

HOUSE COMMITTEE ON RULES AND PUBLIC AFFAIRS

June 19, 2003 Hearing Room E
1:30 PM Tapes 83 - 86

MEMBERS PRESENT: **Rep. Dan Doyle, Chair**
 Rep. Linda Flores, Vice-Chair
 Rep. Laurie Monnes Anderson, Vice Chair
 Rep. Vic Backlund
 Rep. Phil Barnhart
 Rep. Betsy L. Close
 Rep. Joanne Verger

STAFF PRESENT: **Cara Filsinger, Administrator**
 Patrick Brennan, Administrator
 Annetta Mullins, Committee Assistant

MEASURE/ISSUES HEARD: **Introduction of Speaker-approved committee bills – Work Session**
 SB 7 A – Work Session
 HB 3638 – Public Hearing
 SB 272 A – Public Hearing and Work Session
 Drafting Request – Work Session

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 83, A 004	Chair Doyle	Calls meeting to order at 1:35 p.m., announces order agenda items will be considered, and opens a work session on introduction of Speaker-approved committee bills.
<u>INTRODUCTION OF SPEAKER-APPROVED COMMITTEE BILLS</u>		
017	Rep. Flores	MOTION: Moves LC 3675 BE INTRODUCED as a committee bill (EXHIBIT A). VOTE: 7-0-0
	Chair Doyle	Hearing no objection, declares the motion CARRIED.
026	Chair Doyle	Closes the work session on introduction of Speaker-approved committee bills and opens a work session on SB 7-A.
<u>SB 7-A – WORK SESSION</u>		
029	Chair Doyle	Notes that neither SB 7-A nor the SB 7-A5 amendments (EXHIBIT B) include an emergency clause and without the emergency clause the measure would not go into effect until January 1, 2004. Advises members there is also concern that the additional accountability provision of the amendment might be difficult for the agency to comply with, and has asked Cathy Pollino, Audits Division, to provide information on what has happened with other departments that have a foundation or other parties that help with fundraising and the issues they have dealt with through the audit function. Adds that the Legislative Fiscal Office has determined the SB 7-A5 amendments have minimal fiscal impact, less than \$50,000, and there is no need for referral to Ways and Means.

065	Pollino	Director, Secretary of State, Audits Division. Comments on need for the agency to maintain an arms length relationship between the agency and organizations. Advises that if the agency is spending money, there should be something coming back. It allows the agency to account to the public how they are spending the funds. It also helps in future decision-making to have an agreement before hand.
111	Rep. Barnhart	Asks how the SB 7-A5 amendments relate to the issues spoken to by Pollino.
116	Pollino Rep. Barnhart	Responds that they have not looked at the proposal. Gives example of Eugene School Board affiliated with the Eugene Education Fund having a written contract.
131	Pollino	Responds that her understanding is this would be an annual reporting back to some legislative committee on what they provided in terms of services, tickets, staff time and a report on what they received in return. That would lay the accountability out for public disclosure.
134	Rep. Backlund Pollino Rep. Backlund Pollino	Asks if line 13 of the SB 7-A5 amendments means down to the last penny or last piece of paper. Responds that it must be something achievable. Asks if the language is too sophisticated. States they are looking for reasonableness.
164	Chair Doyle Pollino	Asks how they look at charging time. Comments on audit of State Parks and finding that a one-half time staff person was providing all the staff time on organizational activities.
208	Katy Cannon Kathy Goss	Director, Oregon State Fair. States the founding foundation members said they can live with the SB 7-A5 amendments. Chair, State Fair Commission. States they have no issues with the SB 7-A5 amendments and they want to be accountable and do the right thing.
239	Chair Doyle Cannon	Asks if Cannon sees a need to make further changes and whether there will be concurrence in the Senate. States she has not spoken to Senate President Courtney about the amendments.
249	Rep. Verger Cannon	Comments on gifts from non-profit community organizations that could go to the State Fair. Comments on the current ability of the agency to accept donations and the ability of the agency to enter into agreements under the SB 7 A5 amendments.
295	Chair Doyle	Advises members that the committee can adopt the SB 7-A5 amendments and wait for the amendment on the emergency clause.
302	Rep. Backlund	Comments on commitment of the 1999 legislative session to step in and help the Oregon State Fair by selling bonds. States he was a member of the task force during the interim periods and has seen the State Fair improve greatly and consistently and likes the idea of what SB 7 would do and hopes the amendment will be beneficial and not restrictive in terms of being able to be as effective as the fund raising arm would like to be.
328	Rep. Barnhart	Comments he would be more comfortable if the amendment were to say they would have to have a contract with the foundation that would require an expectation of return on the part of the

