

Tapes125-126, (A\B)

Work Session: SB 814

Work Session: HB 2550-A

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

April 23, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair (arrived 1:20)

Senator John Brenneman

Senator Shirley Gold

Senator Ron Grensky

Senator Bill McCoy

Senator Tricia Smith (arrived 1:12)

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Terry Drake, Legislative Revenue Office

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: John Marshall, Oregon School Board Association

John Danielson, Oregon Education Association

Chuck Clemens, Coalition for Equitable Education

TAPE 125. SIDE A

005 CHAIR CEASE called the meeting to order at 1:08 and conducted administrative business.

WORK SESSION - SB 814

010 CHAIR CEASE presented an update on the long term school distribution formula in SB 814. EXHIBIT 1

015 CHAIR CEASE discussed a working group has been meeting to develop a proposed formula for school funding. The working group was composed of: Norma Paulus, John Danielson, Ozzie Rose, John Marshall, Ron Chastain, Walter Koscher, Rick Burke, Frank Hodapp, Frank McNamara, Chuck Clemens, Terry Drake, and Senator Jane Cease.

055 SEN. GRENSKY voiced concern in the working group developing a formula that should be done in the committee. Discussion follows.

070 SEN. GRENSKY expressed, for the record, opposition to the working group meeting outside of the committee.

082 CHAIR CEASE explained that the working group developed the draft formula based on the factors that the committee approved, by vote, to include in a formula

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098 SEN. GRENSKY wanted it noted that this committee does not necessarily endorse what is presented in EXHIBIT 1.

127 TERRY DRAKE explained the components of the School Fund Formula (SFF) depicted in EXHIBIT 1.

189 CHAIR CEASE pointed out that the student weighting will need to be addressed by the committee.

195 TERRY DRAKE continued explaining the components of the School Fund Formula. EXHIBIT 1

260 SEN. GOLD discussed the committee needs to carefully address the issues involved in the components.

308 SEN. SMITH asked what a school district does if there is a sudden influx of ESL students.

317 TERRY DRAKE explained that flexibility of the various components has not been specifically decided.

354 TERRY DRAKE continued explaining EXHIBIT 1 pointing out the foundation of the formula is the weighting system.

370 TERRY DRAKE explained declining enrollment is a method of determining Average Daily Membership (ADM) and allows for a one year lag under the proposed formula which is similar to the current BSSF.

384 SEN. GRENSKY questioned the declining enrollment factor and the impact on the weighted components.

405 TERRY DRAKE continued discussing the SFF with regard to a transportation grant. The working group decided on an imbursement system for the first year and generate a better data source to determine a formula approach at another session. EXHIBIT 1

TAPE 126 SIDE

A

017 SEN. SMITH asked if the transportation grant would include equipment especially for districts that currently do not provide transportation.

025 Discussion follows regarding making transportation mandatory which was addressed on the committee level and questioned if the working group addressed transportation in that manor.

037 TERRY DRAKE continued explaining the SFF with regard to target adjustments. Reference is made to teacher experience. EXHIBIT 1

052 SEN. GRENSKY questioned adjusted target figures being the same for all districts.

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056 TERRY DRAKE explained that is correct but teacher experience would be adjusted based on cost of living in the various areas around the state. Reference is made to the collection of data on a statewide basis regarding cost of living.

080 TERRY DRAKE discussed the categorical aid component of the SFF which deals with issues that are not easily categorized.

095 Discussion follows regarding the categorical aid component of the formula.

102 SEN. SMITH questioned "excess maintenance".

107 TERRY DRAKE explained the excess costs are related to differential costs for specific districts with additional maintenance concerns.

116 Discussion follows with reference to maintenance cost covered by bonding.

120 SEN. GOLD commented on the fiscal office could provide data on what is current policy and funding for the categorical aid category.

132 Discussion follows regarding a review of the Department of Education budget and Human Resources.

136 TERRY DRAKE continued explaining the components of the SFF with regard to other revenues. Reference is made to the Common School Fund and the County School Fund being distributed on a per student basis. The remaining two "other revenues" are differentially distributed. EXHIBIT 1

155 TERRY DRAKE addressed the 25 percent of Federal Forest Fees components and explained the County Trust Forest Revenue refers to the local government from the Tillimook Burn.

183 TERRY DRAKE explained an attempt to include certain place holders. EXHIBIT 1

199 TERRY DRAKE explained the last component of the SFF is the subtraction of local property taxes which is what equalizes wealth.

210 TERRY DRAKE summarized the formula as offering a dramatically equalized system compared to the current system. The proposed formula is driven by weights, transportation needs, and other revenue sources.

233 JOHN MARSHALL explained how the long range formula was addressed in the working group with an attempt to develop a sound, policy based system.

250 JOHN DANIELSON explained the working group attempted to follow the priorities of the committee including transportation. A simplistic look at the proposed formula will move the high and low spending districts toward the middle causing some districts to replace current

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academic programs with transportation and maintenance. This is a necessary ingredient when moving toward a General Fund driven finance program.

281 JOHN DANIELSON discussed the theory behind the student counts involved in the weighting component of the formula.

309 JOHN DANIELSON addressed the difficulty in reconciling the Federal dollars into the proposed formula which must be used for a specific purpose. Reference is made to the differential treatment among the districts which will have to be dealt with along with the political issues including the offset of resources in the Tillimook burn and the offset of federal forest receipts.

350 CHAIR CEASE discussed the value of the working committee including the hands on experience of the schools and people involved.

372 CHUCK CLEMENS explained the deliberation of the working group began with principle and attempted to address the priorities brought forth by the committee. The intent of the working group is to bring forth a plan that will preserve some elements of local decision making and control.

TAPE 125 SIDE

B

003 CHUCK CLEMENS addressed the excess maintenance component of the formula. Reference was made to encourage districts to be more efficient in saving cost.

022 SEN. SMITH questioned the intent of providing more funds for excess maintenance or allowing a district to keep the money saved.

028 CHUCK CLEMENS responded the formula is set up to provide a grant but the other suggestion is worth studying.

036 JOHN DANIELSON addressed example districts having old, small buildings which is an inefficient operation. The component of the SFF is to deal with the differentiating problems around the state.

056 Discussion regards addressing the influx of ESL students by taking several student counts during the year basing the formula on actual student count.

060 CHAIR CEASE discussed the working group will continue working and come back to the committee with a draft. Discussion follows.

081 Discussion follows regarding weighting on the early grade level and "at risk" category.

089 Reference is made to the working group returning to the committee with a draft but the final decisions will be made by the committee.

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112 SEN. DUKES felt the cost of living factor could be eliminated because the things targeted in cost of living do not effect education.

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146 Discussion follows regarding the timber issue being too complex to address with the time remaining in the meeting today.

180 CHAIR CEASE conducted administrative business and adjourned the meeting at 2:17.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager  
EXHIBIT SUMMARY

1. School Fund Formula, LRO, 4/23/91 - SB 814

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