

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 12:17 p.m. on April 5, 2001 in Room 231-N of the Capitol.

All members were present except: Senator Schodorf, (excused)

Committee staff present: Avis Swartzman, Revisor of Statutes
Ben Barrett, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Judy Steinlicht, Secretary

Conferees appearing before the committee:

Others attending: See Attached List

Substitute for HB2051--School Finance

Chairman Umbarger stated that he felt the Senate had a good discussion on the Senate floor yesterday and that it was good to get input from the other Senators who are not members of the Senate Education Committee. The Committee felt that the Senate as a whole wanted more than the Governor proposed in his State of the State address, but less than proposed by the Senate Education Committee. The Senate as a whole was not particularly interested in the carbonated beverage tax as a source of income and the House has expressed no interest in any increase in tax.

The problem today is greater because of the announcement yesterday of lower than expected revenues being taken in by the State. We may have to look at paring down some of the incentive plans, but the needs have not changed. The Committee will have to identify and verify the legitimate needs and put together a program to address the needs and then find ways to fund those needs. Taxes were cut a lot in 1998 and a lot of money was spent in 1999 and now the economy is declining and we may need that money back in the form of a tax increase.

Increasing property tax locally is not a fair and inequitable way to raise money for school districts because raising the mill levy raises larger amounts of money in some cities than in others. The LOB was initially meant to provide enhanced education. Local school boards have been forced to use LOB's to fund basic education. If the Legislature had funded the program as they should have, LOB's would not have to be discussed and we would not have two lawsuits facing the Legislature now. One will be tried in December in time for the Judge to tell the Legislature what they will have to do next year in school finance if this problem is not solved this year.

It was suggested that we address the crisis this year, such as teacher salaries and special education and work on a long term plan next year. For a long term plan, a summer study may be needed to invite school district administrative people in to tell the Committee what is needed and to find out where districts can be made more efficient. Through the School Finance Study included in the bill, it is the hope that information can be gathered and then studied to propose a long term plan.

A suggestion was made that the Committee should determine a school finance plan and let the funding be figured out by Ways and Means. The majority of the Committee, however, felt that the education proposal and the funding proposal need to be kept in the same bill. It is feared that some would vote in favor of the education plan, but vote against a tax increase for the funding. It is not too late to get a bill passed. There is still time. The Committee needs to scale back and develop a policy, come to a consensus and then go to the Tax Committee to partner development of a funding plan. It was stated that we may not be able to provide the incentives that were wanted, but the Committee must at least make up for the lapse of funding that has occurred in terms of inflation since 1992.

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Chairman Umbarger asked the Committee to prioritize what is most important to them of the items that are included in the bill now. The Committee was in agreement that adding money to the base state aid was the number one priority. Special education funding was second and correlation weighting third. The four-year-old at risk program and teacher's salaries were the next priorities.

The discussion today was that the Committee would want to keep Base State Aid, Special Education, Correlation Weighting, Four Year Old At-Risk, School Finance Study and Compulsory Attendance Extension in the bill. At risk would be reduced to the Governor's original proposal. Extended Learning Time and Alternate Compensation Plan would be reduced or possibly phased in. The National Board Certification and Compensation for Outstanding Schools would be dropped. This will give the Committee some criteria to look over and this will be open for discussion at the next meeting.

Chairman Umbarger stated his intention would be to have another meeting tomorrow to devise a plan with funding. Meeting adjourned at 2:00 p.m.