

**SENATE SPECIAL COMMITTEE ON BUDGET – 2005 SESSION
EDUCATION SUBCOMMITTEE**

TAPE LOG

**Date: June 28, 2005
Tapes: 16B, 17A, 18A**

This tape log summarizes committee proceedings. For complete content and intent, please refer to tapes.

Tape / Counter	Speaker	Comments
Members Present: Senator Devlin, chair; Senators Gordly, Nelson, Walker, Whitsett,		
Members Excused:		
TAPE 16B		
003	Chair Devlin	Calls the meeting to order at 1:00 p.m. Opens a Public Hearing on SB 228 – Relating to Physical Education. (Exhibit #1, Senate Bill 228).
SB 228 – RELATING TO PHYSICAL EDUCATION PUBLIC HEARING		
010	Adrienne Sexton, Legislative Fiscal Office (LFO)	Refers to (Exhibit #2, Preliminary Staff Measure Summary and attachments) . Explains that the measure establishes a minimum amount of participation in physical education (PE) by K-8 public school and public charter school students; kindergarten through grade 5 are required to participate in 150 minutes each school week; and students in grades 6 through 8 are required to participate in 225 minutes each school week.
038	Chair Devlin	Indicates that he has conferred with Sen. Schrader regarding the fiscals being done before the bill goes to the floor.
046	Sen. Peter Courtney District 11	Provides written testimony (Exhibit #3) . Testifies in support of SB 228. Comments on the obesity level which is increasing by 62 percent from 1994 to 2001. Comments about the life expectancy of today's children which is projected to be less than their parents. Indicates that schools are not currently required to provide PE classes. Discusses the magnitude of the opposition to the bill.
129	Sen. Walker	Expresses her disappointment about the inability to spend 13 million dollars for the bill. Asks if this has become a resolution and only begins the discussion.
140	Sen. Courtney	Comments that he will see what happens in the subcommittee, full committee and on the floor. Believes it is more than a resolution. Indicates that the jury is still out.
152	Sen. Walker	Indicates that her bill file is very thick and they listened to a lot of testimony. Comments that she doesn't like the way the bill has been watered down. Supports the bill but wants a greater discussion about this in our communities, state and with our federal partners.
174	Chair Devlin	Believes that the bill in its current state is more than a resolution and will lead to some actions being taken. Knows that the need is very clear and present but the difficulty is that the dollars just aren't there for a lot of items.
202	Sen. Whitsett	Indicates that he will support the bill in committee and on the floor. Likes the concept but doesn't like the way the bill is written. Comments about the requirements needed for a person to teach physical education.
233	Sen. Gordly	Thanks President Courtney for his leadership on the issue. Points out an irony that is stated in the staff measure summary in the

