

SENATE COMMITTEE ON EDUCATION

March 4, 2003
3:00 PM

Hearing Room C
Tapes 26-29

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

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

MEASURE/ISSUES HEARD: **SB 11 – Public Hearing**
 SB 437 – 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 26, A		
005	Chair Starr	Calls the committee to order at 3:08 PM. Opens a public hearing on SB 11.
<u>SB 11 – PUBLIC HEARING</u>		
018	John Mabrey	Oregon State Representative. Discusses need for changes to SB 11.
036	Ernie Blatz	Oregon resident. Testifies in opposition of SB 11. Submits written testimony (EXHIBIT A).
070	Sen. Ferrioli	Discusses divisive period of forced consolidations of school districts in Oregon. Suggests consolidations need to be by mutual consent. Inquires to know more about amendment.
116	Blatz	Explains potential amendment.
149	Sen. Ferrioli	Says no necessity for emergency clause of SB 11. Discusses favor of SB 11 if people can get together and carve small school districts out of larger school districts.
173	John Marshall	Oregon School Board Association. Testifies in favor of SB 11. Says question is whether local citizens should be involved in a process when merging a new school district. States SB 11 is a good idea to get rid of an old statute and leave in process to involve in determining how schools are organized. Suggests adopting Dash-1 amendments.
216	Chair Starr	Closes the public hearing on SB 11 and opens a public hearing on SB 437.
<u>SB 437 – PUBLIC HEARING</u>		
240	Shawn Cleave	Policy Analyst, Senator Bev Clarno. Testifies in favor of SB 437 for Senator Bev Clarno. Provides introduction of speakers. Submits written testimony (EXHIBIT B).
280	Jim Craven	American Electronics Association (AEA). Testifies in favor of SB 437. Provides history of the genesis of the legislation. Comments about flexibility and efficiency as critical parts of SB 437.
374	Harvey Mathews	Associated Oregon Industries (AOI). Provides background of

AOI. Discusses three problems in higher education today:

- State spending
- No flexibility to respond to market demands
- With passage of Measure 10 universities have incentive to become more fiscally independent and have potential to become economic drivers of economy but lack the tools

TAPE 27, A

010	Mathews	Supports provisions exempting OUS legal sufficiency review. Provides examples within University System emphasizing necessity of this issue.
020	Duncan Wyse	Oregon Business Counsel (OBC). Testifies in support of SB 437. Provides background of OBC. States one-fifth of money comes from the state and SB 437 would give campuses more flexibility.
059	Sen. Deckert	Expresses concern of looking at a decade of poor state performance funding of higher education.
070	Wyse	Responds reality is that demand for these services are growing enormously and focus needs to be on where dollars are going.
087	Craven	Agrees; elaborates higher education will remain closely interrelated to legislature.
102	Mathews	Adds more involvement with economy where tools are needed is found in SB 437.
113	Sen. Ferriolli	Asks for reassurances from university community that it is understood new tool has terrible responsibilities with it. States a different panel should respond.
141	Richard Jarvis	Chancellor, Oregon University System (OUS). Discusses three things to drive need for SB 437: <ul style="list-style-type: none">• Strategic planning committee• President's desire to seek more efficient practices on campuses• Pressure on state funding
182	Roger Bassett	Submits written material (EXHIBIT C). Member, State Board of Higher Education; Chair, Strategic Planning Committee. Comments all elements in SB 437 thoroughly considered by the Board. Approves of tools needed to help keep campus doors open.
238	Jarvis	Elaborates further on increasing enrollment as result of SB 437.
281	Dave Frohnmayer	President, University of Oregon (U of O). Testifies in support of SB 437. Discusses cuts, increasing enrollment and declining state support. Asks for flexibility involving risks: <ul style="list-style-type: none">• Help increase non-state revenue• Operate more efficiently by regulatory reform of other regulations dealing with other state agencies and entities• Increase entrepreneurial activity

TAPE 26, B

005	Sen. Deckert	Asks whether state provides a needed check before SB 437 passed to give students and Oregon citizens assurance in terms of
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010	Frohnmayer	transferring part of tuition increase. Responds saying SB 437 does not require any change in current legislative policy for the setting of tuition but makes tuition responsibility in terms of ranges Board sets for special institutions a special point of access.
021 035	Sen. Morrisette Frohnmayer	Asks whether able to continue to attract international students. Responds international students are welcome anytime. Decline in international student registration due to Asian currency crisis from 1997 to 1998 and visa clearance in a timely way in immigration service.
046	Tim White	President , Oregon State University (OSU). Testifies in favor of SB 437. Discusses two provisions: <ul style="list-style-type: none"> • The Office of Degree Authorization • Tuition Flexibility and Access
116	Dan Bernstine	Submits written material (EXHIBIT E). President, Portland State University (PSU). Testifies in favor of SB 437. Discusses increasing enrollment including diverse population. Discusses two provisions important to PSU: <ul style="list-style-type: none"> • Flexible, comparable, less expensive healthcare plans for PSU employees • Private fundraising allowing more flexibility for raising funds for students and improving programs to support faculty and raising money for facilities
173	Sen. Morrisette	Asks what is the optimum number of foreign students as opposed to state or out-of-state students.
181	Bernstine	Responds aiming for 67% in-state residents and increase non-resident and international students from 15% to 35%.
190	Sen. Deckert	Asks for examples of current relationship with Department of Justice not working.
201	Frohnmayer	Responds looking for a legally trained individual who operates with authority of Attorney General office and has capacity to be on staff and perform other roles such as negotiating contracts and employee grievances as part of running environment that operates twenty-four hours a day.
234 236 241	Sen. Deckert Frohnmayer White	Asks whether working towards finding resolve on the issue. Suggests no need for public discussion at this time. Comments on city within city environment on university campus. States discussing issues in a private setting would help develop a good policy that will work well for everyone.
270	Bernstine	Comments on good working progress with Attorney General's office to have a full-time special Attorney General assigned to PSU.
287	Elizabeth Zinzer	President, Southern Oregon University (SOU). Discusses benefits of retention earnings: <ul style="list-style-type: none"> • Allow to serve more students and serve them better • Increase quality of education overtime • Allow to attract top faculty • Initiate more partnerships with other institutions • Provide greater access to demand areas such as nursing

