

INVITED TESTIMONY ON SB 346

TAPES 078 - 079 A/B

SENATE REVENUE COMMITTEE

MARCH 17, 1997 - 9:00 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes

Sen. Verne Duncan

Sen. Tom Hartung

Sen. Randy Leonard

Invited Witnesses: Tom Ruhl, Superintendent, Sauvie Island School District

Howard Fetz, Superintendent, Petersburg School District

Jim Mabbott, Superintendent, Riverdale School District

Roy Hemmingway, Chair of School Board, Riverdale School District

Sen. Ginny Burdick, Portland

Staff: Steve Meyer, Economist

Carol Phillips, Committee Assistant

-

TAPE 078, SIDE A

004 Chair Baker Called the meeting to order at 9:16 a.m. Outlined schedule for the rest of this week, with no meeting set for Friday.

034 Chair Baker Exhibit A - State School Fund - Run 26. Discussed figures briefly. Local Revenues remain at \$1,771,000,000 and State School Fund is \$4,050,000,000.

049 Steve Meyer Discussed Exhibit A figures. PERS and desegregation costs for Portland are subtracted out of the Local Revenue figures to arrive at a Net Local Revenue number of \$1,732,400,000 for the biennium. State School Fund totals \$4,050,000,000 for biennium. This matches Republican budget which was released earlier. Subtracted from this total is Education Service districts, Out-of-State Disability Fund, Facility Grant, and Temporary Need Replacement for a total of \$272,800,000, leaving a biennium total of \$5,509,600,000 distribution for K-12.

080 Chair Baker The Chair looked at computer runs and made an executive decision. Looked at limiting the districts above \$4,700 per student to \$4,700. Will suggest to the Committee that some of the very high spending districts will be brought down immediately for various reasons to be discussed. There are two very high spending districts and about another 15 districts that are between \$4,700 and \$6,000. The Chair suggested that in the first year of the biennium those districts receive flat grants or hold them harmless, for which language is still being drafted. Over the next three years take them down one-third year. Can no longer look at historical reasons amounts vary so much per student but must look at needs only as way to achieve equity. Legislature will get some bad press about this, but Chair's opinion is equity must be addressed once and for all. Questions and discussion.

Candidates in opposition to high school program won recent election, and want to merge with Scappoose School District. The legislative and statutory time lines necessary to pursue a merger would not permit that to occur in time for 1997-98 school year. Long term hope was to merge districts and keep Sauvie Island Grade School open to serve island residents. The likelihood of that happening would be up to school board of Scappoose.

198 Tom Ruhl Sauvie Island is one of higher spending districts in state, for unique reasons. A high quality program was provided; and state and national test scores reflected the higher spending per student. Sauvie Island followed the rules of mandatory merger legislation in SB 917. If left to their own device Sauvie Island would have done nothing. The community wanted to preserve independent school district because neither Scappoose nor Portland had the kind of program parents wanted for their young people.

Currently spending \$6,081 per student. Having to reduce spending to \$4,700 level would be detrimental to student learning. There is not enough revenue with number of students in the district to provide the things a school district must provide.

267 Chair Baker Stated that since Sauvie Island was under the \$7,000 cut-off limit, the 1997-98 school year would not be affected. The impact would not come until the second year of the biennium. That would give Sauvie Island one year to phase down to lower spending level and merge if necessary.

274 Ruhl Believes Sauvie Island would not be able to operate with any type of phase down and rather shortly would not be able to sustain viability with its small cash position. Planning for about 135 students in the 1997-98 school year. Questions and discussion.

317 Sen. Hartung Commented on a way he and Sen. Dukes would work closely with Mr. Ruhl on opportunities possibly along the charter school law lines.

346 Howard Fetz Adjacent to The Dalles School District and Dufur School District. Believes fervently in the excellent quality of the educational system in Petersburg School District. Believe it is directly attributable to local control and funding level which the District voted in prior to Measure 5. Why should Riverdale and Petersburg School Districts be punished for supporting the education of its students at a funding level appropriate both to local standards and to meeting standards of excellence? Believes that other districts need more dollars and more opportunities for their students, it is not appropriate to pull others up by pulling committed school districts down. Standards of the Schools for the 21st Century are not achievable by settling for the lowest common denominator. Charter schools show that some high standards are achievable, but not at the expense of others. Exhibit B - Printed testimony.