381	Rep. Flores	<p>State Fair.</p> <p>MOTION: Moves to ADOPT SB 7-A5 amendments dated 6/12/03.</p> <p>VOTE: 5-2-0</p> <p>AYE: 5 - Backlund, Close, Flores, Verger, Doyle</p> <p>NAY: 2 - Barnhart, Monnes Anderson</p> <p>The motion CARRIES.</p>
395	Chair Doyle	<p>Closes the work session on SB 7-A and opens a public hearing on HB 3638.</p>
<u>HB 3638 – PUBLIC HEARING</u>		
414	Rep. Tom Butler	<p>District 60. Testifies in support of HB 3638 and asks that the bill be sent to Ways and Means. States as former county commissioners, he, Rep. Garrard, and Rep. Mabrey, understand the counties represent the many state agencies, particularly with regard to community corrections, mental health, public health, addiction services, veteran services, and many other services. States the funding for these programs has been reduced over the five special sessions and the sixth special session held during the regular session this year. The counties know that state funds will be reduced even further this session and it will likely happen some time in the future as well.</p>
447	Rep. Butler	<p>Comments that if the state wants to maintain the counties whole and in tact to deliver these valuable services in the future and in tough times, we really have a duty and obligation to give them the legislative protection against liability claims when they have to scale back services in response to funding reductions by the state. States that HB 3638 should include the standard kinds of language to provide the counties protection. Asks that the committee refer HB 3638 Committee on Ways and Means to provide support to protect the counties.</p>
TAPE 84, A		
013	Rep. Bill Garrard	<p>District 56. Testifies in support of HB 3638. Comments there were times when the county did not know where it stood in its relationship with the state. This bill helps the counties know what their liabilities and procedures are and will bring balance to the partnership. The bill provides the mechanics for how counties can scale back services when state General Fund money is reduced. It provides some legislative flexibility for the agencies to work with counties, and it provides consistency in approach across the programs.</p>
026	Rep. John Mabry	<p>District 59. Testifies in support of HB 3638. States that he looks at this as a fairness issue. States the counties want to provide the services they contracted for. If funding is shorted, perhaps it is appropriate for counties to say they are not going to be able to supervise certain portions of the population, even though the liability is there for the counties to supervise all of them. Believes it is appropriate to recognize that and continue a partnership.</p>
046	Rep. Monnes Anderson	<p>Comments this could have big impacts on the health and safety of citizens. Asks what happens if we have a bio-terrorism attach or a disease hits us and the county says they don't have the money. States she believes there is an obligation to rally the</p>

