

Tapes86-87, (A\B)

Work Session: SB 814

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

March 26, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair (arrived 1:34)

Senator John Brenneman (departed 2:35)

Senator Shirley Gold

Senator Ron Grensky

Senator Bill McCoy (departed 2:25)

Senator Tricia Smith

Staff Present: Terry Drake, Legislative Revenue Office

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Frank McNamara, Portland Public Schools

Alan Tresidder, Oregon School Boards Association

Walter Koscher, Department of Education (DOE)

Judy Miller, DOE

Arnie Leppert, DOE

TAPE 86. SIDE A

005 CHAIR CEASE called the meeting to order at 1:17 and conducted administrative business.

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014 TERRY DRAKE explained a formula has been developed with regard to transportation factors and will be available on March 29, 1991.

045 TERRY DRAKE reviewed the distribution of special education children across the state.

067 TERRY DRAKE presented a chart illustrating the number of special education children in each district across the state. Examples of the larger districts in the state were discussed depicting the numbers of children are proportionate across the state. Examples of smaller districts were discussed which have a smaller number of variables because of the smaller Average Daily Membership (ADM). EXHIBIT 1

130 Discussion and questions follow regarding EXHIBIT 1.

139 SEN. GRENSKY asked for the meaning of the abbreviations across the top of the columns in Exhibit 1. Explanation of the meanings follow.

170 SEN. GRENSKY asked for clarification of row totals in Exhibit 1.

207 FRANK MCNAMARA explained the obligation of the federal and state law with regard to the special education funding categories. Clarification of the figures was further addressed.

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254 SEN. MCCOY asked if the formula was going to accommodate all the special education categories.

263 TERRY DRAKE indicated the total number of children on IEP (individual education program) would be accommodated.

274 SEN. MCCOY questioned high cost of children under hospital care.

286 FRANK MCNAMARA proposed a three-part formula with one portion addressing the bulk of special education population using a double weighting, the second part dealing with high cost situations outside of the district in a private agency, and the third portion going toward the regional programs.

300 SEN. DUKES recapped the discussion of an overall funding mechanism for special education and should not get involved with the individual districts.

340 ALAN TRESIDDER reviewed the three parts of the proposed funding formula for special education.

365 CHAIR CEASE reviewed the upcoming agenda for the Committee.

373 SEN. SMITH asked how the funds would flow between the state and districts for children in state operated group homes. Reference was made to Fairview.

400 Discussion follows regarding funding with the understanding that local school districts are paying for the education of special education children.

TAPE 87 SIDE

A

011 TERRY DRAKE acknowledged the intent of what should go into the funding formula that will be brought before the committee.

025 SEN. DUKES voiced concern in addressing the individual districts in a general equitable formula.

040 Discussion follows regarding the factors in the funding formula.

050 TERRY DRAKE explained the understanding of an educational funding formula with reference to a blackboard illustration. Discussion and questions are interspersed. EXHIBIT 2

095 SEN. GRENSKY asked how the state would reimburse individual districts for cost of special education using the time frame in SB 814.

105 TERRY DRAKE explained most factors in the distribution formula will be based on projected figures and adjusted accordingly.

120 SEN. GRENSKY asked when the money will be distributed to the individual districts and suggested factoring in special education costs

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after the start of school so the unexpected arrival of a high cost student will not strangle a district.

140 WALTER KOSCHER explained the current time line of payment to school districts which could be adjusted as necessary. Discussion follows regarding financial concerns of districts due to the time line of distributing funds.

162 JUDY MILLER presented general information regarding "at risk" youth. Many factors are available regarding "at risk" students but the problem is identifying the children.

190 JUDY MILLER discussed "at risk" variables in which data is available. Data is more readily available for the factors that are federally mandated. EXHIBIT 3

205 CHAIR CEASE questioned the DOE ability to gather necessary data requested by the committee.

210 JUDY MILLER continued discussing the federally funded programs including: Chapter 1, Neglected and delinquent, Migrant, Indian, and English as a Second Language.

245 JUDY MILLER continued discussing the listed variables. Discussion and

questions are interspersed. EXHIBIT 3.

360 JUDY MILLER addressed problems associated with trying to identifying a fair and equitable rate to pay school districts so all children will receive an adequate and fair education. EXHIBIT 3

390 JUDY MILLER explained data for each variable that is available at the district level. Data for the remaining variable can be obtained through other agencies.

TAPE 86 SIDE

B

002 SEN. SMITH commented that the variables could overlap and questioned how the DOE could figure the number of students to fund.

012 JUDY MILLER suggested developing a profile for each school district but first sort through the indicators of the rate components. EXHIBIT 4

024 SEN. BRENNEMAN questioned what the DOE is planning for the relationship of employment change and "at risk" students.

031 JUDY MILLER explained the shortage of staff makes it impossible to deal with all the variables.

041 CHAIR CEASE recapped the factors of available data and asked if there was a wide variable between these factors by school district.

