

Tapes 236-237 (A/B) Tapes 238-239 (A) Informational: SB 814A HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE June 12, 1991 8:00 AM Hearing Room A(am)/D(pm) State Capitol Building Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty Staff Present: Jim Scherzinger, Legislative Revenue Officer Terry Drake, Legislative Revenue Office Steve Bender, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Karen Brazeau, Department of Education Rick Burke, Department of Education Ozzie Rose, Confederation of Oregon School Administrators Chris Dudley, Oregon School Boards Association Mari Anne Gest, Oregon School Employees Association Frank McNamara, Portland Public Schools TAPE 236 SIDE A 005 CHAIR JONES called the meeting to order at 8:24 and conducted administrative business. INFORMATIONAL - SB 814 A 050 TERRY DRAKE discussed the Committee's review of the proposed school finance formula from June 11, 1991 House Revenue meeting. He continued his review of the school finance formula and pointed out the subtraction of local revenues. Exhibit 1 090 REP. PARKINSON questioned the equality of the local revenue components. 100 TERRY DRAKE reviewed County Trust Forest Revenue and Equalization ESD Funds (education service district) under the Local Revenue category. Exhibit 1

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording. House Committee 011 Revenue and School Finance June 12, 1991 Page 2 127 TERRY DRAKE related discussions with consultant John Augenblick and noted a scheduled conference call for Friday, June 14, 1991. He reviewed committee questions for the consultant (funding of special education, cost of educational services). 170 CHAIR JONES added areas of concern included local option v. state wide funding and a related equity issue (consultant's experience with the Courts), factors affecting the poverty issue and the general development of the school finance formula. 188 REP. HOSTICKA questioned simulations on Union High and Elementary School Districts comparing unification to the current formula impact. 203 Questions and discussion regarding a suggested school finance simulation which will assume each school district will use the maximum under Ballot Measure 5. 225 Questions and discussion regarding any impact if school districts unify (will the simulations show incentives for unification?). Discussion follows regarding technical problems in developing figures. 294 Questions and discussion on teacher experience factor of \$25 (add or subtract) and how the Senate Revenue Committee arrived at this number. 380 Questions and discussion regarding school district teacher salary negotiations compared to state-wide bargaining. 408 REP. HOSTICKA suggested to ask the consultant regarding under funding of teacher experience. This question is related to a general question of the state under funding state programs. TAPE 237 SIDE A 001 Questions and discussion regarding a teacher experience factor. 025 Questions and discussion regarding school finance simulation #17. REP. SCHOON compared two school districts and questioned the validity of the school finance formula. Exhibit 2 073 REP. PARKINSON questioned if state-wide salary will be forthcoming as a result of state-wide funding. 080 REP. SCHOON discussed variables in classroom sizes and school districts which spend money more efficiently than others (he was concerned if these kinds of variables are reflective in the simulations). 104 TERRY DRAKE introduced Karen Brazeau and Rick

Burke from the Department of Education to review special education.

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. House Committee on Revenue and School Finance June 12, 1991 Page 3 128 KAREN BRAZEAU presented an overview of special education in Oregon (using an overhead projector). She noted 50,000 children are in special education in Oregon. She reviewed federal guidelines, identification of special ed students, handicap conditions, federal placement of categories. She explained most children are mildly disabled and are in a regular school room in their neighborhood school. She gave examples of the small number of children removed from the regular classroom. Exhibit 3 200 Questions and discussion regarding court action impact on school districts. 254 KAREN BRAZEAU continued to review an identification process and an IEP (individual education program) which describes related services for a child. 290 Questions and discussion regarding differences between categories of psychology, social work and counseling. 317 KAREN BRAZEAU explained the next step after an IEP is placement for the child. She noted minimal federal funding. 335 Questions and discussion regarding the effects of an underfunded federal mandate. TAPB 236 SIDE B 001 Questions and discussion continued. 014 Questions and discussion regarding Oregon's compliance with the Education of the Handicapped Act. Exhibit 4 081 KAREN BRAZEAU noted the importance of guidelines for identifying students. She cautioned the committee not to give incentives for over or under identifying special ed students. She reviewed the proposed formula for special education students which is based on assumptions: 1) Generally special education cost twice as much as normal education costs. 2) Special education kids are evenly distributed across the state. She noted the system must be in general terms, but exemptions must also be considered. 130 Questions and discussion regarding funding of special education (comparisons to other states). 217 REP. CLARK questioned special education costs and a relationship to local option. Discussion follows. 303 Questions and discussion regarding the effectiveness of regional services for special ed students. 355 ACTING CHAIR SCHOON recessed the meeting at 9:45.

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billing system. 248 Questions and discussion regarding administrative cost savings in the special education program. 292 REP. PARKINSON was concerning with the poverty factor based on ten year old census data. 314 OZZIE ROSE addressed the concerns of Rep. Parkinson and pointed out a need for research on the poverty element. He explained the poverty ratio used is ten years old, but is applied to current data. 362 REP. SCHOON was concerned about kids who may need additional help but do not fit into the categories described by the Department of Education. He provided examples. Questions and discussion follow. TAPE 238 SIDE A 001 Questions and discussion continued regarding expansion of special education categories.

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. House Committee on Revenue and School Finance June 12, 1991 Page 5 035 MARI ANNE GEST addressed the transportation formula in SB 814A and noted her support with the direction of the transportation formula. 064 Questions and discussion regarding why some school districts show zero for transportation reimbursement on school finance simulations. 103 FRANK McNAMARA reviewed transportation in the Portland Public School system. Trimet provides transportation at the high school level. He noted an optional component in an amendment relating to Portland School's transportation which provides no gain to the district and no loss to the state. 133 Questions and discussion regarding transportation equity issues. 147 FRANK McNAMARA explained the transportation plan allows consideration for safety factors as well as for distance. 157 CHAIR JONES pointed out language on page 2, line 12 of SB 814A which addresses approved transportation costs and describes safety issues. 169 CHRIS DUDLEY addressed the work on SB 814A which he viewed as a "second year distribution formula". He reviewed the transition period from a property tax system to a state funded system and a need for adjustments. He reviewed lack of available data for weighting factors. 241 Questions and discussion regarding adjustments to the school finance formula made in the Senate Revenue Committee. 279 Questions and discussion regarding a need for equity and any impact from federal funding of certain factors. REP. PARKINSON was concerned with creating inequities when the attempt is to overcome inequities. 342 Questions and discussion regarding issues to be discussed with consultant on Friday, June 14, 1991. 412 REP. PARKINSON was concerned with pressure placed on school boards from school employees regarding salary negotiations because of new influx of state money. Questions and discussion follows. TAPE 239 SIDE A 001 Questions and discussion regarding state-wide bargaining. 064 CHAIR JONES conducted administrative business. 149 CHAIR JONES adjourned the meeting at 2:43.

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Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. School Finance Formula, LRO (See Exhibit 16 from 6/11/91 House Revenue Meeting) - SB 814 2. School Finance Simulation #17, LRO (See Exhibit 17 from 6/11/91 House Revenue Meeting) - SB 814 3. Special Education Presentation, Department of Education, 6/12/91 SB 814 4. Executive Summary, Education of the Handicapped Act, Department of Education, 6/12/91 - SB 814

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