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Work Session: HB 2275, 2276, 2277

House Committee on
State and School Finance
March 2, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 2, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair (9:12 am late arrival)
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck

Members Excused: Rep. Jim Welsh

Witnesses Present: Ozzie Rose, Confederation of Oregon School Administrators
Walter Koscher, Department of Education

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

TAPE 92 SIDE A
004 Chair Schoon -calls the meeting to order at 9:00 am and conducts
administrative business
013 Terry Drake -discusses Exhibit A, School Formula Draft HB 2275-1, ESD
funding
-existing small school formula sunsets this year
037 -clarifies for individual schools, not school districts
047 Chair Schoon -relates background
-many unqualified schools receiving assistance, others not beyond minimum
distance
-superintendents devised plan, New Small & Remote School Formula, Exhibit B
074 Drake -explains rationale for formula
-higher cost to run a secondary program, so allowances made for that
-distance requirement used to cutoff at 10 miles, new provides for phase in
that smooths qualification range 8-12 miles
100 -minimum adm didn't exist in old formula
-legislature recognizes minimum amount required to run school, district
with fewer than 25 students would receive funding for 25
132 Chair Schoon -notes formula revenue neutral
137 All -questions and discussion
177 Scherzinger -says 80% of amendments are consolidation of HB 2275,2276,
2277
189 Drake -notes grade adjustment provision for schools offering less than
K-8 for elementary and 9-12 for secondary
222 Chair Schoon -cites Exhibit A, page 2, line 26, added language that
remote small school funds can be received only if location of school has
not changed since January 1, 1995
256 Drake -adds new formula provides incentive to establish anew small school
to meet distance requirements, but line 26 removes incentive, providing
balance
264 Chair Schoon -says small schools aren't arguing for funds on remoteness
issue, (purpose of the bill) but on issue of being small
284 Drake -approximately 80 schools are remote small schools
316 Ozzie Rose -affirms superintendent committee approved formula
-says formula not meant to encourage consolidation
353 Scherzinger -refers to section 3, page 3, Exhibit A,
-addressed flat funding for large school districts,
-no school will receive less on a per student basis than received in
1994-95

TAPE 93, SIDE A

017 Scherzinger -for flat funded district, permanent formula still pays 70%
of transportation
037 Drake -affirms requirement in law that transportation be provided
038 Scherzinger -notes formula combined grants (equity, growth and permanent
formula grant) plus adding small school grant and putting into base,
guaranteeing per student basis amount received in 1994-'95
070 -explains last legislature estimate was off, extra money will be
distributed as cash carry forward into 1995-96
-permanent formula admw is highest count of last two years (current and
prior years)
-in law now, reproduced in Section 4, subsection 6, line 11
189 All -questions and discussion
203 Walter Koscher -explains projection of adw
247 Chair Schoon -notes for 1994-95 school year, initial adjustment is made
May, then a year later, in May 1996, allotment is made, redistributed among

districts

298 Koscher -observes school districts determining cash flow analysis, have
ability to determine reduction in state funding, if local revenues come in
higher than expected, they know state funding will be less
399 All -questions and discussion

TAPE 92 SIDE B

019 Koscher -says largest adjustments in districts who receive large timber
payments
045 Scherzinger -notes admw count is average over whole year, not just a June
count
097 All -questions and discussion
103 Rep. Adams -asks when property tax \$ received
109 Koscher -answers biggest sum in November
128 Scherzinger -section 4, clarifying main formula
192 All -questions and discussion
211 Chair Schoon -suggests disclaimer after old language
217 Scherzinger -notes added reference to calculation of remote school factor

in Section 2

221 -Section 5 and 6 relates to ESD
-Section 7-9, dedicates excess lottery funds to schools
-Section 7 includes lottery forecast with General Fund forecast on
quarterly basis
321 Chair Schoon -notes no definite cut-off for first year of biennium since
school year and fiscal years are different
360 Scherzinger -summarizes changes flat funding provision, any additional \$

help oather districts equalize

410 Chair Schoon -adjourns meeting at 10:25 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

- A. HB 2275, Scherzinger, School Formula Draft HB 2275-1
- B. HB 2276, Drake, New Small and Remote School Formula
- C. HB 2277, Leach, Letter, 2/15/95