

SENATE COMMITTEE ON EDUCATION

March 25, 2003
3:00 PM

Hearing Room C
Tapes 40-41

MEMBERS PRESENT: **Sen. Charles Starr, Chair**
 Sen. Ryan Deckert, Vice-Chair
 Sen. Ted Ferrioli
 Sen. Bill Morrisette

MEMBER EXCUSED: **Sen. Ted Ferrioli**

STAFF PRESENT: **Jan McComb, Committee Administrator**
 Romy Dye, Committee Assistant

MEASURE/ISSUES HEARD: **SB 525 – Public Hearing and Work Session**
 SB 644 – 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.

| <u>TAPE/#</u> | <u>Speaker</u> | <u>Comments</u> |
|---------------------------------------|-----------------------|---|
| TAPE 40, A | | |
| 005 | Chair Starr | Calls the committee to order at 3:12 PM. Opens a public hearing on SB 525. Presents -1 amendments dated 3/25/03 (EXHIBIT G). |
| <u>SB 525 – PUBLIC HEARING</u> | | |
| 008 | Gary George | Oregon State Senator. Testifies in favor of SB 525. Provides overview of SB 525. Submits written material (EXHIBITS A, B). |
| 021 | Alan Brown | Oregon State Representative. Testifies in favor of SB 525. |
| 050 | Mark Bigger | Legislative Assistant, Senator Gary George. Discusses amendment. Submits written material (EXHIBIT C). |
| 065 | Sen. Deckert | Expresses concern with objection granting in-state residency status to any member of army personnel . Suggests not making this so broad. |
| 075 | Chair Starr | Asks how an individual who never lived in or worked in is required to file twelve months of Oregon tax. |
| 085 | Brown | Responds Oregon residency status is stated. |
| 087 | Colonel Mike Caldwell | Deputy Director, Military Department. Testifies in favor of SB 525. Adds when in active duty given choice to select home of record and then fall under state rules. Discusses twelve month requirement that individual has to be twelve months a resident of Oregon paying taxes to Oregon. |
| 108 | Sen. Morrisette | States if normal residency requirement for student who moves to Oregon is twelve months requirement is met to pay taxes for twelve months. |
| 115 | Caldwell | Responds correct. |
| 126 | George | Adds comment regarding in-state tuition and income tax. |
| 142 | Jim Ludwick | Oregon resident. Testifies in support of SB 525. Feels SB 525 is a way to thank people for putting lives on line to protect everyone's liberties. Comments military should get in-state |

tuition.

165 Chair Starr

Comments on personal experience being in the army.

The following prepared testimony is submitted for the record without public testimony for SB 525:

Jim Arnold

Submits written testimony (EXHIBIT D)

SB 525 – WORK SESSION

190 Sen. Deckert

Asks for clarification of SB 525 that it defines if pay income tax for one year and declare Oregon residency then SB 525 states granted in-state tuition.

196 Jan McComb

Committee Administrator. Clarifies SB 525.

206 Sen. Deckert

Elaborates on dates for filing taxes.

214 Sen. Morrisette

Clarifies on meeting one year Oregon residency requirement by declaring Oregon residency by the income tax return.

220 Chair Starr

Comments Veterans served outside of the state were benefited two years ago and now the aim is for benefiting those inside the state.

227 Sen. Morrisette

Asks for amendment including university system and community colleges.

250 Caldwell

Clarifies page 2 of SB 525 includes proper language involving all universities for the state.

255 Sen. Morrisette

Asks whether the amendment would put the community colleges into SB 525.

258 Caldwell

Responds yes.

273 Sen. Morrisette

MOTION: Moves to ADOPT SB 525-1 amendments dated 03/25/03.

275

VOTE: 3-0

EXCUSED: 1 - Sen. Ferriolli

The motion CARRIES.

280 Chair Starr
Sen. Morrisette

MOTION: Moves SB 525 to the floor with a DO PASS AS AMENDED recommendation and SUBSEQUENT REFERRAL to Ways and Means be rescinded.

290

VOTE: 3-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Sen. Ferriolli

The motion CARRIES.

