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PUBLIC HEARING: HB 2275A
WORK SESSIONS: SB S 101, & 262A
TAPES 094A/B & 095A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

APRIL 21, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair
Sen. Tom Hartung
Sen. Greg Walden (excused 1:50 - 2:30 pm)

Excused: Sen. Eugene Timms
Sen. Cliff Trow

Witnesses: Greg McMurdo, Oregon Department of Education
Giles Parker, Coos Bay School District, Superintendent
Ozzie Rose, Confederation of Oregon School Administrators
John Marshall, Oregon School Boards Association
Jim Markee, Equity Steering Committee

Staff: James Scherzinger, Legislative Revenue Officer
Steve Meyer, Legislative Revenue Office
Janice DeVito, Committee Assistant

TAPE 094 SIDE A

005 Chair Phillips -calls the meeting to order at 1: 29 pm as a subcommittee
SB 101 WORK SESSION
011 Chair Phillips -states interest by some committee members to incorporate
SB 101 into HB 2275A
016 Greg McMurdo -Department of Education
-provides rationale for introduction of SB 101 by the State Superintendent
of Schools
-SB 101 proposes to education Juvenile Corrections students out of the state

school fund and remove the cap of \$1 million
-refers to Proposed (-2) Amendments to SB 101 (Exhibit A)
049 -explains difference between revenue figure from the Governor's budget
and what would be anticipated from SB 101
-SB 101 will provide a flexible method of program funding as student
populations vary
-questions and discussion about weighting schedules and proposal for
insertion of this legislation into HB 2275A

SB 262A WORK SESSION

115 Sen Gold -MOVES SB 262A TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION
-discussion

130 Chair Phillips -ROLL CALL VOTE MOTION PASSES 4-0
-SENATORS VOTING AYE: HARTUNG, WALDEN, GOLD & PHILLIPS EXCUSED: TIMMS & TROW
(following meeting, Sen. Gold agrees to carry bill on the Senate floor)

HB 2275A PUBLIC HEARING

155 Terry Drake -presents staff review of fundamental policy decisions and

questions to be addressed concerning HB 2275A (summarizes presentation on marker board))

275 -questions and discussion about urban city issues, cost of living factor, impact of the funding formula, and cost differentials in urban versus rural areas

412 Drake -describes salary issues currently under examination

TAPE 095 SIDE A

003 Chair Phillips -asks staff to compile information on salary ratios on a statewide selected basis as well as to provide background information for the benefit of Sen. Hartung regarding the school distribution formula
-also requests that staff provide distribution data from 1991 to the current time for all committee members

025 Giles Parker -Coos Bay School District, Superintendent
-distributes and reads written testimony regarding importance of school funding equity (Exhibit B)

144 Ozzie Rose -Confederation of Oregon School Administrators (COSA)
-testifies in support of HB 2275A and points out needs to consider the issue of poverty

-describes problems for equity districts resulting from changes in components of the calculation formula between two different years

183 -asks that cost of living factor be examined

205 -points out the need to be sensitive about how data is interpreted when looking at difference in teacher salaries between districts

218 John Marshall -Oregon School Boards Association
-recalls school funding discussion from 1991 legislative session (prior to implementation of state funding)
-suggests possibility of examining size factor of school districts as relating to resources

273 -states support for HB 2275A as a "reasonable" approach

288 -discussion about rationale for House PERS adjustments resulting from Measure 8

335 Chair Phillips -for the purpose of discussion, introduces a policy "that comes out of the Midwest that says not more than 5% of state-appropriated dollars can go to non-classroom directed activities"
-questions and discussion about need to retain local school district flexibility, variation in school district sizes, definition of "non-classroom directed activities", and assumption that formula is an expenditure formula rather than a distribution formula

440 Chair Phillips -for the purpose of discussion, asks about school district audit process and concept of random performance audits by Secretary of State

470 Marshall -explains current law which requires annual audits of school districts (conducted by independent CPAs)

TAPE 094 SIDE B

048 Rose -points out recent involvement by Secretary of State to expand school district audits to include more information about performance, and mentions plan underway to have more technical assistance capability by this

Fall

067 Chair Phillips -directs staff about preparation of information on main points for policy decision at next week's committee meeting

098 -questions and discussion

115 Chair Phillips -concerning the need for computer "runs" to forecast equity formula results, states that "I think that it is a mistake to look at runs...if we set good policy, the right actions will follow"

127 Jim Markee -Equity Steering Committee
-in response to question from Sen. Hartung, states that Indian gaming impact on school district funding in the Coos Bay area is unknown
-discussion

150 Chair Phillips -adjourns meeting at 2:30 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 101, Drake, Proposed (-2) Amendments to SB 101 (CH/h1) 4/21/95
- B. HB 2275A, Parker, testimony from Coos Bay Public Schools, 4/21/95