Petersburg School District gives inhabitants of Solilo Indian Village the only education 95% of their children will ever attempt. (There are approximately 20 to 25 students, and they are transient. During fishing season there may be 45 or 50 students) To them Petersburg is their school because no other school is comfortable for them to attend. They simply will not go to another school. The Solilo Village has been called by an Oregonian writer "the blot on America's conscience on I-84". Fetz stated that those students would be totally without education should Petersburg School District be closed. Chair Baker replied that those students would not be totally without education. Fetz commented on performance of students at different grade levels compared with national performance. Questions and discussion interspersed.

TAPE 079, SIDE A

025 Fetz Further comments on Exhibit B. Passage of SB 346 in its present form would mean immediate extinction of their school district and would not provide enough time to complete a merger. The district could not function and could not merge. Questions and discussion interspersed.

068 Chair Baker Asked what moral justification is there to fund one District higher than another?

- 079 Fetz Replied that the justification is based on history. What the legislature plans to take away from Petersburg is not going to help anyone else. Indian population does not fill out census forms, so they can get no Title I additional funding. Bureau of Indian Affairs would be no help because the Solilo Indian village is not a recognized reservation. In short, Petersburg School District would be decimated and unable to function even this current year if there is any change in funding, and that is not acceptable to them. Questions and discussion interspersed.
- 082 Chair Baker Chair Baker replied that history is no longer a valid measure of how schools are funded.
- 172 Jim Mabbott Riverdale maintains high standards for students and community and has made a strong commitment to those standards. Majority of dollars go to pay for teachers. Riverdale believes class size is one of the most important determiners of success in school, and their test scores bear that out. Understands that enormity of the task the legislature has before it to achieve equity across the state. Does not, however, understand taking the two highest spending districts and dropping them significantly below other districts at a level above \$4,700, and calling that a step toward equity.
- 203 Roy Hemmingway Riverdale (K-8) is an education success story at a time when there are not many success stories in Oregon education at present. Their students often become leaders in the high schools they attend. Riverdale keeps students younger longer because they are not exposed to crime or drugs as in larger cities. Education as it ought to be; producing leaders of tomorrow. This District taxes itself at a high level to make sure students get high level of education. Have much higher percentage than average of households with children because people move there purposely in order to have the education available there. Unusual level of volunteerism among parents. Parents are expected to participate in events.
- 275 Hemmingway As an indication of Riverdale's success, between June and September 1996, their in-district enrollment grew 10%. Riverdale supports equity, but does not believe in cutting down successful districts to achieve it. "If you look at the amount of money spent by the state among all the districts that are above the \$4,700 or \$4,800 level, it will do virtually nothing to assist the districts that are below it."
- 303 Chair Baker Responded that that is not the issue. The issue is, how can I morally take \$3,000 per student from impoverished areas of the state and send it to one of the highest socio-economic areas of the state historically well supported?
- 314 Hemmingway Stated you can measure equity in different ways. In terms of state dollars per student, Riverdale compares reasonably well with other districts. In terms of local contribution, Riverdale is much higher than other districts. In terms of income tax dollars out of the district compared with income tax dollars coming into the district, Riverdale is well above state average. Don't believe cutting them down will do anything to help anyone else. Questions and discussion.

336 Sen. Hartung To emphasize Chair Baker's question, stated that the committee is not here to trash Riverdale's or any other high spending districts' programs; but how do we morally achieve equity? How can funding 11,000 students in the highest spending school districts be justified over the hundreds of thousands of other students across the state? Stated that Hemmingway was not speaking to the right point. The Committee did not ask Hemmingway to come here and tell the Committee what a good program Riverdale has. Sen. Hartung asked how he can rationalize the fact that Riverdale gets \$3,000 more per student than Hillsboro or Beaverton does.

367 Hemmingway Replied that they do not get \$3,000 more from the state per student than anyone else does. They get an amount from the state that brings them up to their spending level before Measure 5. The rest is made up from local tax revenues.

