

Tapes 145(A\B), 146(A)

Work Session: SB 814

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

May 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 (arrived 1:25)

Senator Shirley Gold (arrived 1:30)

Senator Ron Grensky

Senator Bill McCoy

Senator Tricia Smith

Staff Present: Terry Drake, Legislative Revenue Office

Steve Bender, Legislative Revenue Office

Mary Ann Zimmermann, Committee Assistant

TAPE 145 SIDE A

005 CHAIR CEASE called the meeting to order at 1:18 and conducted administrative business.

WORK SESSION - SB

814

018 CHAIR CEASE presented an update on the School Fund Formula (SFF) being developed by a working group 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. EXHIBIT 1

025 CHAIR CEASE commented there was difficulty in obtaining information relating to the K-3 grade level status.

038 TERRY DRAKE reported further contact with the Education Commission of the States (ECS) and Dr. John Augenblick who have reported positive feedback regarding the drafted formula in EXHIBIT 1. General comments have involved how well can the formula be carried out and a written commentary will be available from ECS by May 13.

077 TERRY DRAKE presented an overview of the formula and all components are ready for a simulation run of figures except for transportation. Transportation data is still missing on about 100 school districts. Until all the districts have responded there will be some error on the simulation runs which will be made from estimated figures on the missing districts.

These minutes paraphrase and/or summarize statements made during this meetings. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Senate Committee on
Revenue and School Finance
May 8, 1991 Page 2

104 TERRY DRAKE discussed the components of the Average Daily Membership (ADM) student weighting. The first column refers to the additional amount of weight that would be given and the second column is the total multiplier. The student weighting is the fiscal driver in the formula.

117 TERRY DRAKE addressed the special education component pointing out an important factor to remember is special education is proportionally distributed across the state therefore will have little impact on the redistribution of funds.

120 TERRY DRAKE explained the poverty component (at risk) has a great disparity across districts and the disparity is what causes the cost to rise. The total impact is lessened because there is a small amount of student weighting in the poverty component.

137 SEN. GRENSKY questioned where the figures came from regarding the poverty portion of the "at risk" component.

145 STEVE BENDER explained the data is provided by Federal Census data with adjustments for enrollment and the information is not obtained from school districts.

155 STEVE BENDER continued explaining how the poverty data is used to estimate the "at risk" component in the distribution formula.

165 Discussion follows regarding the poverty data. Reference is made to the 1980 census data and by the time the formula is in place the 1990 census information will be available.

190 STEVE BENDER commented on the committee interest in other measures of low income beside the poverty level such as the number of students at some level of income that is higher than the poverty level. The U.S. Department of Education had not planned to provide the information but agreed to make the data available.

203 SEN. DUKES commented on the national percentage of poverty children currently not in school. Discussion was to reduce the percentage of children not in school using the decennial poverty children count

215 STEVE BENDER responded there would need to be a district by district adjustment for data (nonschool children) to be worked into the distribution formula. More information can be gathered but the data will not be able to be presented on a district by district basis.

241 TERRY DRAKE pointed out the data collected for the poverty component of the SFF is enhancing poverty in rural areas.

256 TERRY DRAKE discussed another weighting component in the formula, English as a Second Language (ESL) and is showing substantial variation among the districts. Reference is made to school districts with large numbers of ESL students which will impact the distribution of funds.

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Senate Committee on
Revenue and School Finance
May 8, 1991 Page 3

298 SEN. GRENSKY questioned the source of the ESL data and how current are the figures. The response was from the Department of Education (DOE) with respect to the 1990-91 data.

306 TERRY DRAKE explained the data for the Special Education component also came from the DOE for 1990-91.

311 TERRY DRAKE continued discussing the components of the School Fund Formula (SFF) with reference to grade level. It was pointed out that available data has a breakdown for K-8 and 9-12. The K-3 figures in EXHIBIT 1 are an estimate from the K-8 figures.

338 Discussion follows regarding the figures in the breakdown of the grade level component of the SFF. Reference was made to the greater weighting on the K-3 grades.

450 Discussion includes reference to SB 111 which provides educational goals.

TAPE 146 SIDE
A

027 SEN. DUKES commented on weighting according to grade level.

043 TERRY DRAKE pointed out the weighting on K-12 districts have little impact but the impact is in Unified High Schools. It is a policy question of where the money should be directed.

063 SEN. DUKES questioned the reason for why the component of grade level is included in the SFF.

074 Discussion follows regarding the weighting component of grade level.

104 SEN. GRENSKY suggested the figures should all be presented before any policy questions can be addressed.

115 Discussion continued whether more data needs to be derived from districts regarding grade level weighting. Reference was made to the difficulty in the 300 districts around the state reporting back the necessary data.

155 SEN. GOLD referred to a value judgement and recommended a 1.2 weighting placed on the K-3 grade level instead of a 1.15.

173 TERRY DRAKE explained the altering of the small school component of the formula as compared to the previous update on the SFF formula on April 23, 1991 to the Senate Revenue Committee.

178 STEVE BENDER discussed the change to the small school component which alleviates a "cliff effect" of schools near the borderline. The new proposal will smooth out the effect and parallels the current weighting system in regard to small and necessary schools.

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Senate Committee on
Revenue and School Finance
May 8, 1991 Page 4

221 TERRY DRAKE discussed the teacher experience component of the SFF. Data on teacher experience by district was gathered through the DOE. It was pointed out that the state wide average of teacher's years of experience is 13 years. The cost differential does vary among the districts.

252 SEN. BRENNEMAN asked if the average varies from year to year.

257 TERRY DRAKE explained how the teacher experience component is an attempt to adjust for teacher cost differential by using experience. Using assumptions on class size is needed because everything in the formula is based on a per student basis unless a separate grant is used.

325 SEN. GRENSKY questioned the statewide disparity of teacher differential and also addressed the aspect of collective bargaining with the teacher differential included in the formula.

359 TERRY DRAKE responded there could be an interactive causeeffect aspect.

371 Discussion follows regarding the teacher experience component.

390 SEN. GRENSKY asked about the cost of living component.

394 CHAIR CEASE recalled the cost of living component must have a mandate from the committee to gather the necessary data. Reference was made to the Executive Department is looking at the feasibility in timing and cost to develop the cost of living index. Discussion follows.

TAPE 145 SIDE

B

014 SEN. DUKES questioned having the cost of living as a component in the SFF because it does not impact the operation of a school.

031 SEN. SMITH supported having the availability of cost of living data since it would be important information in many of the legislative committees.

046 Discussion follows regarding the cost of living data.

057 SEN. GOLD asked to have data on the fiscal impact made available of the components listed under the categorical aid factors in EXHIBIT 1. The value question was also raised dealing with what the Committee should do with the categorical aid components.

070 SEN. GOLD requested Legislative Fiscal report to the committee on the categorical aid components. It was also requested to include the 3-4 year old intervention program and the HB 2020 Grants in the categorical aid factors.

088 SEN. SMITH asked for an update on the transportation data.

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Senate Committee on
Revenue and School Finance
May 8, 1991 Page 5

090 TERRY DRAKE explained a questionnaire was sent to the districts requesting adjustments in their current approved program costs. Capital replacement costs are built into the existing approved transportation cost. The holdup on the transportation data is waiting for the school districts to reply with the necessary information.

114 CHAIR CEASE conducted administrative business and adjourned the meeting at 2:23.

Mary Ann Zimmermann, Committee Assistant
Kimberly Taylor, Office Manager
EXHIBIT SUMMARY

1. School Fund Formula, LRO, 5/8/91 - SB 814

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