

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON EDUCATION

January 16, 1991Hearing Room F 1:30 p.m.Tapes 1 - 3

MEMBERS PRESENT:Rep. Carolyn Oakley, Chair Rep. Vera Katz, Vice-Chair Rep. Bruce Hugo Rep. Delna Jones Rep. Mike Nelson Rep. Bob Pickard Rep. Walt Schroeder

STAFF PRESENT: Lee Penny, Committee Administrator Carolynn Gillson, Committee Assistant

MEASURES CONSIDERED: HB 2097 - Relating to school districts, PPW HB 2098 - Relating to school districts, PPW

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TAPE 1, SIDE A

005 REP. CAROLYN OAKLEY, CHAIR: Calls the meeting to order at 1:35 p.m. All committee members were present. > Reviews the proposed committee rules (EXHIBIT A).

045 REP. BRUCE HUGO: If Legislative Counsel does not have the draft ready for filing a minority report within 48 hours, does the member lose minority report opportunity?

057 LEE PENNY, Committee Administrator: Legislative Counsel will write a note to the chief clerk requesting an extension of time if the amendment is not ready on time.

067 CHAIR OAKLEY: Does the committee agree to try and give notice of a possible minority report during the committee work session?

REP. HUGO: I would prefer leaving rule #12 as it is and have the members of the committee, as a courtesy to the chair and the other committee members, give notice in public but be required to notify the chair by the end of the day.

081 CHAIR OAKLEY: Reviews remaining rules.

MOTION: Rep. Hugo moves to adopt the committee rules as presented.

VOTE: In a roll call vote, the motion carried with all members voting aye.

100 The committee members, staff and representatives of interest groups introduce themselves and explain their background.

209 CHAIR OAKLEY: Reviews the committee meeting schedule for this session. > Explains the Special Committee on Children's Issues will be meeting after the Education Committee on Wednesdays. > Reviews the bill file procedure.

255 PENNY: Reports on the work done by the Joint Interim Education Committee. > Refers to the working group reports and bills that were presession filed during the interim.

335 REP. VERA KATZ: Reports on another group that looked at expanding the 202 0 program and the 21st Century School Program. The work resulted in a school reform bill that is being drafted.

350 CHAIR OAKLEY: Explains the committee's procedure for taking testimony.

(Tape 1, Side A) HB 2097 - School District Mergers, Public Hearing
Witnesses: Milt Baum, Department of Education John Marshall,
Oregon School Boards Association(OSB A)

394 PENNY: Last session, the Legislature passed HB 2658 providing incentive grants for certain school districts that merge. > Describes the two types of mergers to be rewarded. > Elections had to occur before July 1, 1991. > Money not spent on incentives was diverted by the Emergency Board to another educational purpose. > Only school district mergers qualified for funding. > HB 2097 expands the incentive programs to the merger of two common school districts. > Identifies issues: is it realistic that this will be funded for another two years; what is the moral obligation of the Legislature to the one school district that did merge; and without funding should the provisions be removed from the statute.

TAPE 2, SIDE A

032 REP. HUGO: The school districts that merged were Astoria and Lewis and Clark. The Dalles and Chenowith school districts tried to merge but failed. > The \$5 million allocated for incentives came from the \$165 million in a defeated ballot measure dealing with tax bases. > Points out that the 1989 bill did not address giving incentives to school districts that might agree to merge without an election. > Expresses support of the bill.

061 MILT BAUM, Department of Education: HB 2097 is a continuation of legislation that allows a system of common schools. > Lists concerns that are addressed in HB 2097: will the appropriation be continued so merged school districts can get the increased basic school support as promised by the legislation, and the school board members of the eliminated school district are unable to serve on the board of the newly merged district.

099 REP. BOB PICKARD: Were these mergers voted on by the taxpayers?

BAUM: Yes.

REP. PICKARD: Is it your understanding that this bill would allow for just school boards themselves to make that decision?

BAUM: The answer to your question is yes. But if the citizens of the affected school districts do not want to do what the boards propose, it

would take a petition of five percent or 500 of the voters to put the issue on a ballot.

REP. PICKARD: It allows school boards to vote on something that had traditionally been the purview of citizens. This is a rather radical approach.

117 BAUM: Describes the situation in the Mt. Vernon and John Day proposed merger where there was not an election.

139 REP. DELNA JONES: In current law, is there a time-frame for filing a remonstrance?

BAUM: After the boards of the effected school districts agree, the boundary board waits twenty days before taking any action. The twenty-day period is for gathering signatures and filing a remonstrance.

183 REP. WALT SCHROEDER: One person can stop a land use action but it takes 500 voters to stop a merger.

BAUM: The remonstrance does not stop the merger. It just allows for a vote by the citizens.

REP. HUGO: A remonstrance is simply an objection. Once the objection is made by five percent or 500 citizens, it goes to a vote. It becomes law if those signatures cannot be generated. An election is a waste of time if no one is against the merger.

207 REP. SCHROEDER: Do you feel the state has a moral obligation to the school districts that merged for the money?

BAUM: The school districts knew there was a short time in which to act.