062	Rep. Butler	forces rather than the county saying they don't have the funds. Comments he shares Rep. Monnes Anderson's concern. Comments on funding accompanying the liability and responsibility and states that he would think if there began to be attacks, the communities could come together and come back to the legislature and Emergency Board and ask for additional resources to meet their obligations. States these are state obligations and that the state joins in partnership with the counties for delivery of those functions.
094	Rep. Monnes Anderson	Comments she believes the counties will have to look at their goals.
098	Rep. Mabry	States that counties will never back away from their responsibilities.
129	Bob Cantine	Executive Director, Association of Oregon Counties (AOC). States that the HB 3638-2 amendments (EXHIBIT C) encompass the -1 amendments. Testifies in support of HB 3638 with the HB 3638-2 amendments (EXHIBIT D). States that HB 3638 came to be as the counties came to grips with what they will do—how are they going to respond---as the funding for the services they contract to provide for as state funds starts diminishing. During the special sessions \$60 plus million was taken back, which started the conversations. Community corrections was at the center of the conversation. The counties do not want to turn the program back because it has worked well and they find the community is safer when the county is doing it. The problem they had to address was how to take on the reductions and what to do about them.
214	Cantine	Continues presentation (EXHIBIT D, page 2).
262	Cantine	States they have meet with the agencies but there are still problems, and they have had discussions with the Governor's office and they have agreed to get the parties together again to see if there are some things that still need to be worked out. States that AOC is willing to do that but they want to do it under some timeline of this committee so they can get the bill moving because some of the issues need to be addressed.
256	Rep. Close Cantine	Asks if it will be 180 days for all programs. Explains yes. States they have made it 180 days unless otherwise provided by contract.
286	Rep. Close	Comments that almost half a year seems like a long time and wonders how it will work into the biennium.
290	Cantine	Responds it is an awkward situation, for example, with community corrections. If they have to give 180 days notice and no one knows where the legislature is on the budget. Some counties had to give notice because they had no idea where things would end up. It crosses over the July 1 fiscal year of the state. Adds that if there is a special session they can see where they are but it may cause some of the counties to absorb the costs until the 180 days run out.
284	Rep. Monnes Anderson	Asks if priorities of commissioners could minimize everything for public health and redirect the money to corrections.
326	Cantine	States the counties cannot move state money from public health to community corrections.
	Rep. Monnes Anderson	Comments on counties choosing programs they would provide.

340	Cantine	Explains options of the counties if state funding is reduced.
378	Cantine	States that the counties are asking for the same immunity the legislature has and has given to the state agencies.
411	Rep. Barnhart Cantine	Asks how this relates to unfunded mandates. Responds there is only one indirect way; it is civil commitment funding. Explains that was a mandate that predated Measure 30. Explains Measure 30 provision on funding.
451	Rep. Barnhart	Asks if it is Cantine's view that the unfunded mandate requirement of Measure 30 now applies to all the services covered in this bill.
465	Cantine	States the counties have the ability to opt out, and that almost makes Measure 30 moot. The one case where it is not there is in civil commitment.
486	Rep. Barnhart	Asks why this cannot be covered in contract language when the county enters into a contract with the state to provide the services.

TAPE 83, B

019	Cantine	Responds that discretionary immunity cannot be granted to the counties by a state agency, as he understands it; it has to be given to the counties by the legislature. Therefore, they have to do it by including the clause that says, "subject to available funds."
032	Rep. Monnes Anderson Cantine	Comments on boiler plate language in contracts between two counties that would say they would not provide the service if they do not get the money. Responds that it is his understanding there is a statutory obligation on the county to deliver the service. The only way that can be limited is by the legislature if the counties are to protect themselves against a claim against them that they failed to fulfill the obligation that the legislature imposed on them. The remedy is for the legislature to give the counties the flexibility that state agencies have.
054	Rep. Flores Cantine	Asks if a county can tell the state they don't want to provide a service and send the program back to the state. States the statutes do not provide a limitation except in community corrections and it is only in the event the state fails to fulfill its obligation. It triggers the opt out. Comments on counties being allowed to transfer the program to a district. They tend to go to a private non-profit. Mental health, in particular, has moved toward a private non-profit model in about one-third of the counties. Adds that the counties have retained their authority.
088	Rep. Flores Cantine	Comments it is her understanding that counties are not trying to rid themselves of any service or component. Agrees and explains they are trying to establish the conditions that will be conducive to them staying in.
105	Rep. Verger	Comments that counties are doing programs because they are accommodating the state of Oregon by contract. If the state did not ask the counties to do anything, there is some responsibility of local government to provide for the people within their county. States that corrections could be removed if it is state probation and parole, but eliminating that, would Cantine agree that mental health services, public health, and Commission on Children and Families are services that counties do for citizens

