

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

March 18, 1991
38-40

Hearing Room F 1:30 p.m. Tapes

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 2654 - Use of state
transportation funds, PUB HB 2765 - Student transportation in rural
school districts, PUB

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TAPE 38, SIDE A

005 REP. CAROLYN OAKLEY, CHAIR: Calls the meeting to order at 1:35 p.m.

(Tape 38, Side A) HB 2654 - Use of state transportation funds Public
Hearing Witness: Terry Drake, Legislative Revenue Office Jim Detlefsen,
Concerned Citizens for Quality Education Gary Moes, Concerned Citizens
for Quality Education Mari Anne Gest, Oregon School Employes Association
(OSEA) Gregg McMurdo, Department of Education Al Wells, Cascade Union
High School District 5 Marvin Evans, Confederation of School
Administrators (COSA) Shelly Olson, parent in Cascade School District
Rep. Liz VanLeewen, House District 37

036 TERRY DRAKE, Legislative Revenue Office: The 1989 Legislature removed changes in transportation expenditures from the basic school support reimbursement formula. > In the past, transportation has been funded separately from basic school support. The amount was based on the expenditure over the past two years. Sixty percent of that amount was dedicated to transportation funding. The money was distributed to each district on the basis of the money spent in the previous year for transportation. > There has been a consistent move to find more stable funding for schools. > In HB 2137 (1989), the Legislature decided to freeze the relative shares of basic school support including transportation. The district got their proportional share of basic school support regardless of the expenditure level. Enrollment changes were allowed. > As of 1991-92, and thereafter, we will go back to the old formula. Under those circumstances, there will be some districts that eliminated or significantly cut back their transportation program during the frozen period.

094 REP. VERA KATZ: Did the school districts eliminate or cut back transportation because they were getting less resources in the distribution or was it just a choice they made?

DRAKE: The most likely reason for a school district to eliminate or cut back transportation would be from being in the safety net or a failure to get a levy passed. It was a choice of giving up transportation in order to maintain another more critical part of education.

132 REP. DELNA JONES: Those decisions are made district by district.

146 REP. BRUCE HUGO: Basic school support prior to the 1989 session was a three-part calculation: transportation, basic grant for enrollment and equalization. In 1989, the Legislature decided to give each district roughly the same amount of money with no categorization. The decision on how to spend the money left with the local school district and school board.

CHAIR OAKLEY: Do you know how many districts have eliminated transportation?

DRAKE: No, but I am working on that data base right now. Our conclusion will be available soon.

183 REP. HUGO: There is no mandate to provide transportation in the public school system except for transporting special education students. If a school district is not providing transportation now, it will not be reimbursed for it if we go back to the old formula.

REP. KATZ: How do you plan to deal with that in Revenue?

REP. JONES: In Senate Revenue, they are working on the distribution formula.

213 DRAKE: The frozen formula will stay in the short-term, first year school finance bill, SB 815, which is now in House Revenue. > We are trying to identify the transportation needs. All we know now is what is being provided. Those two things may not be the same.

247 REP. JONES: Are you also looking at nonschool transportation systems that could be utilized?

DRAKE: During the 1989-90 interim, there was testimony concerning interfacing public transportation with school transportation in the Portland area. We are now reinitiating that discussion. There are examples of this in other states.

263 REP. WALT SCHROEDER: If we are going to consolidate schools, then we should be providing transportation for students to the schools.

295 JIM DETLEFSEN, Concerned Citizens for Quality Education: Lebanon got \$158,000.37 from the state last year for public school transportation. In July, the school board decided a levy need to be passed in order to provide transportation. What happened to the money? The school administration opted to put the money elsewhere. > Reviews his testimony in support of HB 2654 (EXHIBIT A) which requires money paid to a district based on past transportation costs must be used for transportation or room and board in lieu of transportation. > Education and transportation should go hand-in-hand.

370 REP. KATZ: What did the school district use the money for that was set aside for transportation?

DETLEFSEN: The money went into the general fund. > Had money for pay raises for administration, medical benefits, out-of-state trips, and hauling school athletic teams to games. > Busing has been restored on reduced routes.

392 GARY MOSE, public relations chair, Concerned Citizens for Quality Education: It is difficult to give you a breakdown on where the money went. We have receipts for trips. An audit was requested of \$500,000 that has not been accounted for so far.

