

PUBLIC HEARING AND
WORK SESSION ON SB 346
TAPES 051 - 052 A/B

SENATE REVENUE COMMITTEE

FEBRUARY 20, 1997 - 9:00 A.M. - HEARING ROOM B - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Joan Dukes (arrived at 9:15 a.m.)

Sen. Verne Duncan

Sen. Tom Hartung

Sen. Randy Leonard (arrived at 9:14 a.m.)

Members Excused: Sen. Neil Bryant, Vice Chair

Witnesses: Ozzie Rose, Confederation of Oregon School Administrators

Al Shannon, Director of People Transportation, Department of Education

Staff: Steve Meyer, Economist

Carol Phillips, Committee Assistant

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TAPE 051, SIDE A

005 Chair Baker Called the meeting to order at 9:10 a.m. Opened as a subcommittee since a quorum was not present.

006 Chair Baker Exhibit A - Measure 47 Summary will not be delivered daily to members of this committee as previously stated, but only when progress has been made.

OPENED PUBLIC HEARING ON SB 346

025 Ozzie Rose Exhibit B - Summary of Consensus Positions of OASE School Funding coalition. Organization believes that factors in formula should not be changed at this time. Formula is the current definition of equity, and changing the factors changes the definition. Until it is funded at a level that is adequate with the definition, it can be argued that changing the factors merely shifts money from one district to another for a variety of reasons. The only exception to that is the continued debate on the cost of doing business, and does it vary from region to region within the state. People on the coast argue that it costs more to maintain buildings because of the amount of rain they get. People in eastern Oregon need vehicle chains. Everyone has a good reason why they should get special money.

053 Rose Have contracted with a private firm to study the facts and develop criteria and argument one way or the other on cost justification. This will be available around 4/01/97 and will provide data helpful to that ongoing debate. Changing formula at this point because of particular criteria in certain districts is not a good idea at this time. Testimony presented 2/19/97 by Rep. Ross is rational and should be considered. The \$800,000 should be appropriated as part of the Department's budget, not a deduction from the State School Fund. It should be separate for two reasons: (1) to focus on what that money is for; and (2) to avoid over the long haul the very problem which exists in that it is something else that can be taken off the top of the State School Fund.

079 Rose Spoke about local option decision. Believes that the local option should be left available to schools. Have been working for five years toward equity, and local options with no constraints will absolutely reverse that. But equity must still be the overall goal. Local option amounts vary widely within the state from \$24.00 per student in Salem to \$592.00 in Sherwood. Questions and discussion interspersed.

140 Chair Baker Referred to recent testimony regarding the nine out-of-state placements of severely disabled students which range from \$60,000 to \$211,000 per child per year. This type of expenditure breaks the formula. Rose stated that his organization's argument for keeping this expenditure outside the formula is that the number of affected students is so small compared with 600,000 students in the public school system statewide.

191 Rose General issue of what is to be done with school infrastructure is a big problem which must be addressed. Push funding as high as possible, but stay with the formula. Further questions and discussion.

Asked Rose why there are some ADM's at \$7,000 and some at \$4,500 or less with such a wide range. Rose answered they were grandfathered in at a high level because of flat

205 Chair
Baker funding, but that cannot continue. Sauvie Island and Lourdes Schools Districts are examples of schools which will have a hard time without local option funds. Questions and discussion interspersed.

305 Sen.
Dukes Commented that one of her school districts in Astoria area was spending \$6,200 per student before Measure 5. It is now at \$4,200 per student. What they were spending was timber money, not technically property taxes. Yet timber revenue was lumped into school funding formula because it was just like property taxes. Not all schools which were doing well before Measure 5 have been allowed to continue to do so. Some of them have been penalized because their money came from a different source.

346 Sen.
Dukes Had question about Eugene newspaper article regarding Eugene School District charging for elective classes. Wanted to know if other school districts in the state are doing the same. Asked Rose if he knows anything about the concept, to which he stated he did not know about this specifically; but he had heard talk about "pay for play" in informal meetings. Further questions and discussion.