		that have some benefit to the county, regardless of the position of the state.
125	Cantine	Comments on choice by counties to provide corrections. It is a mandate with an opt out provision. Children and Families was a state-initiated program and he does not know that they would perform in the same way. They would do things related to understanding the social needs of the community. They would do some of the functions but may not accommodate it in the same way the state has designed it and required them to do it.
	Cantine	States they are the predominant player in the public health field and will probably continue to do that. Cites problems in Curry County and discussions about relinquishing their authority in mental health. States that this bill is trying to avoid opt out by setting up conditions so there is a way to deal with budget reductions.
167	Mickey Lansing	Deputy Director, Oregon Commission on Children and Families. Testifies with concerns about HB 3586. Their first concern is that neither the State Commission on Children and Families nor local commissions on Children and Families provide direct services and are prohibited from doing so by the legislation. Comments on dollars to their local commissions and local decisions on how they want to spend the dollars based on strategic investments according to their local coordinated comprehensive plan. Their role is to engage the local community to be able to look at the delivery system and to support the services of mental health, public health, alcohol and drug—all the things that are provided locally. States they leverage the dollar that goes to local commissions, \$28 million at least a year in local funding that does not include public funds. States that the counties' role is to oversee the implementation of those local coordinated comprehensive plans.
201	Lansing	States the commission believes they should not be covered by the bill. Comments on waivers should the county have a hardship in terms of funding; they only need to submit a waiver to the State Commission. Comments on work group convened by Sen. Jackie Winters made up of six counties, special advocates, and crisis relief nurseries. Explains that the local commissions contract those dollars out to providers in the community. The local commissions know they have a certain amount of funding to be used for contracting out and every contract says, "based on available funding."
240	Rep. Barnhart	Asks if their concern is that the bill would allow the county to reach down through the local commission and change the funding priorities.
	Lansing	Responds that their concern is with the language on page 1 of the HB 3638-2 amendments, beginning in line 6. States they believe the local comprehensive plan needs to direct where the dollars go.
281	Rep. Barnhart	Comments that he does not see anything in the amendments that would allow the county to take money out of local commission services unless the state funds were reduced. Asks if they think this gives the county the right to take funds out of this area and put them somewhere else.
294	Lansing	Responds they think that possibility is there but they don't

		believe they need to be here in the first place because the legislation speaks specifically to those programs that are provided directly by the counties. The local commissions are not direct service providers.
324	Rep. Barnhart	Asks what provision they have currently to reduce the funds, and how this bill would interfere with that.
393	Lansing	States that if funds were reduced, they would have to revise the contracts with the providers.
	Rep. Barnhart	Asks if they can amend the bill to remove their objections.
356	Lansing	Comments on their waiver and states they would like to work with AOC and the work group on an opt out clause.
384	Rep. Verger	Gives example of a child leaving a facility and being run over. Asks if the liability is still with the county.
	Lansing	Comments she believes the program itself would have liability at the county level but would like to check and report back on the question.
405	Chair Flores	Asks if the commission will be a participant in the discussion with the Governor's group.
	Lansing	Responds affirmatively. They believe they are a little different because the commission does not provide services.
TAPE 84, B		
018	Barry Kast	Assistant Director, Health Services, Department of Human Services. Introduces James Toews, Assistant Director for Services to Seniors and People with Disabilities. States they do not regard the county as simply a provider or contractor. States that almost everything is negotiated with the counties and for the past couple of months they have been working with county councils around issues of reciprocity raised earlier. The partnership is strange during times of financial stress. The bill is a signal that we are perhaps at a point below which they cannot move without a significant breakdown in that historical relationship.
048	Kast	States that one of their chief concerns about this bill is that in its implementation, if the logic of this bill were to be followed, they would anticipate significant deterioration in the comprehensiveness of services, the potential fragmentation of services that the legislature has directed them to do in SB 555, HB 3204 and HB 2294, which speak directly to the need for locally directed human services system. County government is the integrating function in our human service system. There is very little direct service in state government. Most services are provided by the counties or are under county direction and county local planning.
063	Kast	States that counties do have a voluntary option for these services with the exception of certain mental health functions. Very little is mandated but much is expected in the system. If this system were to break down and the services were returned to the state, the costs and challenges associated with assuring Oregonians those services were available would be difficult. They would see first a slow and then a rapid erosion of services element by element, increasing state operation or a contracted service delivery system that would be separated from the local decision making and planning process.