SEN. GEORGE will lead discussion on the floor.

308 Chair Starr

Closes the work session on SB 525 and opens a public hearing on SB 644.

SB 644 – PUBLIC HEARING

321 Sen. Deckert

Testifies in favor of SB 644. Provides summary of SB 644. Submits written testimony (**EXHIBITS E, F**).

412 Sen. Ferriolli

Asks if this program would be different if applied to K-12 students.

416 Sen. Deckert

Responds circumstances with higher education and K-12 are vastly different.

421 Sen. Ferriolli

Clarifies the general fund would apportion the dollars among high school students savings accounts. Asks what the students do in regards to their accounts who are non-graduates by choice.

439 Sen. Deckert

Responds believes two years is the time frame.

TAPE 41, A

005 Sen. Ferriolli

Comments the institutions would have to be deprived of income for two years for the percentage of students who do not go to community college or institution of higher learning.

| | | |
|-----|-----------------|--|
| 010 | Sen. Deckert | Comments SB 644 is designed in ways to benefit those communities. |
| 015 | Sen. Ferriolli | Agrees. Comments many problems are economic but some students are not going to be higher institution bound for education. |
| 024 | Sen. Deckert | Agrees. Stresses best features of program are for students opportunity grant is after and program designed for low income students. |
| 045 | Sen. Ferriolli | Comments unfunded scholarship program for foster kids not funded in previous session. |
| 054 | Sen. Morrisette | Refers to page 3 of SB 644. Comments qualification for entry into higher education system is beyond what some will achieve. Asks about a lot of people not qualifying. |
| 074 | Sen. Deckert | Comments admission is the triggering factor. States that before that it is a marketing program. |
| 092 | Sen. Morrisette | Refers to page 2 that each person notified saying that there will be money set aside for them if they qualify. |
| 102 | Sen. Deckert | Answers precisely. |
| 105 | Sen. Morrisette | Asks whether the money set aside is based on how many people are likely to apply. |
| 108 | Sen. Deckert | Responds reason see blanks is largely due to different students cost different amounts. |
| 131 | Gratton Kerans | Director of Government Relations, Oregon University System. Discusses how University System is involved. States root issue is taxpayers need to be prepared to invest heavily. If implemented after perfected it would cause different things: <ul style="list-style-type: none"> • Dismantle resource allocation model, • Change to a different system • Await arrival of those who come with the voucher saying something is in the savings account Comments if willing to raise taxes and distribute money to education savings accounts for everyone who qualifies as many as come then not an entitlement and has to be limited. |
| 250 | Kerans | Recommends rather than working through mechanism and changing entire landscape of post secondary education and budgeting and negative response that may come from that instead say we have an obligation to the students who select themselves out. |
| 265 | Sen. Morrisette | Expresses interest in previous comments and worth working on. |
| 284 | Sen. Deckert | Disagrees with previous testimony due to once education savings account available difficulty reducing checks given to students. |
| 319 | Kerans | States does not disagree; elaborates not sure state is prepared to turn this into an entitlement plan which is open blank check on general fund. Feels effective if target specific parts of the population. |
| 365 | Chair Starr | Comments this is important discussion. Provides personal example on own kids and schooling. |
| 422 | Sen. Morrisette | Expresses interest. Comments on need for discussion, incentive and rewards for those who qualify. |
| 432 | Chair Starr | Closes the public hearing on SB 644 and adjourns the committee at 4:09 PM. |

EXHIBIT SUMMARY

- A – SB 525, written testimony for Chad Ryan, Senator Gary George, 1p**
- B – SB 525, written summary, Senator Gary George, 1 pp**
- C – SB 525, written letter on amendment, Mark Bigger, 1 pp**
- D – SB 525, written letter not discussed, Jim Arnold, 2 pp**
- E – SB 644, written testimony, Senator Ryan Deckert, 1p**
- F – SB 644, packet on Governor’s Blue Ribbon Panel, Senator Ryan Deckert, 23 pp**

The following exhibit is listed out of order in the body of the tape log:

- G – SB 525, -1 amendments dated 3/25/03, staff, 1p**