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		background statement. Reads the last two sentences of Exhibit #2 into the record. Believes the Legislative body is very inconsistent on how they establish public policy and then fund it or don't fund it. Comments on the inadequacy of revenue that leaves Oregon in the bind. Discusses her physical education school experiences.
280	Chair Devlin	Closes the Public Hearing. Opens a Work Session on SB 228.
SB 228 – RELATING TO PHYSICAL EDUCATION WORK SESSION		
284	Sen. Gordly	MOVES to adopt the -1 amendments.
286	Sen. Walker	Indicates that it is a good bill and gets the discussion on the table.
294	Chair Devlin	Vote: 5 – 0 – 0 Aye: Senators Gordly, Nelson, Walker, Whitsett, Chair Devlin Hearing no objections, declares the motion CARRIED .
296	Chair Devlin	Agrees to accept a motion.
298	Sen. Gordly	MOVES SB 228, as Amended, to the Full Senate Budget Committee with a Do Pass recommendation.
299	Chair Devlin	Vote: 5 – 0 – 0 Aye: Senators Gordly, Nelson, Walker, Whitsett, Chair Devlin Hearing no objections, declares the motion CARRIED .
305	Chair Devlin	Closes the Work Session on SB 228 Opens a Work Session on SB 5604.
316	Sen. Walker	Comments on needing to be to another committee which begins at 1:45 p.m.
SB 5604 – OREGON HEALTH AND SCIENCE UNIVERSITY WORK SESSION		
322	Steve Bender, Legislative Fiscal Office	Refers to (Exhibit #4, Memorandum from Steve Bender dated June 27, 2005), (Exhibit #5, Version Comparison Cheat Sheet), (Exhibit #6, Senate Bill 5604) . Explains Exhibit #5 which shows the difference between the Senate and House budgets for the agency. Informs that Nursing, CDRC and Rural Health/AHEC programs were restored in the Senate budget.
TAPE 17A		
003	Sen. Nelson	Asks what the cuts in hospitals and clinics actually mean.
005	Steve Bender	Responds that it is a reduction from the level of general fund that was provided to the hospital and clinic's budgets in the 03-05 biennium.
010	Chair Devlin	Asks if the largest portion was for under-compensated care.
012	Steve Bender	Agrees that a large portion of patients fell into that category.
013	Sen. Nelson	Clarifies that the cuts will basically be hurting patients.
014	Steve Bender	Indicates that the cuts will provide less funds to support the operations of the hospitals and clinics.
022	Chair Devlin	Adds that part of the discussion was, should the cuts stand there has to be a greater discussion in the Portland Metropolitan area

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		about hospitals more equitably sharing the cost of under-compensated care.
027	Sen. Nelson	Indicates that they are hurting the poorest of the poor.
028	Chair Devlin	Comments about the big debate going on regarding the issue.
036	Sen. Walker	Indicates that OHSU has complained about taking on the greater amount of the care of under-compensated individuals in the Portland area. Also discusses the issue of funding OHSU since they have become a private corporation.
046	Chair Devlin	Responds about a possibility of budget note regarding her first issue and also discusses the budget note that was drafted in regards to her second issue.
057	Sen. Gordly	Appreciates Sen. Nelson's question which needs more clarity. Looks at the budget note on page 2 in Exhibit #4.
069	Chair Devlin	Clarifies that it is a statement about all items that use general funds.
073	Sen. Gordly	<p>Informs that she isn't talking about under-compensated care.</p> <p>Also points out a second part in the budget note and looks at the language in the last sentence of the budget note. Asks if that gets out what Sen. Nelson was asking.</p>
089	Sen. Nelson	Responds yes and then elaborates on the intent about the poison center.
092	Steve Bender	Mentions that the budget note is similar to the one in the House budget bill. Explains that OHSU believes that they can maintain their offerings under the House version but under the Senate version they won't be able to preserve all of their offerings.
114	Chair Devlin	Indicates that these are just the add-backs to the Governor's budget.
122	Steve Bender	Comments that they expect tuition rates to be different.
124	Chair Devlin	Agrees it doesn't define the differential.
128	Steve Bender	Discusses the LFO recommendations. Also comments on the performance measure recommendations.
160	Chair Devlin	Comments on the discussion he had with the chair regarding the performance measures and the attempt to reduce the number of performance measures.
170	Sen. Whitsett	Indicates that he received information on the retirement and medical benefits and wants to share it with the committee. Notes that they did an admiral job of reducing their costs. Believes that private enterprise might actually work because they have significantly reduced their costs.
202	Chair Devlin	Looks for a clarification on the PERS and asks if they have an unfunded liability bond.
213	Lesley Hallick, Provost, Oregon Health and Sciences University	Doesn't believe so, but agrees to find out and let her know.
214	Chair Devlin	Confirms that their employees participate as a distinct unit from State government now.
217	Leslie Hallick	Responds yes.
219	Chair Devlin	Comments on the health care issue noting that OHSU's employees

