

**PUBLIC HEARING, SB 346A**

**HB 2019, HB 2052, HB 2068, HB 2351, HB 3549**

**TAPES 150 A/B, 151 A**

**HOUSE REVENUE COMMITTEE**

---

**APRIL 29, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING**

---

**MEMBERS PRESENT:** Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards (Arrived 8:50 a.m.)

Rep. Leslie Lewis (Arrived 9:00 a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

**WITNESSES PRESENT:** Ed Schumacher, Elgin School District

Dale Nees, Stanfield School District

Rep. Mark Simmons

Rep. Jim Welsh

Dan Barker, Crow-Applegate-Lorane School District

J.P. McNutt, Crow-Applegate-Lorane School District

Charles Geis, St. Paul District

Rebecca Herron, Perrydale

Maxine Haney, David Douglas School, Portland

Greg McMurdo, Oregon Department of Education

Donald McClave, Portland Chamber of Commerce

**STAFF PRESENT:** James Scherzinger, Legislative Revenue Officer

Barbara Guardino, Committee Assistant

-

**TAPE 150 SIDE A**

010 Chair Brian Called meeting to order at 8:35 a.m.

**PUBLIC HEARING - HB 2019, HB 2052, HB 2068, HB 2351, HB 3549, AND SB 346**

017 Chair Brian Opened public hearing on House and Senate bills.

**HB 2351**

021 Ed  
Schumacher

Refer to written testimony (EXHIBIT A) Small schools issue: Has been complicated since passage of M5. Formula was modified. Mileage was changed, and a number of issues addressed. However, fundamental point of small schools was not addressed. Standard plus, addressed distance and isolation. With end of unification (different from consolidation), seems there was an intent to consolidate small schools although this was not stated or forced. Asked members to change small schools formula to eliminate mileage factor between school districts.

District cannot issue a bond levy until question is cleared up.

Urged support for HB 2351. Stanfield School District enrollment is 600. Middle school was closed due to facility needing repair. Board borrowed money to build new

- 069 Dale Nees small building. Failure of two previous bond issues in poor community caused need to go into debt. Budget cuts will cripple instructional program. Without help, predicts slow strangulation of school system. HB 2351 would be major boon to small schools. Mileage distance is incongruent when other factors such as transportation and poverty are considered.
- 120 Rep. Simmons Noted, many small school districts have been operating on reserve funds. These funds are gone. If committee makes this change, what programs would the Elgin school system restore?
- 127 Schumacher Last programs to be cut would be first to return. Counseling programs, certified media people etc. Also, this year Elgin has less than \$1,000 budgeted for text books. Community fears Elgin will lose its school. If it has to consolidate, Elgin expects leadership from the state concerning how to go about it. Only district Elgin could consolidate with is LaGrande, and this would require bussing students past two closer high schools. High school is where the main problem is.
- 175 Vice Chair Beyer Asked how much money Elgin would need to be viable.
- 180 Schumacher Approximately \$200,000.

### **SB 346**

- 209 Rep. Welsh Testified in support of SB 346 and -A24 amendments (refer to April 28 Exhibit B) for small school provision. Small schools, once dependent upon timber industry, have run into economic problems. Local communities have supported them. Now with state mandates, extenuating problems, it costs extra to run these schools. Enrollment decreasing, poverty increasing, overhead costs continue.
- Refer to written testimony (EXHIBIT B) verbatim. In support of SB 346.
- 250 Dan Barker The year 1998-99 marks the beginning of a three-year march to destruction. A \$100,000 state loss in state support and a \$200,000 drop in beginning cash balance, meet inflation and a loss of bond funding head-on to force the district into one of two totally unacceptable choices:

- 1) Make devastating cuts to programs, personnel and services;
- 2) Merge with a neighboring school district.

"Our schools literally define our communities." Right now they look like visit back to 1957. Traditional values, high test scores, low dropout rate.

- 300 Barker Referred committee to test score chart, dropout rate chart.
- 363 Barker 80 % of students are involved in extracurricular activities. This keeps them busy and results in low dropout rate. Summed up Crow-Applegate-Lorane is on verge of closure or

merger. If merging is the legislature's intent, he encouraged the committee to take the lead in this.

406 Chair  
Brian

Noted, M50 does allow legislature to create a local option for schools. Lawmakers will not deal with local options this session, because until schools achieve equity, attorney general will not allow local option. Hopes this will be addressed in 1999 session.

