

Tapes 102-103, (A\B)
Public Hearing &
Work Session: SB 814
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE
April 8, 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 (arrived 1:35)
Senator Ron Grensky
Senator Bill McCoy
Senator Tricia Smith

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

Witnesses Present: Margaret Nichols, Superintendent Eugene Schools
Chuck Clemans, Education Coalition Advisory Commission
Chris Dudley, Education Coalition Advisory Commission
Ozzie Rose, Education Coalition Advisory Commission
Walter Koscher, Department of Education
Frank Hodapp, Tigard-Tualatin Schools
Madge Bauer, Oregonians for Fairness
MariAnne Gest, Oregon School Employee's Association
TAPE 102. SIDE A

005 CHAIR CEASE called the meeting to order at 1:24 and conducted administrative business.

PUBLIC HEARING SB - 814

020 CHUCK CLEMANS explained the Education Coalition Advisory Commission appointed by Superintendent Norma Paulus. A document (Exhibit 1) was presented explaining the position of the Education Coalition on the long term school finance formula (Exhibit 2) which was presented to the committee on 4/4/91. EXHIBIT 1 and 2

035 CHUCK CLEMANS supported the concept of a foundation program with weighting factors.

046 CHUCK CLEMANS reviewed the second point of the Coalition position as listed in EXHIBIT 1 which deals with the \$5/\$1000 local tax.

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065 CHUCK CLEMANS discussed the third point in EXHIBIT 1 making recommendations with regard to cost factors.

128 CHUCK CLEMANS continued addressing EXHIBIT 1 by explaining the fourth issue dealing with deducting other revenue from the State's obligation to fund schools.

152 CHAIR CEASE referred to the second point by asking if community colleges will be included in the five dollar.

162 CHAIR CEASE questioned if it is possible to obtain future data with regard to English as a Second Language (ESL).

175 CHUCK CLEMANS discussed ESL data. The assumption is to begin the school year with estimates and adjust the figures throughout the year.

180 CHAIR CEASE asked for a review of the current state payments to schools.

190 CHRIS DUDLEY and WALTER KOSCHER explained the timeframe for state payments to school districts.

200 CHAIR CEASE asked which fund sources are the federal funds subject to non supplanting rules. Reference was made to the Chapter 1 Program and categorical aid for handicapping conditions.

216 SEN. SMITH asked how low income is identified based on Chapter 1.

225 CHUCK CLEMANS responded that currently the free lunch program is an indicator for the poverty level under the Chapter 1 program.

235 Discussion continued regarding the federal programs.

242 CHRIS DUDLEY commented on the generalized Foundation Plan Formula in Exhibit 2 voicing concern in the target figure. Discussion of the other revenue was not to eliminate incentives to manage wealth. It was urged not to create disincentives on districts to be creative due to being locked into a certain type of funding. It was encouraged to continue with a per pupil type of approach.

299 CHAIR CEASE suggested a working group to develop a finalized formula to present to the committee.

312 SEN. SMITH asked for a suggested weighting on ESL students. It was responded that more information is necessary.

322 OZZIE ROSE commented on districts having been encouraged to save money during the next year and the committee should think about that while making decisions.

336 SEN. SMITH referred to the reimbursement system for transportation and voiced concern in districts cutting transportation. Detailed decisions should be left to the districts but the final decision of

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whether children should be transported maybe should not be micromanaging.

355 CHRIS DUDLEY referred to the policy decision of should transportation be required. Discussion regards the transportation grant as a separate entity and the proposed formula should resolve the problem of districts using transportation as a way to cut funds.

404 OZZIE ROSE discussed the value of the imbusement rather than the reimbursement approach.

413 SEN. SMITH asked for thoughts on how to deal with capital cost.

429 TERRY DRAKE explained how expenditures do cover some of the capital cost involved with transportation.

TAPE 103 SIDE

A

023 CHRIS DUDLEY discussed the capital cost of transportation. Reference is made to handling capital costs in a bond levy.

040 MARGARET NICHOLS discussed the issue of school districts having the flexibility to be creative with what resources are available. The education situation in Eugene was presented. EXHIBIT 3

141 CHAIR CEASE clarified the intent is not to earmark funding. Advice on the five dollar limit was questioned. Discussion follows regarding the five dollar limit.

159 MARGARET NICHOLS urged the committee to remember flexibility will bring

better results in Oregon Schools.

165 SEN. GRENSKY felt the creative flexibilities in Exhibit 3 are vague and asked for more specific concerns.

174 MARGARET NICHOLS exemplified transportation and specific programs as being up to the individual school districts to decide on need. As the committee works through the process it was urged not to get too specific on the programs which should be up to the individual districts.

202 SEN. GRENSKY reviewed the process of the committee to distribute the money on the various needs and now the districts want to do it their own way.

219 MARGARET NICHOLS felt the state will get better response for the dollar if districts are required to address their own individual needs.

243 FRANK HODAPP supported the proposed formula displayed in EXHIBIT 2 but offered suggestions for refinement. EXHIBIT 4

271 FRANK HODAPP explained and discussed the components in the proposed generalized foundation plan formula in Exhibit 2. The various components are addressed in EXHIBIT 4.

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330 SEN. GRENSKY asked if the double weighting suggested for the special education child was appropriate. Discussion follows.

352 SEN. SMITH asked for suggestions to improve the formula.

364 FRANK HODAPP responded that other states have formulas available.

374 FRANK HODAPP continued addressing the components of the foundation formula in EXHIBIT 4.

TAPE 102 SIDE B

008 FRANK HODAPP continued explaining the components of the foundation formula listed in Exhibit 4 with reference to transportation.

019 FRANK HODAPP discussed deductions for other revenues. EXHIBIT 4

054 Discussion follows regarding the redistribution of local property tax.

061 CHAIR CEASE questioned the weighting for growth as a component. Discussion follows.

080 FRANK HODAPP opposed bonding for busing and explained reasons.

095 MADGE BAUER read prepared testimony. EXHIBIT 5

111 MARIANNE GEST commented on the transportation formula presented and asked to add the age of the fleet of buses as a component in the formula. Suggestions for funding the capital costs for funding were presented. It was discussed that DOE should set standards for busing rather than the school districts. OSEA believes transportation must be mandated and guaranteed funding by the State. Reference was made to finding an alternative funding source. EXHIBIT 6

200 CHAIR CEASE adjourned the meeting at 2:40.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Coalition Position: SB 814 Draft

Foundation Formula, Education

Coalition, 4/8/91 - SB 814

2. Generalized Foundation Plan Formula, LRO, 4/8/91 - SB 814
3. Written Testimony, Margaret Nichols, 4/8/91 - SB 814
4. Written Testimony, Frank Hodapp, 4/8/91 - SB 814
5. Written Testimony, Oregonians for Fairness, 4/8/91 - SB 814
6. Written Testimony, OSEA, 4/8/91 - SB 814

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