

SENATE COMMITTEE ON RULES

July 14, 2005
1:00 P.M.

Hearing Room B
Tapes 162 - 164

Corrected 10/28/05

MEMBERS PRESENT: Sen. Kate Brown, Chair
Sen. Ted Ferrioli, Vice-Chair
Sen. Jason Atkinson
Sen. Charlie Ringo
Sen. Frank Shields

VISITING MEMBER: Sen. Richard Devlin

STAFF PRESENT: Tiffany Harris, Committee Administrator
Dawn Tusso, Committee Assistant

MEASURE/ISSUES HEARD:
Governor's Education Investment Plan – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 162, A		
003	Chair Brown	Calls meeting to order at 1: 09 p.m. and opens a public hearing on the Governor's Education Investment Plan.
<u>GOVERNOR'S EDUCATION INVESTMENT PLAN – PUBLIC HEARING</u>		
	Tiffany Harris	Committee Administrator. Submits LC 3739 (EXHIBIT A) and a press release from Governor Kulongoski (EXHIBIT B).
008	James Sager	Governor's office. Submits and discusses an overview of the Governor's education investment proposal (EXHIBIT C). Offers background information regarding the Governor's proposal.
062	Sager	Provides overview of the elements of the education enterprise: <ul style="list-style-type: none">• Pre-K• K-12 State School Fund• Oregon Community College and Workforce Department• Community College Support Fund• Oregon University System• OHSU• OSAC• Oregon Department of Education
075	Sager	Continues overview of the Governor's education investment proposal. Reports that the Governor wants to dedicate 61% of the general fund to the education enterprise. Comments that the Governor supports the proposal that has passed through the legislature that increases the cap from 5% to 10%.
120	Chair Brown	Asks if the proposal he is speaking of is SJR 2 (2005).
122	Sager	Replies yes.

123	Sager	Continues overview of the Governor's education investment proposal.
174	Sen. Avel Gordly	Senate District 23. Thanks the Governor and Speaker of the House for elevating the conversation regarding education funding. Talks about the importance of providing an education budget. Supports investment in the education enterprise.
250	Sen. Gordly	Discusses the Governor's education investment proposal. Stresses importance of having support for low performing schools. Says that component is needed in the education plan that is adopted. Believes we need a plan that permits Portland to retain its property tax formula.
278	Sen. Gordly	Concludes testimony.
289	Sen. Ferrioli	Asks if they are aware of negotiations between the Governor and the Speaker of the House.
305	Sen. Gordly	Defers to Mr. Sager.
308	Sager	Replies that they have had conversations. Discusses conversations.
325	Sen. Ferrioli	Asks if the conversations have been ongoing.
326	Sager	Replies yes.
327	Sen. Ferrioli	Comments that he welcomes that news. Feels it has not been widely known. Says that he expected the Governor to be here today to give the presentation himself.
332	Sen. Gordly	Explains that the Governor is meeting with a delegation from Japan right now.
346	Sen. Ferrioli	Offers comments and asks what the Governor's plan does to help deal with increasing accountability in the system.
371	Sen. Gordly	Defers to Mr. Sager.
375	Sager	Responds to Sen. Ferrioli's comments and questions.
TAPE 163, A		
001	Sager	Continues response to Sen. Ferrioli's questions.
009	Sen. Gordly	Speaks to Sen. Ferrioli's question regarding the Governor's plan for providing more accountability.
034	Chair Brown	Talks about SB 639 (2005) and SB 766 (2005). Believes that both of those bills will put more administrative dollars into the classrooms. Asks where the Governor stands on both of those measures.
041	Sager	Replies that the Governor supports SB 639. Explains that he has not had conversations with the Governor regarding SB 766.
069	Sen. Atkinson	Makes comments regarding the legislature. Thanks Sen. Gordly for raising the decorum.
074	Sen. Shields	Comments that there is some concern that when such a large amount of the budget is dedicated to education, that the human services budget will suffer. Asks how they should make decisions regarding the budget with that in mind.
084	Sen. Gordly	Responds to Sen. Shields' question.
122	Sen. Shields	Asks if one budget can be supported without the other or if one can be supported before the other or if they both have to be supported together.
133	Sen. Gordly	Responds that we have to start somewhere. Says we have the opportunity to address the big picture.
159	Sen. Devlin	Addresses Mr. Sager.
165	Chair Brown	Asks Sen. Devlin to hold his questions for Mr. Sager until all questions directed to Sen. Gordly have been addressed.
172	Sen. Ferrioli	Says that he did not understand the connection between the