079	Kast	States the measure does not remove from county government some of its authorities under the law. States they are concerned about the implications of the bill and looks forward to working with the group to find a solution.
093	James Toews	Senior and People with Disabilities program, Department of Human Services. Submits statement listing concerns about the original HB 3638 and stating they still have concerns with the HB 3638-2 amendments (EXHIBIT E).
	Toews	States they believe in the partnership and want to do everything possible to make it work. States that the original bill talked about the state indemnifying counties against liabilities or claims that might arise out of insufficient services caused by funding reductions. That is pretty much removed by the HB 3638-2 amendments, but the amendments talk about making reductions in the programs proportionate to what the General Fund reductions had been. Comments on federal match for state dollars and negotiations for reduction of funding.
137	Toews	States the department has over a dozen major lawsuits pending and to his knowledge local governments have not been named in any of the lawsuits.
143	Rep. Barnhart	Asks if counties have discretion to provide services.
138	Toews	Responds it depends on the program. Says General Funds are tied to Federal matching funds.
146	Kast	Discusses past budgetary decisions that affect where discretionary funds may be.
161	Rep. Barnhart	Asks whether the intent of this bill is to protect counties from liability. Asks for alternatives to the bill.
169	Toews	Responds there have been extensive discussions between Attorney General and county counsels. Says they will continue discussions.
179	Rep. Barnhart	Comments that the bill should not change the relationship between counties and the state.
193	Rep. Flores	Says the discussions with the Governor's office will cover Rep. Barnhart's issues.
198	Rep. Verger	Says that there are issues with federal moneys to make sure no areas are overlooked.
214	Toews	Responds that historically they have looked at ways to optimize federal matching moneys.
253	Scott Taylor	Department of Corrections. Submits written testimony from Benjamin de Haan, Director of the Department of Corrections (EXHIBIT F). Discusses various sections of the bill. Questions who might supervise offenders under certain circumstances.
324	Judith Poutasse	Lake Oswego. Testifies in opposition to HB 3638. States she has a relative with mental health issues. Comments on health situation of relatives. States that they fear services will not be available with the shifting of services and shortage of funds. Comments on layoffs at the county level that will result in suffering by the mentally ill.
377	Phil Lemman	Criminal Justice Commission. Testifies in opposition to HB 3638. The amendments do not apply to Section 12 and they hope to answer these questions in the work group (EXHIBIT G).
402	Dennis Mulvihill	Washington County. Testifies in support of the bill. They are

not trying to change the relationship. They are trying to clarify the programs the counties deliver for the state of Oregon. If the state wants to cut the program, they want to get out of the way and not get sued. States they can get rid of the language and clarify the opt out. Dealing with Children and Family commission, the county does the planning and contracts out the services. They believe they are vulnerable, because they do not have the availability of funds. If the funds are cut back, there is a problem. They wanted to define the relationship. They will figure it out in the work group.

TAP 85, A

- 026 Chair Doyle Comments on participants forming a work group, and asks if they need only a timeframe to report back to the committee.
- 031 Cantine Responds that they want to work within the timeframe of the committee.
- 034 Chair Doyle Asks that the work group participants report back to the committee in two weeks.
- 036 Chair Doyle Closes the public hearing on HB 3638 and opens a public hearing on SB 272-A.