412 REP. HUGO: The bill mentions a transportation account. There is no transportation account now.

DETLEFSEN: ORS 327.035 states that the State Superintendent of Public Instruction will set aside a certain amount of money for transportation.

REP. HUGO: The transportation account is a reimbursement for last years transportation that is based on the costs from two years ago. If transportation is not being offered now, then the money the school district receives is not for transportation. Where will the money come from for Lebanon if this bill becomes law?

TAPE 39, SIDE A

005 DETLEFSEN: Lebanon has had transportation every year. We had transportation the first two weeks of this year. It was restored on a reduced basis in December. The school district already received its money for transportation based on the prior two years.

REP. HUGO: If you want a state requirement for transportation for grades K-12, regardless of whatever else the school district can or cannot offer, then this bill will not do that. > Let's look at the problem and not the bill.

035 CHAIR OAKLEY: How soon will the \$500,000 mentioned earlier be accounted for?

MOSE: Right now there is a delay in continuance of the audit. We were told by the Department of Education that a letter was not received from the Lebanon School District requesting the audit. Bill Lane, Superintendent of Lebanon School District 16 claims a letter was mailed. The missing letter was later found on someone's desk.

058 DETLEFSEN: Lebanon High School has a land lab with timber on it. Last summer, the school district logged the land and sold the timber. We can't find out where the money went for that timber.

CHAIR OAKLEY: Requests more information about the situation.

088 REP. KATZ: Who is doing the audit?

MOSE: Polly & Rogers is doing the audit.

105 MARI ANNE GEST, OSEA: Reads testimony in support of the concept in HB 265 4 (EXHIBIT B) and describing the transportation problems facing school districts. > Reads a letter attached to her testimony addressed to Vice-President Dan Quail from Robin Erin Dugger. In her letter, she describes the hardships on her family and the school district because

school bus service was cut and students cannot get to school. > Vice-President Quail did FAX this letter to the U.S. Department of Education for a response. > Continues to read on page 3 of her testimony.

178 REP. KATZ: In 1979, a referendum was put out to the public removing the use of the gas tax for anything except the maintenance and construction of roads. It is probably time to reopen that issue so we can use a portion of the gas tax for transportation in education.

GEST: Reads her testimony concerning two bills that were introduced by OSEA that provide alternative funding for transportation to schools. > Explains efforts being made through the House and Senate Revenue Committee to have ORS 327 .035 reinstated with some changes.

215 REP. JONES: Testimony before the House Revenue Committee by children made me realize we do not have an education system if children cannot get to school. > Strongly believe transportation needs to be addressed in a long-term formula.

REP. HUGO: Last session, there was a bill providing for a one-cent per gallon gas tax, along with a portion of basic school support, would not only fund school transportation but help with rural transportation systems. > Suggests using school buses for more uses.

235 REP. SCHROEDER: How much would a one-cent per gallon increase raise?

GEST: Home to school transportation and handicapped transportation for the state is about \$84 million a year. If transportation is reinstated in the seven districts where it was cut this year, it is about \$92 million a year. It would take a four and one-half to five cent gas tax increase to fund the total.

REP. HUGO: The ideal is to take transportation off of local districts. It becomes a state mandate and uses state funds.

272 REP. JONES: At what point do you decide it is the state's responsibility to fund transportation. Some criteria is necessary and can existing bus services also be used.

GEST: Provides a list of the seven districts that eliminated or limited transportation and how much it would cost to reinstate it (EXHIBIT C).

294 GREGG McMURDO, Department of Education: If you want to require busing, this bill does not do that. > Explains the Department was contacted by the U.S. Department of Education concerning the letter written by an Oregon student. > My understanding is that the family has moved. > Talks about a review of school procedures in Lebanon. Findings were different from what the citizens group found. > Received a letter dated March 14 from an attorney representing the Lebanon School District.

375 REP. HUGO: There is no auditing process to check on school districts spend their money is there?

McMURDO: The Secretary of State's office will not conduct an audit unless requested to do so by the governing body. The Department is not designed to do audits. It does not charge for a review of school procedures. The kinds of things that occurred in the district are not the things that would be normally be found by an auditor that conducts a

municipal audit.

TAPE 38, SIDE B

014 REP. KATZ: Is there a requirement in the law that the school budget be audited?

McMURDO: Yes. It is contracted out by the Board of any local government to an auditing firm that is on the roster in the Secretary of State's office. The audits are for balancing books not to look for noncompliance.