219 REP. PICKARD: For the record, what do you see as being the advantage to this bill for the children in this state?

BAUM: HB 2097 broadens the possibility of other merged school districts to receive start up funds. The John Day/Mt. Vernon and Buena Crest/Eldridge mergers did not receive funds. Only the Lewis & Clark/Astoria merger received funds.

REP. PICKARD: So funds are a trade-off for voting?

272 REP. HUGO: If districts decide to merge, they have to meet certain criteria like having an election. Even when there is no opposition to the merger, school districts have to go to the expense of an election. This bill does not take away their right to an election. The Legislature decided to leave mergers up to the locally elected boards.

329 REP. KATZ: This bill just corrects the problem of when school districts don't want to have an election and agree to the merger.

REP. JONES: Is this in addition to the previous law?

BAUM: This broadens the current statute.

364 JOHN MARSHALL, OSB A: This does not change any kind of election requirements. If a boundary change or merger occurs, then the district has a right to the incentives. > OSB A supports HB 2097, but realizes

the fiscal reality Measure 5 will have on those funds. > After getting through this first year with Measure 5, OSB A will come back to the Legislature regarding it's thought on how schools ought to be organized and deliver services more efficiently and directly to the students of Oregon.

TAPE 1, SIDE B

012 REP. KATZ: I have been wondering how we begin to change some of the mandates we would like to impose but didn't dare do it because of the funding and the local control issue.

REP. HUGO: Since Measure 5 has passed, are your members more or less interested in consolidation, unification or merger or do you see any change at all?

MARSHALL: The folks I have heard from stand to lose the most if there is mandatory unification. In the aftermath of Measure 5, there are a lot of things we need to rethink in our institution. How do we create an atmosphere where voters are willing to approve an alternative revenue source. We need to give schools some stability to operate on a budget that they are currently preparing to have in place by July 1, 1991.

052 REP. HUGO: Does community involvement benefit if school districts merge?

MARSHALL: You cannot draw generalizations. Some elementary districts do not want to unify because they have good financial support and do not want to join a union high school district that does not. > There are some issues we would like you to deal with first before deciding how many school districts we should have.

084 REP. KATZ: If we adopt the concept of the initial certificate of mastery at age 16, you do want to have a curriculum that makes sense. It may drive the whole structure to change.

096 REP. PICKARD: In the past, when Oregon went from 2,000 school districts to 300, how many times did school board action accomplish the merger?

MARSHALL: I would imagine that most of them occurred with a vote of the people.

(Tape 1, Side B) HB 2097 - School District Mergers - Work Session

126 REP. HUGO: Inquires about the date in line 8 of the bill.

PENNY: It is the effective date of the bill that past last session.

REP. HUGO: I have to vote for this bill out of a moral commitment. I hope Ways and Means can find sufficient funds. The commitment of the Legislature to a three-year program has to be maintained.

MOTION: Rep. Hugo moves HB 2097 to the Revenue and School Finance Committee.

147 REP. SCHROEDER: Does this require a continuing appropriation every two years?

PENNY: In drafting this, the work group said they wanted the words "continuously appropriated" on line 28 so the money did not suddenly disappear.

REP. SCHROEDER: In a sense, we are obligating the 1993 legislative session to appropriate money to continue this for the third year.

PENNY: No Legislature can obligate the next legislative session to do anything. If any money were leftover, it would remain in that fund to take care of obligations into the next biennium.

172 REP. JONES: If we appropriate money in this biennium, we are committed for a three-year period of time. If we don't appropriate any money out of the next biennium, this act is not effective any more.

PENNY: Without the words "continuously appropriated" in the bill, the money would revert to the general fund at the end of the biennium.

REP. SCHROEDER: Does this continue to go on in three-year increments?

PENNY: It will continue to go on.

215 REP. HUGO: The key words in the bill are on line 19, "subject to the limits of funds appropriated." I don't think school districts are going to merge because of this bill. It may cause them to discuss mergers.

MOTION: REP. HUGO moved that the referral to the Revenue and School Finance Committee be rescinded and the bill be referred to the Committee on Ways and Means, by which motion his previous motion was effectively withdrawn.

237 REP. PICKARD: Money has not been my concern in this bill.

MOTION: REP. PICKARD moves to reinsert the language deleted by brackets on page 1, lines 7 and 8 of the bill and delete the words in bold on lines 7 and 8.

253 REP. HUGO: The way the law reads, every opportunity and every mechanism for local school districts to hold elections remains intact. The 1989 bill required school districts to go through an election. HB 2097 does not remove any election opportunity to anyone in the state.

282 REP. JONES: The proposed amendment negates much of the purpose of the bill.

PENNY: ORS 330.092 would have to be amended to accomplish Rep. Pickard's proposal.

303 MOTION WITHDRAWN: Rep. Pickard withdraws his amendment.

VOTE: In a roll call vote, the motion carried, with Rep. Pickard voting NAY.

