

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

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School Formula Issues-2ATapes

House Committee on
State and School Finance
January, 16,1994 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

JANUARY 18 1994 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
 Rep. Ron Adams
 Rep. Beyer (unexcused late arrival, 8:36 am)
 Rep. Tim Josi
 Rep. Tony Federici, Vice Chair (8:32 am late arrival)
 Rep. Jane Lokan (excused late arrival, 8:35 am)
 Rep. Anitra Rasmussen
 Rep. Ken Strobeck
 Rep. Jim Welsh

Members Excused:
Staff: James Scherzinger, Legislative Revenue Officer
 Terry Drake , Legislative Revenue
 Rhonda Wehler, Committee Assistant

TAPE 07 SIDE A

008 Chair Schoon -calls the meeting to order at 8:30 am. .

025 Terry Drake -presents State School Fund (Exhibit A)

059 Rep Josi -questionos about Common School Fund

065 Jim Scherzinger -formula will be affecting csf also

73 Terry Drake -Measure 5 left with state with 2 how much state money to put back into system 2. how to deal with distribution. prior to 5, state

was supporting 30% of school expenditures
- categorical grants options

130 -chose formula approach, don't tie it to programs
-resources for students had to be justified or eliminated, varies across di

153 Terry Drake -cost differences vary across districtsts
-measurable
-beyond control of the district

165 Rep Josi -question

168 Terry Drake -example special education (cost double per student)
variation of proportion of category

186 Chair Schoon -asks clarification

190 Terry Drake -explains

201 Rep Josi -asks about scale diseconomies in dealing with small
districts

207 Terry Drake -responds that is done with schools with less than 250
students

212 Rep. Adams -questions maximum of special education st udents

218 Terry Drake -schools can get approval for more than allowed special
ed. students

231 Chair Schoon -asks with small school formula, is it number of kids or
is it the number of handicapped students?

245 Terry Drake -will check with Dept. of Ed. for answer

255 Rep Beyer -asks if school funding pie is descretionary

269 Terry Drake -fixed amount of big pot of state and local money , takes
into account local revenues, formula proportions money out to distrctts.
districts receive less when one district receives more. Resources are equal
import to all districts.

315 Rep Beyer -comments there is no local funding system

329 Rep Josi -askswhat happens if district gets more money is received
than budgeted

345 Rep Welsh -if local resouorces exceeds amount budgeted, that exxtra
money goes to that school

367...Chair Schoon -encourages Terry Drake to continue

375...Terry Drake -says this is not dealing with funding of capital
construction, not bond levies, but expenditures.
-refers to page 3

TAPE 8, SIDE A

014 Terry Drake -districts pay more for longevity of teachers

24 Chair Schoon -asks if education is factored

31 Terry Drake -responds no
-continues to explain

43 Terry Drake-added that districts must provide transportation for
students

47 Rep Josi -asks how transportation is funded

50 Terry Drake -expenditures checked through audit and Dept. of Education

58...Rep Josi -questions

61...Rep Beyer -asks if are not used for Jospotation, what happens

70 Terry Drake -responds
-discusses stdent cost weights (page 4 of Exhibit A)

103 Chair Schoon -questions

106 Terry Drake -answers how small schools funded

145 Chair Schoon -questions if floors are present

154...Rep Rasmussen -asks number of schools affected

161...Terry Drake -responds 84 disticts affected by small school formula
(1/3)

179 Rep Rasmussen -questions

182 Terry Drake -explains formual (page 5)

194 Rep. Adams -question

199 Terry Drake -answers

209 Terry Drake -explains transition formula (page 6)

233 Terry Drake -refers to graph on page 9

259 Terry Drake -explains hold harmless provision (flat fund)

294 Terry Drake -notes that 1995 legislature will be responsible to
address equallization

336...Chair Schoon -calls Jim Scherzinger to witness

337...Jim Scherzinger -address Local School Funding document (Exhibit B)
TAPPE 7, SIDE B
013 Jim Scherzinger -explains property taxes (page 2, Exhibit B)
21...Rep Beyer -questions re: bond levies
24 Jim Scherzinger -reaponds
32 Jim Scherzinger -remarks that legislature is funding schools the same
way others are funded, through General Fund
43 Rep Rasmussen -questions
55 Jim Scherzinger -summarizes combination of state and school revenue
(page 2, Exhibit B) does not include lottery money
94...Jim Scherzinger -discusses K-12 General Operating Revenue (page 3,
Exhibit B)
136...Jim Scherzinger -explains extra property tax \$ in equalization
140 Jim Scherzinger -discusses Governor's budget
-assumes for chart on page 3:
-ESD replacement percentage
-allow 2% growth between first and second fiscal year
186 Jim Scherzinger -notes errors on numbers on K-12 and ESD chart (page
3, Exhibit B)
198 Rep. Adams -asks if timber tax changes will be discussed
207 Jim Scherzinger -documents value growth of property value
233 Rep Beyer -questions math equation
248 Jim Scherzinger -responds
256 Rep Josi -asks if equation includes lottery dollars
261 Jim Scherzinger -answers
273 Jim Scherzinger -discusses Distribution of School Aid (Page 4,
Exhibit B)
322 Jim Scherzinger -summarizes revenue per weighted student
367 Rep. Adams -questoins
377 Terry Drake -responds
TAPPE 8, SIDE B
34 Jim Scherzinger -explains assumptions
hold harmless high revenue districts from \$ cuts

57 Jim Scherzinger -explains
59 Rep Beyer -questions
67 Jim Scherzinger -
74 Chair Schoon -asks if
76 Rep Beyer -questions total dollar amount
81 Chair Schoon -comments schools have been losing ground
86 Rep. Adams -says hold harmless is incorrect term
93 Rep Rasmussen -asks for clarification
98 Jim Scherzinger -flat funding goal and equalization can't be
accomplished with funds available. No money to cover student growth.
-Take from high revenue and give to low revenue to accomplish this.
112 Rep Josi -asks about law suit
116 Jim Scherzinger -answers OR has made progress towards equalization
133 Jim Scherzinger -discusses extra \$ needed to achieve goals
163 Chair Schoon -stress that \$300 million needed per year
171 Jim Scherzinger -comments
178 Rep Lokan -question
183 Jim Scherzinger -clarifies
188 Rep Beyer -asks range of students in Portland
198 Rep. Adams -questions total of \$
206 Jim Scherzinger -answers totoal goal \$ assumes all \$ go towards
equalization
222 Chair Schoon -says he will take figures to leadership
228 Rep Beyer -question about lawsuit
234 Terry Drake -answers unlikely to hear results of appeal
241 Rep Beyer -explains his understanding of lawsuit
250 Chair Schoon -responds
253 Rep Josi -comments on equalization
258 Terry Drake -observes that weighting system makes little difference
in percentages
284 Rep. Adams -asked definition of abbreviations
297 Terry Drake -explains
304 Chair Schoon -comments public hearings begin Thursday, January