REP. HUGO: What would the Superintendents recommendations be for a mechanism to conduct performance audits of school districts?

McMURDO: Ultimately, the Legislature needs to give the Department the resources or the Department needs to charge the costs back to the school district.

REP. JONES: Do you have the ability within your Department to do the job that needs to be done?

McMURDO: We could not begin to keep up with the requests. We have the skill but not the people to do it. The Department of Audits is best equipped to do it.

082 AL WELLS, superintendent of Cascade Union High School District: We are one of the unfortunate districts that had to cut home to school transportation to survive this school year. > Since December, 1986, the district has passed one out of 14 levy or tax base requests. > Third year in the safety net. > With this last levy, the tax rate per \$1,000 in value would have gone from \$7.51 to \$7.59. > Explains why transportation was eliminated from the budget when the levy did not pass.

131 REP. KATZ: What was the opposition to the levy?

WELLS: Voters felt the school board was threatening them with transportation and the voters were tired of paying taxes. Those positions never surfaced at a school board meeting. > Describes the Cascade School District.

REP. JONES: What kind of contract did you negotiate with the teachers?

WELLS: Talks about current salaries and benefits.

210 REP. HUGO: How many of the six elementary feeder districts have bussing?

WELLS: Three have limited transportation and three have none.

REP. HUGO: Refers to statistics concerning the Cascade Union High School District (see EXHIBIT C).

WELLS: Talks about the cuts in more detail.

REP. HUGO: It is tough to defend school districts when teachers and administrators are getting raises.

REP. JONES: What has your student enrollment been over the last two years?

WELLS: This year it is about 920. It has declined. It will start to increase next year. The projected enrollment in four years is over 1,100.

282 CHAIR OAKLEY: Could you attribute any of your decline in enrollment to lack of busing?

WELLS: Probably.

REP. KATZ: We should be considering the inequities in the system instead of raising salaries.

WELLS: Last year, because the number of students who ride the bus for extracurricular activities and educational programs was higher than the average number of students who ride the bus everyday, busing was continued to those activities.

364 REP. BOB PICKARD: Give me an example of what the school board did between the successful 1989 levy election and the six percent increase in school administrators' salary?

WELLS: Lists what the school board did prior to giving any raises other than what was mandated through collective bargaining.

REP. KATZ: Is the school board being recalled?

WELLS: The school board was recalled and survived.

413 MARVIN EVANS, COSA: Comments about decisions made in school districts that are financially hard pressed.

TAPE 39, SIDE B

008 WELLS: We would support a busing bill if the money did not come from basic school support. > If it is decided to return to the old formula, please allow a grace year or two.

CHAIR OAKLEY: Did you consider using the dollars from extracurricular activity busing for busing children to school?

WELLS: Transportation to and from school was estimated to cost about \$1,000 a day. The total cost for transporting students for field trips and extracurricular activities was \$13,500. > Explains further cuts made to temporarily fund busing during the inclement weather.

047 SHELLY OLSON, a parent from the Cascade School District: Explains how she deals without school bus transportation for her children. > Believes if busing is mandated, transportation dollars are needed other than from basic school support. Decisions need to be kept at the district level. > Explains how the decision was arrived at to not provide transportation. > Talks about hardships on the students.

103 REP. LIZ VanLEEuwEN, District 37: It is my understanding there are some problems with how the bill was drafted. When the outlying districts in the Lebanon area agreed to consolidate for their high school, they were promised there would be busing. Is there justification for allowing busing for sports events and not for getting students to school?

133 REP. HUGO: If transportation is not contracted out, the school

district can doing anything it wants with the transportation system except it has to provide transportation for special education students.

REP. JONES: Clarifies there is no requirement for how school districts use the reimbursed money.

REP. HUGO: Would you support a bill that mandates school districts to offer transportation from home to school for grades K-12?

REP. VanLEEuwEN: It would depend on the criteria. I can't answer that question.

188 EVANS: The districts that have cut transportation do not think transportation is unimportant. It is a school funding issue. The answer does not lie in the bills the committee is considering today. A mandate for transportation without funding will cause districts to cut other vital things. > The answer is fund it and require it.

REP. SCHROEDER: Is there still a disparity between what some schools get in comparison to others?

EVANS: Our whole funding system spreads districts apart.

