. Stated they have cut just about all they can. The school is the center of their community. Asked that legislators look at providing equity in programs, not just equity in dollars.
- Questions and answers interspersed.
- 314 Livelybrooks Commented that rural districts do not have the same economies of scale that larger districts have. Where larger schools may have 200 course offerings, they have only 60.
- 345 Chair Ferrioli Agreed that any action taken causes repercussions all along the scale from small to large schools. This situation is inequitable because this school would be getting the dollars it needs except for the fact that it is located within eight miles of another school. Over the last nine years the school has lost funding that was then distributed to other schools. This inequitable situation applies to only 20 schools. Stated it is time to lift the artificial construct and help the 20 schools.
- 383 Sen. Castillo Reminded the Chair and committee members that Eugene schools lost staff just as the small schools did. Said she cannot go back to Eugene and ask schools to give up more just for the

benefit of a few small schools. Said they would not support this bill. Feels the solution is more money for the whole system.

- 424 Chair Ferrioli Pointed out that as long as this eight-mile limitation remains in place, even doubling the funding for education will not solve the small school funding question. Responded that it's not an issue of more funding, but about removing the artificial construct about the eight-mile limitation.
- 445 Sen. Corcoran Disagreed with the Chair's observation. Said Salem and Portland would not disagree with a change in the small school formula...if the \$2.6 million did not come out of their own funding.

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- 013 Chair Ferrioli Commented on timber dollars and special appropriation by congress aimed particularly at timber-dependent rural communities that lost local school funding because of environmental policies of the Clinton administration. Reiterated that since the goal is no longer to force school consolidations, the 20 small schools penalized financially by the eight-mile limitation should not be made to continue to suffer.

General discussion followed.

CLOSED PUBLIC HEARING ON SB 509

OPENED PUBLIC HEARING ON SB 252

- 093 Steve Johnson Testified in support of SB 252 and read written testimony. Itemized what the bill would do. Stated the bill would reflect the Oregon of today...not the Oregon of the last century. In 1991 10.8% of children in Oregon schools were identified as "disabled" in some way. That number went from 54,000 in 1991 to over 66,000 today. The state has an obligation to serve any and all students identified as being

disabled, regardless of the percentage of students in any given district, and regardless of the income that district receives from the State School Fund.

160 Chair Ferrioli Stated that this committee has heard testimony opposing SB 252. Asked Mr. Johnson to describe the massive "paper chase" school personnel must go through to obtain the funding required to care for these students. The amount in statute is 11%, but in actual practice funding closer to 12.8% is appropriated. Asked Mr. Johnson if the requested change to 13% would reflect the reality of today's costs, or should it remain at 11%.

177 Johnson In answer to the Chair's question, stated regarding the "paper chase" they have tried to reduce the amount of paper required to get the additional funding and have managed to get it down to one double-sided piece of paper. However, it still takes hours to collect the data required. (It is anticipated that the amount of time will be reduced.) Stated there are districts eligible to submit a request for a funding exception, but because of the paperwork requirements they do not do so.

Questions and answers interspersed.

222 Chair Ferrioli Asked Mr. Johnson for detailed information regarding the Department of Education's review committee and the exception application process.

229 Johnson Stated there is an 11% review committee established annually. The group is composed of educators external to the Department of Education and consists of superintendents of school districts, special education directors, business managers, business officers of school districts, and representatives from ESDs. Based on several factors, the group determines how much money should be awarded. This group recently met and are recommending an adjustment of over \$16 million to the State

School Fund. The impact of this extra cost will be a reduction of \$15.00 per ADMw in the state.

If the 13% limitation is established, that kind of reduction from the State School Fund would not be required. Districts would not find, eighteen months after they close the books on a budget, that they in fact did not have the funds they thought they had available to spend.

Questions and answers followed.

- 307 Chair Ferrioli Stated that passage of this bill would facilitate in statute what is already being done by exception. We are already spending the extra money and making transfers to reach the 13% funding level. Asked Johnson to verify that for the record.
- 323 Johnson Agreed that Chair Ferrioli captured the essence of the issue. Passage of the bill would eliminate the need for a "paper performance" and reflect reality.
- 339 Chair Ferrioli Pointed out for the record that changing the statutory percentage would still leave in place the ability for districts to, in the event of very special cases, go through the exception process with the Department of Education.
- 344 Johnson Agreed this bill would not remove the exception process. Also stated that federal dollars received through the Individuals with Disabilities Education Act are in addition to State School Fund dollars. The federal dollars are restricted and must be used only for students with disabilities. Approximately \$636 per child with a disability is expected to be received this year. Next year that amount will be \$813 per child with a disability in the state.
- 373 Sen. Minnis Asked Mr. Johnson how "disability" is defined.