TAPE 052, SIDE A

010 Al
Shannon State School Fund reimburses districts for their transportation costs. From the audit reports the school districts submit to them, core formula reimburses at 70% of their audited cost. Reimbursable transportation costs are Home to School, School to School, and Field Trips which are an extension of the classroom within 50 miles of the Oregon border. Not included are activity trips such as football or basketball team transportation. Other component is depreciation schedule of equipment they purchase. As an example, if a school district bought a school bus for \$70,000 it could be placed on a ten-year depreciation schedule and receive 70% of \$7,000 for each year for ten years. After ten years the bus is fully depreciated, and there would be no more reimbursement.

046 Shannon Oregon school districts have chosen two basic methods to provide transportation. Most run a self-operation where they employ a supervisor and they own the busses. The other method is contracting out.

057 Sen.
Duncan Asked Shannon about official distance for picking up students. Shannon answered that by statute the legislature set the distance for elementary as one mile. Inside that mile is walking distance. For secondary it is 1.5 miles. A district can apply for a supplemental plan, which allows districts to determine safety or health factors, and then transport within the one or 1.5 miles if there are railroad tracks to cross, uncontrolled arterial, etc.

083 Chair
Baker Asked if transportation for special education students is handled the same way. Generally, transportation follows the constraints of the IEP. Also asked if there were some districts which had no transportation. Shannon answered that in some districts parents use their vehicles to transport students. This is a reimbursable cost to the fund and an expense to the school district. Some districts are so small they do not own school busses, and parents use personal vehicles to transport students to school. Portland and Eugene have waivers to transport secondary school students because of the availability of public transportation. Students ride the bus at their expense, but may get a price break

with bus passes.

CLOSED PUBLIC HEARING ON SB 346

OPENED WORK SESSION ON SB 346

137 Steve Meyer (Referred to material distributed 2/18/97 regarding Remote Small Schools.) Reviewed how the school funding formula was arrived at. Remote small school factor in statutes does not apply to remote small school districts, but to remote small schools. You can have one or more remote small schools within a district. To qualify as a remote small school, it must have fewer than 224 students K-8. High schools 9-12 must be below 350 students. A 3-grade high school must be below 267 students. This is based on a count of 28 students per grade.

191 Meyer Remote small school must be at least eight miles from another elementary school and can cross district boundaries. High school must be over 10 miles. There is no penalty for distance if over 20 miles. Explained how students are weighted for funding.

287 Sen. Dukes Asked what Elgin School District is asking for. Meyer responded that Elgin is asking that the distance limit apply only within the district and not across the district boundary. But if the mileage applied only within the district and there is only one high school, then there would be no mileage test. Embler is in a different district but within ten miles of Elgin. The change would not remove anyone who currently qualifies for a remote small school, but the door would be opened to more schools who would qualify.

355 Meyer Discussed list of districts which would benefit from changing distance limit to only within their districts. Most are districts with only one high school, but possibly more than one elementary school. Questions and discussion.

TAPE 051, SIDE B

002 Meyer Continuation of questions and discussion. Comments regarding Sauvie Island and Riverdale districts joining.

051 Chair Baker Asked Meyer for a list of all the Remote Small Schools to be given to the committee members.

071 Meyer Final word about distance, elementary schools is .025 for each tenth of a mile more than 8 miles. High schools is 10 to 20 miles, and the factor is 1.01 for each tenth of a mile.

108 Chair Baker SB 346 will be discussed further in meetings next week. LC drafts will be provided for rapid growth districts and the out-of-state placement of severely disabled students.

Chair

120 Baker Adjourned meeting at 10:12 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

A. Measure 47, Scherzinger, Measure 47 Progress Summary 2/20/97, 8 pages

B. SB 346, Rose, Summary of consensus positions of OASE School Funding Coalition, 1 page