SB 272-A - PUBLIC HEARING

- 039 Chair Doyle Notes the committee has two sets of amendments and that the committee will not be moving the Senate version. State that the hearing is only on the SB 272-A4 (**EXHIBIT H**) and SB 272-A5 (**EXHIBIT I**) amendments.
- 052 Sen. Roger Beyer District 9. Presents the SB 272-A4 amendments (**EXHIBIT H**). Explains the amendments are an opportunity for people in predominantly rural Oregon in remote areas. Submits chart (**EXHIBIT J**) that lists counties and the school districts that would be affected by the amendments. There are 53 schools in schools districts that would be affected by the SB 272-A4 amendments. The amendments would change the charter school law. Under the current law, there has to be a minimum of 25 students to qualify to become a charter school. This will allow charter schools in school districts with less than 250 students. There would be no minimum number; the number would be specified by the charter. In schools districts with more than 250 students, the minimum active enrollment would remain at least 25 students.
- 072 Sen. Beyer Explains that there are places in Oregon that have been prohibited from having charter schools because of the current requirement. Until January of this year, there was also a cap or a maximum of 10 percent of students of any one school district that could leave a school to go to a charter school in the district. If a district had less than 250 students, the people were not eligible to create a charter school. Adds that the cap has sunset but there are still areas of the state where one could go hundreds of miles to find 25 students to qualify for a charter school.
- 097 Sen. Beyer Comments that Paisley, in Lake County, is going to become a charter district and would not qualify to have a charter school.
- 119 Rep. Monnes Anderson Asks if taking seven students from French Glen with a total of 14 students would leave the district unable to operate.
Sen. Beyer Responds he will let OSBA talk about that. Adds that this does not change anything on local control. It is still up to local school boards to grant charters. They have to look at financial viability

120	Bruce Anderson	of the school and everything else still in the charter school law. Adds that perhaps French Glen would become a charter district. House Speaker's office. Presents the SB 272-A5 amendments (EXHIBIT I). Comments that the amendments are HB 2600 A which passed the House Education Committee unanimously but ran into a delay. Explains this is about helping improve advanced technology education and training opportunities. Comments on benefits to the state and allowing high school juniors and seniors to be better prepared for life after high school, either in the work force or getting a jump start on a college or university education.
181	Anderson	Comments on diversification of Oregon's economy. Adds that the SB 272-A5 amendments help promote creative community solutions. Comments on activities in east Multnomah County and the development of the Center for Advanced Learning that will provide programs in information technology, medical and health careers, pre-engineering, and manufacturing. Believes this demonstrates how to increase student learning and achievement, increase the number of students pursuing advanced specialization, as well as serving as an example of how to become a regional education-business interest partnership model for the 21 st century.
196	Bill Lesh	Director, Center for Advanced Learning. Explains they will be opening in the fall and have admitted 250 students. They are a charter school and have a separate governing body that oversees the school that is separate from their elected officials. Explains the information technology students will be working with small businesses managing their websites and health care students will get in the job market earlier. Adds that students want to do intentional work, graduate from high school, and want to do their extra curricula activities; the school has created a model that allows them to do all of that.
251	Rep. Close	Asks why there is a cap of \$25,000 in Section 6(b) on page 4 of the SB 272-A5 amendments.
	Lesh	States it is already in statute.
268	Rep. Barnhart	Asks Lesh to describe their school.
	Lesh	Submits brochure (EXHIBIT K) and talks about their school.
	Rep. Monnes	Comments she was on the Gresham-Barlow School District Board when this idea was born and has been a strong advocate for it, believes it is a model for the state and will provide more jobs and more jobs mean more money coming into the state.
	Anderson	Comments he is happy HB 2600 is being reborn.
317	Rep. Backlund	Comments on development of HB 2600. Adds that those who worked on HB 2600 are in support of the SB 272-A5 amendments.
	Anderson	
396	Chair Doyle	Notes that two witnesses are opposed to the SB 272-A4 amendments.
405	Steve Novick	Department of Education. Testifies people in their office are fine with the SB 272-A5 amendments (EXHIBIT I) and that Superintendent Castillo is opposed to the SB 272-A4 amendments (EXHIBIT H) because of message about how we are handling dollars. Comments on audit showing small school districts have higher instructional costs. The creation of very

