



Testimony before the House Committee on Revenue
April 20, 2011

In Support of House Bill 3622

Thank you Co-chair Berger, Co-chair Barnhart and members of the committee. For the record, my name is Betty Komp, I represent House District 22, which includes the cities of Woodburn and Gervais, as well as NE Salem.

Before you today is House Bill 3622, which would adjust the way school districts are reimbursed for costs associated with transportation. When our school transportation formula was created, it had an emphasis on ensuring equity between school districts. Colleagues, this was wise then and is wise now.

For the past four years, I've been working on legislation to change our current system. Recently, I've met with stakeholders and advocates on ideas that would work for our students and for our schools. Participants included:

- Laurie Wimmer, Oregon Education Association
- John Tapogna, ECONorthwest
- Oregon School Boards Association
- Confederation of Oregon School Administrators
- Chalkboard Project
- Oregon School Employees Association
- And several school districts around the state

Many ideas were discussed. All were innovative and prudent. We considered incentivizing the utilization of walking and public transportation to cut costs. We discussed block grants, as well as using a variation of the current formula. Now, we have a finished product.

House Bill 3622 would replace the current reimbursement structure that school transportation operates under with a block grant given to school districts.

This block grant will:

- Initially be based on the average of the transportation grants from the past three school years.
- Be revised yearly based on ridership and other inflationary costs as determined by the School Revenue Forecast Committee.
- Encourage cost savings by allowing school districts to keep any money left over from the grant.

HB 3622 will empower local school districts to be innovative *and* give control of school transportation back to the local school boards. One thing that was very important for advocates to maintain is the equity our current system maintains. HB 3622 will preserve that equity.

Colleagues, I've heard a lot of comments as to whether our current system needs fixing. The answer is a strong yes. We need to create incentives that will result in more money being spent in the classroom. This bill creates those incentives, with cost savings staying in the district.

The *Forest Grove News-Times* recently reported that the Forest Grove School District is considering closing Gales Creek Elementary School and shifting those students to Dilley Elementary, even though transporting them would end up costing more than the savings. When faced with this, the district "indicated those costs aren't a big concern for them because the state pays 75 percent of all transportation costs". This is egregious.

I acknowledge that transporting our students is fundamental. If they don't get to the classroom, they don't learn. However, in this tough budget environment, we need to find as many savings and efficiencies as possible.

HB 3622 would maintain safety and incentivize those costs savings we're looking for.

With me is John Tapogna from ECONorthwest. He's going to explain a little more what this concept means for our school districts.