		Governor's plan and the need for a new revenue source. Appreciates Sen. Shields' and Sen. Gordly's comments on that issue.
183	Sen. Devlin	Asks Mr. Sager about the 61% of the general fund. Asks if he is using the broadest definition of the general fund.
194	Sager	Replies that he is using the general fund as it is now defined.
198	Sen. Devlin	Asks if the Governor has found any real structural problems. Points out a structural problem with community colleges.
218	Sager	Responds.
233	Sen. Devlin	Asks for Mr. Sager to comment on how the quality education model (QEM) is misjudged and how it can be useful as a tool. Asks if there should be a Pre-K through 20 QEM.
244	Sager	Replies that the Governor would not disagree with that kind of concept. Responds to Sen. Devlin's questions.
280	George Pernsteiner	Chancellor, Oregon University System. Testifies in support of the Governor's education enterprise plan. Believes that the Governor's proposal is a good first step.
359	Preston Pulliams	District President, Portland Community College. Submits written testimony (EXHIBIT D). Testifies in support of the Governor's education enterprise plan.
TAPE 162, B		
001	Pulliams	Concludes testimony.
007	Cam Preus-Braly	Director, Department of Community Colleges and Workforce Development. Testifies in support of the Governor's education enterprise plan.
027	Sen. Shields	Asks how people around the country are responding to Oregon's ratings in terms of its investment in education per student.
035	Pernsteiner	Discusses responses.
077	Pulliams	Discusses direct impact of the funding level in Oregon.
103	Sen. Ringo	Comments on testimony. Thanks witnesses for their testimony.
117	Pulliams	Responds to Sen. Ringo's comments.
122	Vice-Chair Ferrioli	Directs questions to the panel. Comments on how the Governor's plan and the Speaker of the House's plan would have an effect on other services. Asks how they will respond in the community when the needs of the students cannot be met with general fund dollars because of the relative dedication to education.
156	Pernsteiner	Responds that it is a difficult tradeoff. Says that an investment in education overtime could and should mean a lower demand for other services that otherwise would be the case. The hope is that if there is a more educated citizen rate then there will be a more robust economy.
166	Pulliams	Responds to Sen. Ferrioli's question.
183	Vice-Chair Ferrioli	Comments that they are in an awkward position as well because they are ending up as the poster children for additional revenue for Oregon.
224	Molly Adams	Stand For Children. Submits written testimony (EXHIBIT E). Testifies on the Governor's education enterprise plan.
280	Tricia Smith	Oregon School Employees Association. Submits written testimony (EXHIBIT F). Testifies on the Governor's education enterprise. Expresses concerns with the Governor's education enterprise proposal.
360	Smith	Points out that the constitution does not allow the legislature to set a percentage of available revenue as the amount to fund

368	Smith	education. Reads article 8, section 8 of the constitution. Continues discussing concerns with the Governor's education enterprise proposal.
TAPE 163, B		
001	Smith	Concludes testimony.
004	Marcia Kelley	American Association of University Women (AAUW) of Oregon. Testifies on the Governor's education enterprise proposal.
051	Vice-Chair Ferrioli	Asks staff to submit Marcia Kelley's written testimony that was submitted at a prior hearing.
053	Kelley	Submits written testimony (EXHIBIT G).
054	Sen. Ringo	Asks where the tax statistics referenced are from.
055	Kelley	Responds that they are from the Council on State Taxation. Says the figures are from 2003.
063	Sen. Shields	Mentions references to sufficient funds. Says that Oregon's definition of sufficient is insufficient.
073	Smith	Responds to comment.
087	Laurie Wimmer Whelan	Oregon Education Association. Testifies on the Governor's education enterprise plan. Submits written testimony (EXHIBIT H).
173	Andi Jordan	Oregon Parent Teachers Association. Testifies on the Governor's education enterprise plan.
211	Kathryn Firestone	Coalition for Schools. Testifies on the Governor's education enterprise plan.
240	Vice-Chair Ferrioli	Asks if the issue is sufficiency and adequacy and not necessarily stability.
250	Sen. Shields	Believes that the witnesses addressed that issue and that is why he did not have any questions for them.
253	Vice-Chair Ferrioli	Asks Ms. Jordan if she has written testimony that she can submit to the committee.
254	Jordan	Replies yes. Submits written testimony (EXHIBIT I).
266	Vice-Chair Ferrioli	Comments on testimony. Asks Mr. Sager how the Governor plans to deal with the dedication of 61% of the general fund to education and the effect it will have on social services, human services, and public safety.
273	Sager	Responds to Sen. Ferrioli's question.
313	Sen. Shields	Comments on the issue of addressing all services.
323	Sager	Addresses Sen. Shields' comments.
346	Vice-Chair Ferrioli	Asks Mr. Sager if there is a mechanism for characterizing the educational attainment of the Asian and European countries with which we will compete in comparison with those educational attainments of Oregonians.
380	Sager	Responds that Oregon's standards have been reviewed and compared to international standards by ACHIEVE.
TAPE 164, A		
001	Sager	Continues response to Sen. Ferrioli's question.
009	Vice-Chair Ferrioli	Asks about the 51%.
011	Sager	Replies no.
012	Vice-Chair Ferrioli	Asks how they got to 61%.
013	Sager	Explains how they reached 61%.
021	Vice-Chair Ferrioli	Clarifies that he does not believe any new revenue is needed to accomplish the objective.
022	Sager	Responds that it is his contention that by providing this approach as a floor, it will provide predictability and stability.

024	Vice-Chair Ferrioli	Asks about the revenue side of the equation.
024	Sager	Believes that the revenue will be there.
028	Vice-Chair Ferrioli	Asks about the question of adequacy. Asks if the approach will deal with adequacy and stability or if it focuses on stability.
032	Sager	Says that the Governor sees it as dealing with stability and beginning the reinvestment into the system.
044	Sen. Shields	Appreciates the discussion. Expresses concerns.
050	Vice-Chair Ferrioli	Closes the public hearing and adjourns the meeting at 3:07 p.m.

EXHIBIT SUMMARY

- A. Education Investment Plan, Governor's (LC 3739), staff, 26 pp**
- B. Education Investment Plan, Governor's (LC 3739), press release, staff, 2 pp**
- C. Education Investment Plan, Governor's (LC 3739), proposal overview, James Sager, 1 p**
- D. Education Investment Plan, Governor's (LC 3739), written testimony, Preston Pulliams, 2 pp**
- E. Education Investment Plan, Governor's (LC 3739), written testimony, Molly Adams, 2 pp**
- F. Education Investment Plan, Governor's (LC 3739), written testimony, Tricia Smith, 3 pp**
- G. Education Investment Plan, Governor's (LC 3739), written testimony, Marcia Kelley, 5 pp**
- H. Education Investment Plan, Governor's (LC 3739), written testimony, Laurie Wimmer Whelar**
- I. Education Investment Plan, Governor's (LC 3739), written testimony, Andi Jordan, 1 p**