400 Chair Baker The Chair's opinion is that all monies belong to the state; whether they are property tax or income tax, it's all one pot of dollars.

TAPE 078, SIDE B

010 Sen. Dukes Stated that her school district is using history books so old they say Ronald Reagan is President of the United States. Her district was at \$6,200 per student when Measure 5 hit: they are now at \$4,300. If the Chair is successful in this measure and Riverdale is brought down, it will still be \$121 per student per year higher than her district.

024 Hemmingway Stated that if Riverdale gets reduced funding per student, they will cease to exist.

027 Sen. Dukes Sen. Dukes replied he would be surprised how creative one can be with less money.

069 Chair Baker Understands Riverdale is getting approximately \$7,455 under school fund. Is it correct that it tuitions students out to adjacent districts at about \$5,000. Yet you tuition students into your district at over \$11,000?

074 Hemmingway Stated that is not correct. Riverdale has tuition agreements with three different districts for high school students and pays different amounts for each student. Portland \$6,200, Lake Oswego is \$5,000+, and West Linn under \$5,000. Chair Baker stated that effectively, the state pays Riverdale \$7,400 per student, and Riverdale pushes some of them out at \$5,000, so they keep about \$2,400 for those students. Hemmingway said that's the way the funding formula works but they didn't set it up that way. They do provide transportation for most of those students, however. Stated that in most districts high school students cost more than elementary students. In Riverdale, however, their elementary school costs more than the high school students. Tuition into their district is \$6,500 for elementary and \$7,000 for high school. They do not accept inter-district transfers. The new high school Riverdale plans to build will be for 250 to 300 students. Riverdale currently has 100 students in district now of high school age.

- 100 Chair Baker Chair Baker asked Hemmingway where the other 150 to 200 students would come from.
- 102 Hemmingway Stated they would have tuitioned students come into the high school.
- 104 Chair Baker Stated that it sounded like Riverdale planned to operate a private school with public school money.
- 106 Hemmingway Answered, "Yes."
- 108 Sen. Hartung Exclaimed, "Excuse me?"
- 109 Hemmingway Hemmingway replied that their plan is to have a high school with most students coming from outside the district on a tuition basis. Hemmingway argued that it will not really be a private school. Any student can apply, but a selection committee will review their personal records and determine who will be accepted.
- 134 Sen. Leonard Asked how many minority students they currently have.
- 135 Hemmingway Hemmingway answered 6% of student population (20 students).
- 143 Sen. Duncan Believes equity is still main objective regardless of how it affects other schools. Refutes earlier comments made by Hemmingway how Riverdale school district is one of the few success stories in Oregon. In spite of problems there are very many success stories all over the state and wants that on the record.
- 184 Sen. Burdick Very distressed when she heard about this issue. Heartsick about what is happening in many districts. Most distressed about tone the debate has taken during this legislative session. Equity should not be about going out and finding excellent districts and stomping them out. Equity is about raising all districts to the level where all children get an excellent education. Caucus she belongs to would bring all districts up to adequate level of funding for an additional \$310 per student statewide. Solution to this problem is not to decimate high-end districts but to achieve excellence in all districts.
- 220 Chair Baker "Playing devil's advocate", stated that if a magic wand could be waved for all students to receive additional \$310 per year, Riverdale is still \$2,500 per student ahead of everyone else, and asked if it was morally fair that Riverdale gets that much money when most other students do not?
- As a parent, asked Chair Baker if it is morally fair for this legislature to deprive parents of the right to provide their children an excellent education? This would not be an issue if there were today excellent education in all parts of the state. The

226 Sen. Burdick people in Riverdale have a history of extraordinary support for education even by Portland standards. An aide in Sen. Burdick's office is from Pennsylvania, where local district spent \$12,000 per student. Riverdale is about average compared with urban districts around the country, and even considered low by some standards. Should be looking at ways to get the rest of the state up rather than hunting out pockets of excellence and bringing them down to a level of mediocrity.

325 Chair Baker Adjourned meeting at 10:25 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

-

Exhibit Summary:

A. SB 346, Meyer, State School Fund and Total K-12 Distribution, 8 pages

B. SB 346, Fetz, printed testimony, 13 pages