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043 JUDY MILLER responded how the data is not uniform because the data is collected in different time frames.

052 CHAIR CEASE asked if the DOE could come up with a plan for a program that could go into effect by 1993.

060 SEN. SMITH suggested developing programs as a preventive measure to keep kids from falling into the "at risk" category.

081 SEN. GRENSKY referred to Exhibit 3 and questioned how school districts quantify the amount of money to deal with certain issues such as the homeless and foster care.

095 JUDY MILLER explained the variables such as homelessness are usually children who have missed a lot of school and the district would attempt to have a lower student/teacher ratio as well as work with other agencies. Discussion follows regarding the cost to serve the homeless children.

117 Discussion focused on crime and divorce rate as being indicators of "at risk" youth but are community based issues that cannot be traced back to individual students and cannot be addressed in a funding formula.

132 JUDY MILLER discussed choosing the variables that can be included in a funding formula by addressing the rate components listed in Exhibit 4.

143 SEN. GRENSKY presented a program which was successful in Josephine County and suggested using programs already in existence. Reference is made to peer relationships. Questions are interspersed.

178 SEN. GOLD pointed out that other bills this legislative session are dealing with preventive programs. The problem is lack of funds and it is important to maintain programs already in existence.

210 ARNIE LEPPERT explained that \$650 per student is spent for "at risk" programs by the federal government. The distribution formula for allocating federal funds was addressed.

223 CHAIR CEASE discussed SB 814 needs more specific data and suggested directing the DOE to develop a system to identify "at risk" children by school district with a suggested program and present it to the 1993 legislative session where adjustments can be made to quantify these needs.

245 SEN. SMITH asked if the intent was to do nothing with "at risk" youth

in SB 814.

255 CHAIR CEASE suggested including "at risk" youth in SB 814 as an intent to include it into the distribution formula starting for the 1993-95 biennium.

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060 Discussion centers on the 1992 school year and writing SB 814 to not include "at risk" youth until 1993.

265 SEN. GOLD urged to hold in place existing programs dealing with "at risk" youth.

296 Discussion follows regarding the wording and timing of implementing SB 814 .

318 SEN. DUKES voiced concern in the variables of "at risk" students in which most of them do not, and should not relate to a funding formula. Many programs already deal with many of the variables and maybe enhancement of those programs would be an answer. Could the DOE narrow down some of these variable that can be dealt with in the very near future?

359 Discussion follows using the "at risk" category in a formula

369 CHAIR CEASE would like to see the DOE thoroughly examine obtainable and unobtainable data then report back to the committee in the 1993 legislative session. A short term direction could be drafted for SB 814.

389 SEN. DUKES is not comfortable with the list of variables in Exhibit 4.

397 JUDY MILLER reviewed the available data that is obtainable by school district on the variables in Exhibit 4 but a profile report is not available for each district because the information is not uniform.

412 SEN. DUKES asked if the variables are significant enough to the education of a child to allocate funding in order to alleviate the problem.

426 JUDY MILLER responded most of the variables should not be included in a funding formula. A list could be developed of those variables that are the best indicators for funding. Judy Miller suggested to discontinue funding of individual targeted programs which prohibit districts to build a broader program that addresses "at risk" issues instead of the bits and pieces of money allocated for targeted programs.

TAPE 87 SIDE

B

023 SEN. DUKES asked if the list of significant quantitative factors could be provided in a week.

033 ARNIE LEPPERT explained that poverty is the one indicator to identify the "at risk" school districts. It was pointed out there is no correlation between poverty districts and low spending school districts.

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044 SEN. SMITH requested language in SB 814 protecting existing programs in the 1992 school year. Sen. Smith also agreed that funding targeted programs does not allow flexibility to build programs.

075 CHAIR CEASE asked the DOE to identify factors and the time needed to obtain usable data by school districts so a potential draft can be developed.

095 SEN. GOLD commented that the national statistic of "at risk" youth is 40 percent therefore requires a great deal of attention.

103 SEN. SMITH emphasized the state will never find the money if the need cannot be identified. The request was made to the DOE to provide additional information of "at risk" youth.

115 CHAIR CEASE requested poverty data by school district.

117 CHAIR CEASE discussed the upcoming agenda for the committee and adjourned the meeting at 2:51.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. District ADM/Special Education funding Categories, DOE, 3/26/91 - SB 814
2. Blackboard Illustration, LRO, 3/26/91 - SB 814
3. At Risk Variables, DOE, 3/26/91 - SB 814
4. Model Rate Components, DOE, 3/26/91 - SB 814
5. - SB 814 Schedule, LRO, 3/26/91 - SB 814

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