256 DETLEFSEN: Makes further comments about the Lebanon school district and pay raises. > If smaller schools comply with the mandates, why can't the larger school districts do it?

278 Committee takes a break at 3:20 p.m.

(Tape 39, Side B HB 2765 - Student Transportation in Rural School Districts Public Hearing Witnesses: Kathleen Adamson, parent in Cascade School District Shelly Olson, parent in Cascade School District Rep. Jeff Gilmour, House District 30 Gregg McMurdo, Department of Education

265 LEE PENNY, Committee Administrator: Reviews what the bill does.

298 KATHLEEN ADAMSON, parent from the Cascade School District: Reads her testimony in support of HB 2765 and 2654 and explaining the problems of transporting students in rural school districts (EXHIBIT D). Attached to testimony is a list of people who have recently signed a petition supporting the Legislature to mandate home to school transportation to rural school district.

399 REP. SCHROEDER: Do you have adequate insurance on your van to transport these students?

ADAMSON: As long as we are not getting paid, our insurance stays the same. > Explains that over 4,000 of the 5,300 registered voters in the district voted in the recall election. The community is divided on the issue. > Explains how the transportation funds were spent for other purposes.

REP. KATZ: When did the busing get stopped other than for sports or after school activities?

ADAMSON: Notices were sent home two weeks before school started. That was 10 days before the levy election.

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023 SHELLEY OLSON, parent from Cascade High School: Over the years when

our budget has not passed, all extracurricular activities and busing was cut. The parents and students raised over \$50,000 to reinstate these programs. > The school board decided to cut busing. During the time of nonbusing the school has not heard of one child who has missed school because of busing. > This is not a question on how the school is run. It is a need of transportation and of equitable funding for education. > Students need to be provided with access to extracurricular activities in order to compete for the college slots and jobs that are available. Our children do pay to participate and many of the expenses are covered. > Cutting busing has made people get together.

106 REP. KATZ: Have you thought about paying someone to drive the school bus?

OLSON: If a school bus is used to pick up one child, it needs to pick up every child. We have no minimum distance stipulation in our district.

122 REP. JEFF GILMOUR, District 30: Describes what he thinks has happened: > Funding transportation changed and was no longer included in the school finance formula. > Cascade is not a consolidated district and is not in an incorporated town. There has been no effort to consolidate. There are a lot of districts that feed into Cascade that do have transportation but are operating under a different levy. > All schools do not necessarily own their buses. Many buses would not qualify under the state's standard to be used for transportation. > In my opinion, the school board members tried to figure out what was best with the money they had. > You need to know the school district's history before criticizing decisions school boards make. Teachers are leaving poor school districts. Rural education is suffering. > We need to reach a decision on what we are going to spend basic for, what the formula is for and what quality we expect. Need a consensus by this body.

222 REP. HUGO: I agree we need to deal with all the issues at once.

GILMOUR: Three major issues resulting from Measure 5 are what it costs, what we call it and who is going to get it.

REP. SCHROEDER: What is the distance between the outlying areas of the district Cascade encompasses?

GILMOUR: Gives more details about the Cascade School District. > Kindergarten adds more bus trips on same bus route at different times of day. Extra money was not provided for the added transportation. > I don't think there is much local control left.

REP. HUGO: When local decision making results in something people don't like, they come to the Legislature.

GILMOUR: This issue needs to be resolved before other districts are in same situation.

305 McMURDO: Suggests inserting the language "upon application by" so every school district does not need to be classified as rural and nonrural.

REP. KATZ: Suggests that members of the Revenue Committee meet with the Speaker to figure out how to deal with the funding of schools and transportation within the resources we have this biennium and where do we go next biennium. Dealing with this in bits and pieces is not the way to do it. The school districts need a response. We need to do it

the right way. I will not vote for a gas tax until we come up with a way to deal with transportation issues.

360 CHAIR OAKLEY: Adjourns the meeting at 4:10 p.m.

Submitted by: Reviewed by:

Carolynn GillsonLee Penny Assistant Administrator

EXHIBIT LOG:

A - Testimony on HB 2654 - Jim Detlefsen - 1 page
B - Testimony on HB 2654 - Mari Anne Gest - 7 pages
C - Testimony on HB 2654 - Mari Anne Gest - 3 pages D-Testimony
and petition HB 2654 and 2765 - Kathleen Adamson - 13 pages