

Tapes 37-38, (A\B)
Work Session -
School Distribution
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

February 11, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair
Senator Joan Dukes, Vice Chair
Senator John Brenneman
Senator Shirley Gold
Senator Ron Grensky
Senator Bill McCoy
Senator Tricia Smith (arrived 1:27)

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

Witnesses Present: Ozzie Smith, Confederation of Oregon School
Administrators (COSA)
Frank McNamara, Portland Public Schools
Chuck Clemans, former Superintendent Oregon City

TAPE 37. SIDE A

005 CHAIR CEASE called the meeting to order at 1:14 P.M.

023 TERRY DRAKE referred to the document distributed by the Oregon
Department of Education giving the Estimated 1990-91 per student current
expenditures. EXHIBIT 1

030 TERRY DRAKE explained the information given in the document including
the Estimated June '91 Average Daily Membership (ADMr), the Current
Expenditures per ADMr and the Assessed Value per ADMr for each school
district in the state. EXHIBIT 1, Page 3

083 TERRY DRAKE clarified this is descriptive information offering
characteristics of the various districts.

087 TERRY DRAKE presented charts depicting the estimated 1990-91 per
student current expenditures in districts of comparable type and size
beginning with the largest district in Portland. EXHIBIT 1, Page 11

106 TERRY DRAKE commented on the correlation between district size and
expenditures.

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meetings. Text enclosed in quotation _ rks reports the speakers exact
words. For complete context of proceedings, please refer to the tape
recording.

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121 TERRY DRAKE offered a summary of statistics for estimated per pupil
assessed value and current expenditures by type and size of district.
EXHIBIT 1, Page 21

130 Discussion and questions follow regarding Exhibit 1.

217 JIM SCHERZINGER explained the information in Exhibit 1 are the costs,
wealth and tax rates of the various districts. How much received in basic
school support is not provided.

229 SEN. BRENNEMAN asked for information reflecting similar data found in
Exhibit 1 except in relation to cities and counties.

249 JIM SCHERZINGER revealed the data in Exhibit 1 are estimates of current
expenditures per student. The differences in need are not represented.

273 SEN. GRENSKY would like to see the needs related to the various
districts.

286 JIM SCHERZINGER referred to the list of goals under Adjustment for Needs. EXHIBIT 2
300 Discussion follows regarding various needs in different districts.
321 TERRY DRAKE addressed amounts of Federal money given to the state for Special Education costs.
336 SEN. GOLD pointed out the mandates of Federal law.
344 SEN. SMITH asked for clarification of assessed value of Average Daily Membership (ADMr).
353 TERRY DRAKE explained the significance of ADMr is an attempt to measure the property wealth of a district.
370 JIM SCHERZINGER reviewed the issue addressed by courts deal with expenditures of local districts related to wealth. Discussion follows regarding property wealth.
400 Discussion continues regarding variation in costs of ADMr.
TAPE 38 SIDE A
009 OZZIE SMITH offered examples of factors that elevate cost including English as a Second Language, Portland and the gang related activities and teacher salary schedules.
041 OZZIE SMITH defined "at risk" students. Discussion and questions are interspersed.
056 Discussion and questions continue with reference to programs outside of the basic school funding.

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064 FRANK MCNAMARA explained various programs in Portland with reference to at "risk students".
145 CHUCK CLEMANS followed with additional comments on "at risk" students and the costs involved in tracking them. Alternative schools were discussed along with nutrition.
208 FRANK MCNAMARA continued by clarifying the difference between Alternative Schools and Chapter 1. Discussion followed regarding other factors available for the at risk students.
274 JIM SCHERZINGER addressed three important problems in regard to distribution: varying problems between districts, adjustments in the formula to allow for the differences, and what is the practical way to allow for distinctions among the districts.
290 SEN. GRENSKY cautioned measuring the needs of various districts because of an already established program.
320 SEN. GOLD expressed concern in not addressing outcome. SB 120 could offer a starting point in the decision making process.
365 CHAIR CEASE suggested Legislative Counsel consider SB 120 when drafting a distribution bill. Discussion continued with incorporating goals in SB 120 with the suggestion of referring to State Boards for operating goals.
TAPE 37 SIDE
B
000 SEN. BRENNEMAN recommended looking at educational systems already in operation in other states and what can apply in Oregon. Reference was made to a policy in Colorado.
030 JIM SCHERZINGER commented that the Legislative Revenue Office is in the process of acquiring information from other states and their education system.
062 Discussion continues with reference to the Kentucky educational program clarifying it as an incentive plan and not formula based.
080 JIM SCHERZINGER referred to the blackboard illustration depicting the