374 Johnson Responded that the Individuals with Disabilities Education Act identifies twelve categories of disability. It defines within that act the characteristics and findings that must be present for each of the categories. That process is mirrored in Oregon law and statute. An evaluation considers each child individually along with information provided by the parent. This includes disabilities ranging from learning disabilities to autism and severe physical impairments. A medical diagnosis of a condition is not sufficient solely to make a child eligible for special education. A child must require specially designed instruction in order to benefit from education due to their disability. That determination is made by a team of educators, experts in the field of evaluation, and by the child's parent. Re-evaluation is made at least every three years.

Questions and answers interspersed.

TAPE 051, SIDE B

005 Johnson Stated the 13% was determined to be an adequate funding figure based on potential growth in the future and reflected a legitimate number at least for ten years.

Continued comments, with questions and answers interspersed.

120 Ozzie Rose Stated he hoped the figure would be left at 11% this biennium. The problem is bigger than what can be addressed through this bill. Advocates extensive study. Referred to the 3X and 4X method of funding for extreme case special education children. Referred also to "winners and losers" under the Special Education Weight Limit for funding.

144 Chair Ferrioli Reprimanded Mr. Rose for referring to students as "winners and losers" inferring that the losers are people who do not get their needs met. A

district does not "win" because it has more disabled children in its school district.

172 Sen. Minnis Stated again that he believes student attendance should be a major factor in any of these discussions and part of the funding equation. Asked committee members to review a program in Multnomah County relative to attendance and could be of benefit to students with special needs. The program has learned that where children are not showing up at school in grades 1 through 8, to the extent they can increase their attendance in the early years, their behavioral problems as they grow older are minimized. It is one thing to deal with behavioral and learning problems once the child is a certain age when their actions may be uncontrollable. But it might be worth the effort to utilize methods put in place (attendance monitoring) at a much earlier age and divert the inappropriate behavior in the first place. Not sure if this should be a component of the funds distribution program, but worthy of study nonetheless.

CLOSED PUBLIC HEARING ON SB 252

OPENED PUBLIC HEARING ON SB 260

225 Miguel Salinas Discussed Exhibit 6 and testified in support of SB 260. In terms of new students entering the school system in Oregon, Latinos outnumber white students. Oregon's school system is undergoing unprecedented change. School reform, changing demographics, and the incidence of students with special needs is increasing significantly. While ESDs provide direct services and technical assistance to school districts, they do not face as much public scrutiny and accountability as school districts themselves.

Extensive comments, and questions and answers followed.

TAPE 052, SIDE B

- 027 Salinas Continued comments, with questions and answers following.
- 052 Linda McKim-Bell Testified in support of SB 260. Urges an accountability mechanism to ensure the public that English as a Second Language (ESL) funds that come from ESDs are in fact spent for their intended purposes. School districts should be encouraged to use their ESL funding appropriately.
- 092 Sen. Minnis Asked how an accountability factor would be monitored if it was determined that ESL funding was not being spent on ESL services.
- 094 Salinas Responded that research proves ESL funding is not being spent appropriately. Stated that an informed community and informed parents can change the status quo. Unfortunately, minority communities are not too connected with their school districts. Even if a brochure or pamphlet was translated, the parents may not even understand the contents. It is vitally important that appropriate communication be established. School leadership and empowered parents can change the status quo. Feels deliberate mismanagement may be occurring to divert necessary ESL funds from delivering what they are supposed to provide.
- 158 Sen. Castillo Added that sometimes ESL dollars that should be directed to Latino and other non-English-speaking programs are not directed exactly toward the students who need them. Heard comments from an Oregon City Latino high school group who said their school gets extra money the students, but the services provided to help them were meager. Sen. Castillo wants to have discussion regarding how those ESL monies are being used. Said it is frustrating because schools get extra money for ESL students but feel the extra programs are not being made available.

187 Chair Ferrioli Stated that not all dollars going to a school district are treated as an entitlement. There are different amounts appropriated for different purposes. The general perception from parents is that they are entitlement amounts, but they are not entitlements. The concern from Mr. Salinas is that the legislature should look at services provided and ask if they are adequate to the need. In areas of rapidly growing Hispanic populations, it is very clear that the services do not meet the need.

248 Chair Ferrioli Adjourned meeting at 10:17 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 509, Barker, Crow-Applegate-Lorane data, 1 pp.
2. SB 509, Barker, Crow High School class schedule, 1 pp.
3. SB 509, Barker, Crow-Applegate-Lorane school district brochure, 2 pp.
4. SB 509, Meyer, Special Education Weight Limit, 8 pp.
5. SB 252, Meyer, Revenue Impact Statement, 1 pp.
6. SB 260, Salinas, Achievement in America 2000 slides, 15 pp.