

Tapes 27-28, (A\B)
Public Hearing -
School Distribution
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

February 4, 1991:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair Senator Joan Dukes, Vice Chair Senator John Brennehan (departed 3:00) Senator Shirley Gold (arrived 1:27, departed 2:05, returned 2:43) Senator Ron Grensky (departed 3:00) Senator Bill McCoy (departed 2:50) Senator Tricia Smith (arrived 1:20, departed 3:00)

Staff Present: Jim Scherzinger, Legislative Revenue Officer
Terry Drake, Legislative Revenue Office
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Bill Meyer, Representing Superintendent Josephine County
Bob Wilson, Representing Superintendent Josephine County
Giles Parker, Superintendent Coos Bay
Mike Leman, Chair of Coos Bay School Board Mike Murphy, City Councilman, Grants Pass
Carolyn Kohn, Concerned Parent, Grants Pass Carol LaBrie, Sandy School District
Elise R. Self, Josephine County Schools

TAPE 27. SIDE A

005 CHAIR CEASE called the meeting to order at 1:11 P.M. Administrative business was conducted.

012 SEN GRENSKY introduced John Mayfield, Bob Wilson, Bill Meyer, Dale Smith, Carolyn Kohn, Mike Murphy, and Elise Self as a group concerned about the school situation in Josephine County.

030 BOB WILSON explained the strong desire of presently addressing the equity of financing education in the state of Oregon. Mr. Wilson asserted the children in Oregon public schools do not receive equal opportunities based upon their financial situations. EXHIBIT 1

075 BILL MEYER emphasized wanting equity addressed this year. A sampling of three school districts are presented. EXHIBIT 1, Page 2

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100 BILL MEYER referred to the spreadsheet depicting an assumption comparison of dollar for dollar replacement of three school districts of similar size. EXHIBIT 1, Page 7

143 BILL MEYER emphasized that the state has a legal and moral obligation to address the inequities this year. The educational problems in Josephine County were addressed.

257 SEN. DUKES clarified that a district having a tax base will not get the six percent increase. If there is going to be an increase then all districts would get the same increase.

276 SEN. MCCOY commented on Josephine County historically having a school funding problem and if there has been any forces to help the problem.

300 BILL MEYER noted the problem is escalating and offered insight into the problem.

335 SEN. CEASE assumed the firmness of the equity issue being addressed during the first biennium and if something different is done, it will be

appealed and go to the courts.

345 BILL MEYER answered that going to court would be a consideration.

356 SEN. CEASE asked if another revenue source as a long range solution has been addressed.

373 BILL MEYER agreed another source of funding is needed with the desire of having a sales tax.

390 SEN. CEASE asked if there were any other long range ideas such as an income tax increase.

400 BILL MEYER felt the property tax exemptions need to be addressed. The income tax rate is one of the highest in the country.

TAPE 28 SIDE A

009 SEN. GOLD clarified when comparing income tax with other states all factors need to be addressed because other states with lower income taxes have other sources of revenue.

023 SEN. GRENSKY commented on the justification of the dollar per dollar replacement in the first year with the equity formula being addressed at a later time. What is the timing of the budget process in Josephine County?

034 BOB WILSON explained the situation of last minute cuts based on levy passage.

045 BILL MEYER added the cuts are addressed in early summer for the school year beginning in September.

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050 SEN. GRENSKY followed with reference to HB 2431 targeting twelve million dollars to student equity and asked how much money it would take to bring Josephine County up to the state average. The response was about five million.

060 BILL MEYER emphasized the political decision of not addressing the equity issue during the first two years.

078 Discussion and questions follow regarding the equity and the impact of HB 2431.

100 SEN. SMITH made reference to the Newberg Equalization Formula and asked if Josephine County has a theory as to the type of equity formula that should be used.

110 BILL MEYER responded that the Newberg Formula is not an unreasonable approach. There needs to be a factor relative to the local property tax burden.

130 Discussion and questions follow regarding school funding.

PUBLIC HEARING - SCHOOL

DISTRIBUTION

165 GILES PARKER gave an historical look at the Coos Bay School District budget cuts since 1975. EXHIBIT 2 EXHIBIT 3

330 GILES PARKER compared Coos Bay District with a neighboring district that is not in the Safety Net. The equity issue is to either get new money or reapportion the existing money. Discussion continued in reference to the false promises of the Safety Net and not wanting to wait for a solution to the problem.

392 GILES PARKER explained how Coos Bay needs the help of the Legislature in establishing equalization.

TAPE 27 SIDE

B

000 Discussion and questions follow regarding budget cuts and still maintaining a quality education for the students. Reference was made to

dedicated staff.

035 SEN. GRENSKY pointed out how Coos Bay spent six hundred dollars more per child than Josephine County last year. The cuts seem to be the same so why the difference?

045 MIKE LEMAN clarified the presented figures refer to a year when Coos Bay had a budget levy. This year the figures would be closer to those of Josephine County.

067 MIKE LEMAN strongly expressed his commitment to the children and the kids in Coos Bay receiving the same chance and opportunities as other children around the state.

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104 MIKE LEMAN compared the educational opportunities of the schools in Coos Bay with that of North Bend, a neighboring district not in the Safety Net.