five approaches offered by John Augenblick with an attempt of putting them into a Measure 5 perspective. Each approach was briefly reviewed. EXHIBIT 3
130 SEN. SMITH wanted clarification of the state determining the amount of money and how it is spent under the True Foundation Program.

140 JIM SCHERZINGER responded with reference to the two types of local control. Various goals can be worked into the structure.

155 SEN. DUKES suggested eliminating three of the options offered by Dr. Augenblick which include: Replace lost revenue, existing basic

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support formula, and alternative local revenue sources.

177 SEN. GRENSKY commented that the remaining two options, (modified per student grants, and true foundation program) could be combined under the effect of Measure 5.

185 JIM SCHERZINGER argued that Modified per student grants and true foundation program could be different based on interpretation. One question would be how to spend the five dollars for schools under Measure 5. The difference between these two options amounts to how much of the property tax will be offset against state aid.

216 Discussion follows regarding elimination of options for an educational system.

255 MOTION SEN. DUKES moved to eliminate replacing lost revenue and existing basic support formula as two options for funding education.

260 ORDER There being no objection, CHAIR CEASE so ordered.

267 JIM SCHERZINGER explained the issue now deals with what are the modifications going to be.

279 CHAIR CEASE- clarified how the focus is on a long range distribution formula. Once the formula is established then public hearings will be heard.

292 JIM SCHERZINGER addressed another issue of dealing with the use of the five dollar rate per schools. Differences need to be identified and then adjust for those differences.

332 Discussion and questions follow regarding kinds of decisions that must be dealt with.

351 JIM SCHERZINGER suggested a starting point could be to look at how other states deal with differences, study at available data, and examine public testimony. A formula may lack in an area therefore benchmarks need to be established so arising problems can be incorporated into the formula.

380 SEN. DUKES pointed out the formula transition could move from a program similar to the current and phase into a goal oriented system.

400 JIM SCHERZINGER noted some of the adjusted needs may deal with reimbursement costs.

TAPE 38 SIDE

B

000 SEN. GRENSKY commented on the loss of local control.

010 SEN. GOLD reported that much data is already available in relation to various needs but how should this data be addressed.

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019 JIM SCHERZINGER commented on differences among districts in reference to transportation therefore the data needs to be interpreted based on the differences and various needs.

039 SEN. SMITH pointed out necessary data for needs could be obtained from the Department of Education and from the individual districts. The issue is to develop a list of needs and decide what is to be done.

059 SEN. SMITH assumed the Education Committee would develop the definition of education so interaction with them would be prevalent in establishing goals.

075 Discussion follows in regard to obtaining data on adjusted needs that could be a factor in an educational formula. EXHIBIT 2

176 SEN. GOLD felt the consolidation issue needs to be addressed.

178 SEN. GRENSKY commented on the income value disparity throughout the districts and that should be a factor.

183 JIM SCHERZINGER explained how the five dollar property rate is addressed would cause variance in distribution.

193 CHAIR CEASE reviewed the factor of wealth as a variable in the formula.

197 SEN. GOLD emphasized that wealth and needs must be addressed together.

207 CHAIR CEASE pointed out the local revenue must be a factor when dealing with the five dollar property tax rate.

215 Discussion follows regarding wealth in the various districts and being a factor in the educational formula.

250 CHAIR CEASE adjourned the meeting at 2:58 P.M.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Estimated 1990-91 Per Student Current Expenditures, Oregon Department of Education/LRO, 2/11/91 - School Distribution
2. Goals & Options, LRO, 2/7/91 (See Exhibit 1, Senate Revenue Meeting, 2/7/91 - School Distribution)
3. Blackboard Illustration, LRO, 2/11/91 - School Distribution
4. Chart Packet, LRO, 2/11/91 - School Distribution
5. School Finance Simulations, LRO, 2/11/91 - School Distribution

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