		small charter schools is pulling students out of the small districts stranding the small school districts.
460	Novick	States Superintendent Castillo thinks the charter school law is not that old and she would like to see it continue in its current form for some time before making changes like this.
TAPE 86, A		
014	Laurie Wimmer Whelan	Oregon Education Association (OEA). Testifies in support of the SB 272-A5 amendments (EXHIBIT I) and would not like to see them encumbered by the SB 272-A4 amendments (EXHIBIT H) which they oppose. States they are concerned about the programs left behind with high costs. States that OEA does support charter schools but they cannot be a threat to the regular school programs because they care about all the children and the quality of an enhanced educational opportunity for every child. They have concern about the per-student costs in both the charter schools and the programs left behind.
055	Rep. Monnes Anderson	Comments that a proposed charter school must go through the local school board for approval. Asks if a board would deny it if it were going to harm their own school district.
	Wimmer Whelan	Comments on the process.
069	Jim Green	Oregon School Boards Association (OSBA). Testifies in support of the SB 272-A4 amendments. Explains issue of whether a school district can deny a charter school application based on financial stability. Comments on efforts to establish charter schools around the state.
	Green	States the SB 272-A4 amendments make changes in the law to allow the small communities to create charter schools. They must have total buy in to make the programs work for the kids.
	John Marshall	Oregon School Boards Association (OSBA). States he was the person, with the help of the Senate Education Committee, responsible for the original gut and stuff of SB 272, and supports the re-gutting and double-stuffing of SB 272 by the SB 272-A4 and SB 272-A5 amendments.
149	Rep. Monnes Anderson Green	Asks how many charter schools there are in Oregon, how many have failed, and how many are thriving. Responds that 22 are active. One recently was not renewed by the Eugene School Board. Corvallis School Board did not renew a charter. There were three recent denials that are going through the mediation process. Two were denied by the school boards and have been sponsored by the State Board of Education.
183	Rep. Close Green	Asks if there would be a lottery system even in small schools. States a lottery is needed only if there are more students than slots.
206	Rep. Tom Butler	District 60. Speaks in support of the SB 272-A4 amendments proposed by Sen. Beyer. Comments on students attending boarding schools who travel as far as 145 miles. States these are people who live in rural Malheur and Harney counties. States he is anxious these rural people will have the opportunity and believes it will draw their communities closer together.
246	Rep. Barnhart	Asks if Rep. Butler has examples of where this law might be used. States he is concerned about dividing small school districts.
	Rep. Butler	States there would be a combination of three things: the students

		who are going to school in a one- or two-room school arrangement, those who are transporting themselves long distance to go to a boarding school, and those who are presently receiving their education at home.
277	Andrea Henderson	Executive Director, Oregon Community College Association (OCCA). Testifies in support of the AB 272-A5 amendments. OCCA believes it is an important step forward in offering technical education in Oregon. They believe this bill will create stronger ties between the K-12 and the community college system and help advance technical education in Oregon.
295	Harvey Mathews	Associated Oregon Industries (AOI). Testifies in support the SB 272-A4 and SB 272-A5 amendments. Both amendments stress the importance of innovation within the public school system and focus on serving the needs of students and their parents. AOI strongly supports the SB 272-A5 amendments; they are the result of collaboration. The goal is to increase the number of students in advanced classes so they are fully prepared for college and high-skilled employment.
348	Matthews	States he was surprised the OEA and the Oregon Department of Education would support a position that would encourage home schooling. The number of home schoolers coming into and strengthening the public school system far out weight any potential effects of the cost of administration to just 50 school districts. States he agrees the lack of instructional dollars getting to the class room is a problem; the SB 272-A4 amendment does not exacerbate that problem. If the problem is to be addressed, it needs to be addressed across the system with all 200 districts.
370	Chair Doyle	Closes the public hearing and opens a work session on SB 272 A.
<u>SB 272 A – WORK SESSION</u>		
379	Rep. Flores	MOTION: Moves to ADOPT SB 272-A4 amendments dated 6/13/03.
383	Rep. Monnes Anderson	Comments she feels there is a difference between urban and rural school districts. Sometimes the rural districts do not have the advantages. The fact the charter school statute states there has to be community buy in and the school board has to buy in, and that she will support the amendments because we need to give the small school districts as many advantages as possible. Notes that this affects only the very small school districts.
406	Rep. Barnhart	Comments he finds the argument on reducing the size of schools moves things in the negative direction to be persuasive and he sympathizes with the idea that it makes sense to have additional schools in widely scattered areas, and thinks we get to the point of diminishing returns very quickly. Thinks a school of less than 25 is well past the point where it can be viable, and will not support the SB 272-A4 amendments.
		VOTE: 5-1-1
		AYE: 5 - Backlund, Close, Flores, Monnes Anderson, Doyle
		NAY: 1 - Barnhart
		EXCUSED: 1 - Verger
	Chair Doyle	The motion CARRIES.
431	Rep. Flores	MOTION: Moves to SUSPEND the rules for the purpose of

437 conceptually amending the SB 272-A5 amendments.
 VOTE: 6-0-1
 Chair Doyle **EXCUSED: 1 - Rep. Verger**
 Hearing no objection, declares the motion CARRIED.