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		are younger and healthier.
228	Sen. Whitsett	Doesn't believe that that is the most important issue but sees management changes have brought down the cost of medical premiums and have overall greatly reduced the premium.
236	Leslie Hallick	Agrees.
238	Sen. Whitsett	Would really like to receive a comparison of OHSU compared to another public entity like Kaiser Permanente to see how they are doing.
243	Leslie Hallick	Agrees to try to obtain that.
246	Chair Devlin	STANDS AT EASE AT 1:52 P.M.
247	Chair Devlin	RECESSES BRIEFLY.
247	Chair Devlin	Reconvenes at 2:02 p.m. and informs the committee that Diane Myers' last day is this Friday and she will be going full time to the Worker's Compensation Board. Offers their congratulations.
		RECESSES BRIEFLY.
258	Chair Devlin	Reconvenes at 2:07 p.m.
		Agrees to accept a motion.
268	Sen. Gordly	MOVES the LFO recommendations on SB 5604 to the Full Senate Budget Committee with a Do Pass recommendation.
270	Chair Devlin	Asks for any discussion.
274	Sen. Nelson	Indicates that he will be a no vote on the budget. Does see some humor in all of this. Comments about the budget impasse. Expresses concern if this turns out to be their last vote on the budget. Notes that he just doesn't feel good about the budget as it is. Asks the other Senators where there heart and passion is.
341	Chair Devlin	Notes that he is about to lose his third vote.
		Notes that there is a motion on the floor.
350	Sen. Walker	Does have heart and compassion and does hear Senator Nelson and doesn't believe this will be the last version.
361	Sen. Gordly	Notes that they are voting on a good number of budgets that are inadequate. Appreciates what Sen. Nelson is saying and believes that there are some ironic role reversals going on in the Legislative process. Comments on the choices in front of them on any given day. Believes until they meet the inadequacy for Oregon's growing needs they will keep having this level of conversation which is only helpful to a point.
413	Chair Devlin	Vote: 3 – 2 – 0
		Aye: Senators Gordly, Walker, Chair Devlin
		No: Senators Nelson, Whitsett
		Declares the motion CARRIED.
		Opens a Work Session on SB 247-A

**SB 247-A – RELATING TO DISPUTE RESOLUTION
WORK SESSION**

420	Steve Bender	Refers to (Exhibit #7, Senate Bill 247), (Exhibit #8, Dispute Resolution Programs, SB 247-A), (Exhibit #9, Staff Measure
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Summary), (Exhibit #10, Letter from Hardy Myers dated June 28, 2005 in support of SB 247-A).		
TAPE 18A		
009	Steve Bender	Explains the Dispute Resolution Program referring to Exhibit #8. Explains that SB 247 extends the program and makes them permanent. Also discusses the source of funding which are court filing fee surcharges. Explains that the fee structures will generate approximately \$2.4 million Other Funds per biennium.
067	Steve Bender	Moves to side 2 of Exhibit #8 explaining that in 2005-07 the Judicial Dept. will receive \$800,000 for court mediation and arbitration services. Indicates that the bill extends the sunset and expands funding as well.
098	Steve Bender	Discusses the final item which notes a technical issue.
111	Chair Devlin	Agrees to accept a motion.
114	Sen. Gordly	MOVES SB 247-A to the Full Senate Budget Committee with a Do Pass recommendation.
116	Chair Devlin	Asks for any discussion.
118	Sen. Whitsett	Indicates it would be difficult for the public policy program to maintain a staff unless it is supplemented somehow. Also asks where the court will get the \$800,000.
126	Steve Bender	Indicates that the Legislature will have to deal with that in 2007.
130	Chair Devlin	Vote: 5 – 0 – 0 Aye: Senators Gordly, Nelson, Walker, Whitsett, Chair Devlin Hearing no objections, declares the motion CARRIED .
131	Sen. Gordly	Agrees to either carry the bill or pass it.
132	Sen. Nelson	Agrees to let them carry it.
136	Chair Devlin	Informs that he will let the committee members know of the upcoming schedule. Adjourns the meeting at 2:23 p.m.