### TAPE 151 SIDE A

022 Rep.  
Edwards

Brought up possibility of giving local option to schools for capital needs.

044 Barker

For a district that has always supported its schools, this is a travesty. Crow-Applegate has been flat-funded for years, roughly \$5,400. The decrease to \$4,700 per student will devastate this district. District is spending last of its reserves to maintain current level. Buildings were constructed before land use planning. No growth in area. Facilities are spread out.

088 Rep.  
Shetterly

Noted, although Crow-Applegate operating on \$700,000 less, number of dropouts has not increased. Asked, what has this district done right?

098 Barker

Mechanics, nurse, teachers have been cut. Blended classrooms, closed district office building. Decreased athletic funding and charge fees. Cut out electives including shop, band, middle school Spanish. Cut support staff, custodial and maintenance personnel.

111 Rep.  
Corcoran

Asked, does Rep. Welsh support leadership's current budget for schools? Does he still believe kicker should go back to corporations and individuals?

119 Rep.  
Welsh

Very clearly, kicker (corporate and individual) go back to the people.

124 J.P.  
McNutt

These cuts will devastate district. "If we have to face other cuts, you will destroy the community." Schools are the first line of defense against prisons. Urged committee to do what it can to help.

155 Charles  
Geis

St. Paul School District, in 1992, cut its lunch program, classified staff. District has only 218 students, but would prefer not to consolidate. School is life blood of community. The staff earn \$10,000 below average salary. District has lost \$800 per student since M5.

180 Rep.  
Corcoran

Asked about teacher experience as related to salary differential.

183 Geis

School district has had good success in keeping staff, although other districts hire St. Paul staff for more money.

### HB 2351

193 Rebecca Herron Refer to written testimony (EXHIBIT C) Encouraged support of HB 2351. Perrydale is a farming community west of Salem. Receives \$4,050 per student. Text books are at least seven years old. No teacher aides, no art program, music program may be cut, no librarian, no lunch program, no transportation to athletic events. Building needs maintenance. Despite all this, students are excelling. Test scores above average, one dropout in two years.

255 Vice Chair Beyer Asked, since Perrydale district is serving 150 out of district students, is Perrydale being reimbursed at standard formula rate. Herron answered affirmative.

270 Rep. Shetterly Confirmed Herron's claims that district needs more money. Parents are driving their children to Dallas and other schools because of quality of school.

298 Rep. Edwards Affirmed, schools statewide have similar problems.

### **HB 2052**

Testified in favor of HB 2052. Requested an all-day kindergarten program for David Douglas School in Portland. Notable difference between half-day and all-day program is higher attendance and lower absentee rate for all-day programs.

308 Maxine Haney Presented different sizes of blocks to illustrate the advantages of starting children in school with a solid foundation. Smaller block on bottom represented kindergarten. Largest block represented high school. Illustrated that children with a solid foundation in kindergarten, "spoon feeding" won't be needed later because they are trained in the basics.

### **TAPE 150 SIDE B**

### **HB 3549**

051 Greg McMurdo SB 178 was introduced at Education Department's request to take care of two problems: Sunset clause in educational programs; and amendments to move Section 2 of SB 178 into HB 3549.

Provides that special education children will not be counted against 11 % cap. Asking sunset clause be removed.

Testified in support of HB 3549. Portland Chamber is uncomfortable with proposal by Senate and governor's budget for school funding. Believes \$4.3 billion figure proposed by Council of School Administrators is more reasonable number.

Issue is how to pay for it. Supports taking all or part of individual or corporate kickers

to save schools. Problems severe. In two years, Portland has lost 18 % of its teachers.

085 Donald  
McClave

Quoted from Portland Chamber report of 1994: Recommended supporting changes in equalization formula to more accurately reflect cost of education in urban areas. Problem is as real today as in 1994, would take massive exercise in denial to argue there are not substantial cost differences between communities. Urban areas have special needs.

135 McClave

School problem has not had full attention of legislature until this session. Thanked legislature for its efforts.

152 Chair  
Brian

Adjourned meeting at 9:40 a.m.

-

Submitted by, Reviewed by,

-

-

-

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

-

**EXHIBIT SUMMARY:**

A. HB 2351, Schumacher, Testimony in favor of HB 2351, 1 p.

B. SB 346, Barker, Crow-Applegate-Lorane School District no. 66, 5 pp.

C. HB 2351, Schumacher, Testimony by Rebecca Herron, 1 p.