439 Rep. Flores **MOTION: Moves to AMEND the SB 272-A5 amendments**
 dated 6/19/03 by deleting Lines 26-28 on page 5.

448 Cindy Hunt Legislative Counsel. Explains that the SB 272-A4 and SB 272-
 A5 amendments have two different effective dates. The SB 272-
 A4 amendments have an effective date of “on passage.” The SB
 272-A5 amendments are effective July 1, 2003. States that the
 two dates are not that far apart. States the dates should be
 consistent because the entire bill needs one effective date. Adds
 that she has suggested the committee use “upon passage” because
 it would not harm the SB 272-A5 amendments.

480 **VOTE: 6-0-1**
 Chair Doyle **EXCUSED: 1 - Rep. Verger**
 Hearing no objection, declares the motion CARRIED.

482 Rep. Flores **MOTION: Moves to ADOPT SB 272-A5 amendments AS**
 AMENDED with direction to Legislative Counsel
 to combine the amended SB 272-A5 and SB 272-
 A4 amendments that replace the original bill,
 with an emergency clause that takes effect on
 passage.

512 **VOTE: 6-0-1**
 Chair Doyle **EXCUSED: 1 - Rep. Verger**
 Hearing no objection, declares the motion CARRIED.

TAPE 85, B

017 Rep. Flores **MOTION: Moves SB 272 A to the floor with a DO PASS AS**
 AMENDED recommendation.

022 Rep. Barnhart States he is a strong supporter of the SB 272-A5 amendments and
 the committee has heard his objection to the SB 272-A4
 amendments. States he will vote no on the bill today but may
 actually support it on the floor.

027 **VOTE: 5-1-1**
 AYE: 5 - Backlund, Close, Flores, Monnes Anderson,
 Doyle
 NAY: 1 - Barnhart
 EXCUSED: 1 - Verger
 Chair Doyle **The motion CARRIES.**
 REP. CLOSE will lead discussion on the floor.

032 Chair Doyle

034 Chair Doyle Closes the work session on SB 272 A and opens a work session
 on Speaker-approved drafting requests.

SPEAKER-APPROVED DRAFTING REQUEST

037 Rep. Flores **MOTION: Moves that the committee request Legislative**
 Counsel prepare a draft measure as outlined in
 the memo to Speaker Minnis dated June 19, 2003
 (EXHIBIT L).

040 Chair Doyle Explains that HB 3442 relating to the establishment of the Wine

051		Board as a semi-independent agency is currently in Ways and Means and is getting bogged down in committee. VOTE: 6-0-1 EXCUSED: 1 - Rep. Verger Hearing no objection, declares the motion CARRIED.
	Chair Doyle	
053	Chair Doyle	Closes the work session on measure drafting requests and adjourns meeting at 4:32 p.m.

EXHIBIT SUMMARY

A – Introduction of committee bill, letter and LC 3675, staff, 3 pp
B – SB 7, SB 7-A5 amendments, Rep. Doyle, 1 p
C – HB 3638, HB 3638-2 amendments, Bob Cantine, 6 pp
D – HB 3638, prepared statement, Bob Cantine, 2 pp
E – HB 3638, prepared statement, James Toews, 3 pp
F – HB 3638, prepared statement, Scott Taylor, 2 pp
G – HB 3638, prepared statement, Phil Lemman, 1 p
H – SB 272, SB 272-A4 amendments, Sen. Beyer, 3 pp
I – SB 272, SB 272-A5 amendments, Bruce Anderson, 5 pp
J – SB 272, chart, Sen. Beyer, 1 p
K – SB 272, brochure, Bill Lesh, 2 pp
L – Drafting request, letter and instructions, staff, 2 pp