330 The committee takes a short break.

(Tape 1, Side B) HB 2098 - Repeal of administrative district law, Public Hearing Witnesses: Milt Baum, Department of Education Allan Thede, Oregon Association of Education Service Districts (OAESD) Frank McNamarra, Portland Public Schools John Marshall, Oregon School Boards

Association (OSB A)

347 PENNY: HB 2098 comes from an interim work group. It repeals all the administrative school district laws. > Gives the committee background on administrative school district statutes. > Reviews sections of the bill for the committee.

TAPE 2, SIDE B

019 REP. JONES: Have we ever used the provision on page 3, lines 28-34 of the bill to close school districts and does it apply to any school districts right now?

BAUM: Yes, some districts qualify. Most school districts with too few children are suspended. There have been two in Harney county and one in Wasco county. > Describes the process of suspension. > Further discussion concerning school districts with few children.

077 REP. SCHROEDER: How far do these kids have to go to school?

BAUM: Refers to Section 7 of the bill concerning conditions that are reviewed.

REP. KATZ: Isn't it possible to still educate those children in their home-base town by using Ed-Net?

BAUM: Talks about situations in different school districts.

121 REP. HUGO: Suggests changing "and" to "or" on line 25, page 3 of the bill.

133 REP. KATZ: Can we raise the number of students to a higher number and not lose quality education or force the transportation issue on these youngsters?

BAUM: It would be best to provide the committee with information about what is going on in remote areas.

157 REP. JONES: How do you recommend we solve these problems?

BAUM: Your 1989 session started many programs that will help, like Ed-Net and 2020.

REP. SCHROEDER: What are students doing when they go to school in other areas?

BAUM: Explains why enrollments have gone down in rural areas and children are boarding out in other school districts with relatives. > It is difficult to set up boarding high schools in rural counties because reimbursement of transportation is based on two years of previous expenses. > Crane High School in Harney county is the only high school in the United States with a boarding system.

212 PENNY: Continues reviewing the bill at Section 8.

REP. JONES: Are school districts that are trying to merge prohibited today from naming the new district, forming school committees and increasing the number of board members?

BAUM: The legal name of a school district is the county and a number.

The name give to a district is not the way the district is identified legally.

292 PENNY: Continues the reviewing the bill at Section 10. > Refers to line 34 in Section 11, and explains the problem of not being able to serve on the school board of the newly merged district without living in the larger district. > Refers to an amendment for line 38 of the bill (EXHIBIT B) and explains what the new language is in Section 11(3).

BAUM: This section of the bill addresses a real problem in the Lewis and Clark school district.

PENNY: Continues reviewing the remainder of the bill.

425 ALLAN THEDE, Superintendent of Multnomah ESD and representing the OAESD:

Reviews his written testimony listing the reasons OAESD supports the bill (EXHIBIT C). > These changes will allow the merger law to be more frequently used and reduce the number of districts.

REP. SCHROEDER: Is there some way school districts with small enrollments cannot be closed except by mutual agreement between the patrons of each of those separate school attendance areas.

TAPE 3, SIDE A

002 THEDE: It is a policy decision that has to be made by the Legislature. Statutes can be developed that conform to that policy decision. The basic issue really becomes do you need a district as opposed to do you need a building. This relates to being able to provide an effective education in remote areas,

039 REP. KATZ: How can you provide a quality product in a school building with six children? How was the number six arrived at?

THEDE: There are a number of factors that have control over the situation.

059 FRANK McNAMARRA, Portland Public Schools: Typically educators are more concerned about schools with higher numbers of students in the classroom and if they are getting an effective education.

REP. HUGO: The question is when do you not need a district?

122 JOHN MARSHALL, OSB A: Suggests having the Department provide more information about the rural districts with few students.

REP. SCHROEDER: I would like to see people from these districts come before the committee and talk about their own situation.

164 REP. HUGO: On page 2, lines 27-31 refer to sums of the levy amounts. Didn't we just amend that in the last November general election? > On page 3, at line 6 it should be K-12, and on line 11 "primary grades" are referred to and the law normally refers to elementary and secondary. > On page 7, line 19 we are dealing with "fair market value". Shouldn't we pick up the language from Measure 5.

186 THEDE: Explains why "primary grades" is used.

207 MARSHALL: OSB A supports this bill. > Refers to comments on the fiscal analysis of the bill (EXHIBIT D).

217 McNAMARA: You have deleted a section in the bill which defines the meaning of affected district (ORS 330.543 (2)). I suggest putting the definition back into the bill where the language concerning affected district appears. > Reviews terms for valuing the assets of districts. Using fair market value in the bill may cause some difficulty. Suggests other terms such as "in use value" or "fair value". > The language on page 3, in section 7, gives the boundary board no choice about merger under the petition element. You might want them to have an option.

297 CHAIR OAKLEY: Adjourns meeting at 4:03 p.m.

Submitted by: Reviewed by:

Carolynn GillsonLee Penny Assistant Administrator

EXHIBIT LOG:

A - Committee rules - committee staff - 2 pages
B - Amendment on HB 2098 - committee staff - 1 page
C - Testimony supporting HB 2098 - Allan Thede - 1 page
D - Fiscal analysis on HB 2098 - Legislative Fiscal - 1 page