120 MIKE LEMAN strongly pleaded with the committee to look at the equity issue and not adopt the backfill method in HB 2431. There are many available formulas but is not politically expedient to do equity the first year. That is not fair!

164 SEN. SMITH pointed out that Coos Bay's current rate of expenditure per student is less than Salem Schools. It is important that the money go for quality education.

187 SEN. SMITH asked what the current budget is for activities in Coos Bay.

190 Discussion and questions follow regarding the budget cuts of Coos Bay.

216 MIKE LEMAN explained the problem in terms of equity with reference to paying for education depending on where you live. Everyone should be given the same opportunities.

247 GILES PARKER maintained there is not uniform education around the state. There should be formulas produced insuring equal education in the state of Oregon.

258 MIKE LEMAN reviewed the fact that local authority has been removed due to Measure 5 and now the decision of funding is up to the Legislature and it needs to be a fair decision.

273 SEN. SMITH asked if there was agreement in state control of education going along with state funding.

275 Discussion and questions follow regarding state control of education.

330 SEN. DUKES asked for clarity to the presented issue of not getting enough money therefore the kids are not getting a quality education. The school districts before the committee have not addressed the idea of their kids not receiving a good education.

352 MIKE LEMAN expressed the belief that the kids in Coos Bay are not receiving the same opportunities as other districts.

400 Discussion and questions follow regarding the equity issue and children receiving a good education.

TAPE 27 SIDE B

000 SEN. DUKES wanted to know what Coos Bay was asking of the Committee.

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020 MIKE LEMAN wants the education funding system for the state of Oregon to distribute the money using a formula guaranteeing equitable distribution.

030 CAROLYN KOHN addressed the committee as a concerned parent who understands the time element in resolving the Measure 5 impact in relation to the equity issue. But the concern of the school districts is survival until the equity issue is resolved.

050 MIKE MURPHY read a prepared testimony on behalf of the children who attend the "Safety Net" schools in Oregon. This is a possible survival option until the equity issue is resolved. EXHIBIT 4

150 MIKE MURPHY suggested some interim actions which keep programs in the Safety Net districts intact while all participate in the process of establishing a comprehensive equalization formula. EXHIBIT 4, Page 4

166 MIKE MURPHY referred to the chart giving a cost of living index in reference to a formula. EXHIBIT 4, Page 6

170 MIKE MURPHY presented a listing of all the Safety Net districts in the state. EXHIBIT 4, Page 7

186 Discussion and questions follow regarding the dollar amount needed to create equivalent purchasing power in 1991-92 for districts in the Safety Net.

220 SEN. SMITH clarified the dollar amount needed by the Safety Net schools as being equalization money. The question was asked where the money will come from. Discussion follows.

229 SEN. GOLD asked what is the suggestion for where can this equalization money come from.

235 CAROLYN KOHN responded the next years money could come from the thirty percent for school support from the General Fund. The issue being addressed is not a permanent solution to the problem but survival for Safety Net schools.

355 Discussion and questions follow regarding the General Fund being divided to include supporting education.

360 MIKE MURPHY expressed concern in the Safety Net schools not falling further behind in funding while attempting to solve the funding dilemma.

PUBLIC HEARING - SCHOOL DISTRIBUTION

370 CAROL LABRIE, a concerned parent from Sandy Elementary Schools, agreed with the previous testimony. One comment not addressed is some districts lack of businesses which pay property taxes to help pay for schools. A possible revenue source could be a state wide tax from businesses that could be distributed per child across the state.

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383 CAROL LABRIE felt the quality of education is good but the problem is the inconsistency of school funding deteriorating.

398 CAROL LABRIE emphasized that a good education is not just looking at student scores but other opportunities available to the students.

TAPE 29 SIDE

A

016 CAROL LABRIE expressed concern in the Safety Net schools not being able to wait any longer and something needs to be done now to address the funding issue.

032 SEN. DUKES asked for ideas on when the equity issue should be

addressed.

040 CAROL LABRIE felt the equity issue has been around for a long time and the Safety Net Schools cannot wait another year while an answer is being sought for equalization.

050 Discussion regarding the timeline in budget planning follows.

065 CAROL LABRIE suggested not overlooking the current school funding issue while waiting to see if a sales tax will pass.

072 CHAIR CEASE clarified the constitution does not allow a revenue measure to solve the equity problem.

078 SEN. GOLD pointed out there are options for funding schools other than a sales tax.

088 CAROL LABRIE commented on the businesses benefiting from Measure 5 and their revenue could be a possible factor in a distribution formula.

095 ELISE SELF, representing Josephine County, strongly encouraged the Committee to address the equitable issue now. Measure 5 offers the opportunity to stop looking at the status quo. There is a big difference in what schools offer in the state and it is the job of the Legislature to make public education for all children as equal as possible.

125 CHAIR CEASE adjourned the meeting at 3:14 P.M.

Mary Ann Zimmerman, Committee
Assistant
Kimberly Taylor, Office Manager

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EXHIBIT SUMMARY

1. Testimony from Bob Wilson & Bill Meyer, 2/4/91 - School Distribution
2. Testimony from Giles Parker, 2/4/91 - School Distribution
3. Testimony from Giles Parker, 2/4/91 - School Distribution
4. Testimony from Mike Murphy, 2/4/91 - School Distribution
5. Measure 5 Implementation Issues, LRO, 2/2/91 - HB 2550

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