010	Conn	President, Western Oregon University (WOU). Testifies in support of SB 437. Discusses purchasing procedures involving Department of Administrative Service and Oregon University System in regard to informational technology and telecommunications.
022	Ruth Ann Dodson	Member of Board of Governors, Oregon State University Foundation. Testifies in support of SB 437. Submits written material (EXHIBIT F) .
054	Doug Ragen	University of Oregon Foundation. Testifies in support of SB 437. States SB 437 would help increase scholarships and financial aid for Oregon students.
103	Hardy Myers	Attorney General, Department of Justice. Expresses concerns based on provisions of legislation relating to legal services: <ul style="list-style-type: none"> • Values that led legislature to create consolidated legal structure in Oregon over 30 years represent values not transitory, but enduring • Does not think values of consolidated services model are in conflict with ability to provide timely, cost efficient or high quality legal services
164	Sen. Morrisette	Asks what is the timeline for resolution of item of questioning in Chancellor's office.
168	Myers	Answers prefer to proceed immediately if possible.
175	Sen. Morrisette	Says hopes issues will be resolved.
180	Chair Starr	Comments need to see movement and hopefully report back with progress by next week.
185	Myers	Responds of course.
190	Chair Starr	States appreciates the concerns and hopes to work together to solve issue.
195	Myers	Appreciates attitude with hopes to come to committee with consensus view.
203	Rem Nivens	Oregon Community College Association. Testifies in favor of SB 437 discussing amendments. Submits written testimony (EXHIBITS G, H) .
243	Chair Starr	Comments university president has not responded to amendments.
256	Grattan Kerans	Oregon University System. States would be happy to respond with work session or something similar.
258	Sen. Morrisette	Asks about whether a process in place to come to an agreement with private schools.
259	Kerans	Responds there is but at disadvantage at which any program can be challenged by any private vendor in Oregon and have no reverse appeal rights.
321	Sen. Morrisette	Asks whether a survival factor for some private institutions.
325	Kerans	Responds negatively but other witnesses will discuss.
340	Mike Freese	President, Associated Students of Eastern Oregon University. Testifies in opposition of SB 437 discussing Sections 25 & 26. Submits written testimony (EXHIBIT I) .
TAPE 28, A		
005	Bridget Burns	President, Associated Students of Oregon State University. Testifies in opposition of SB 437. Discusses tuition increase. Submits written testimony (EXHIBIT J) .
042	Greg Magnus	Student Body President, Western Oregon University. Testifies in opposition of SB 437. States demand for higher education at all

		time high and low income students need to be protected with keeping tuition increases as low as possible. Submits written testimony (EXHIBIT K) .
093	Melissa Unger	Legislative Director, Oregon Student Association. Discusses amendments and keeping tuition a limited expense.
114	Rob Wagner	Director of Government Relations, American Federation of Teachers- Oregon. Testifies with concerns of SB 437 with removal of certain language. Discusses amendments. Submits written testimony (EXHIBIT L) .
165	Jessica Stevens	Political Organizer, Service Employees International Union (SEIU) Local 503 Oregon Public Employees Union (OPEU). Expresses concerns with various sections of SB 437. Supports amendment to SB 437 due to health coverage issue. Submits written testimony (EXHIBIT M) .
230	Sen. Deckert	Asks why flexibility should not be given if same level of benefits at a lower cost.
235	Stevens	Responds language is being eliminated as proposed currently in SB 437.
238	Wagner	Clarifies language eliminated referring to same level of benefits being available at lower cost.
252	Gary Andeen	Executive Director, Oregon Independent Colleges Association. Testifies in opposition to Sections 1 & 7 of SB 437. Submits written material (EXHIBIT N) .
359	Sen. Morrisette	Asks question whether problem with survivability of some private institutions.
364	Andeen	Responds under certain circumstances it could be a problem.
373	Sen. Morrisette	Asks whether other states have the law.
385	Andeen	Responds not a venue in this state and can only put it in statute.
433	Mark Wahlers	Provost, Concordia University. Testifies in opposition of Sections 1 & 7 of SB 437.
TAPE 29, A		
010	Ray Gauthier	President, Pioneer Pacific College. Testifies in opposition of Sections 1 & 7 of SB 437 particularly with community college inclusion amendment.
077	Sen. Morrisette	Asks what the last resort is.
080	Gauthier	Responds Student Assistance Commission..
085	Sen. Deckert	Asks about commissioners.
089	Gauthier	Responds commissioners would be last to hear their decision would then be final.
100	Loreve McMurrin	Member of Board of Directors, University of Oregon Alumni Association. Testifies in support of SB 437. Comments good quality schools need to continue. States every child should be given chance to go to higher public university.
118	Jim Burno	President, Willamette Valley Vineyards. Testifies in support of SB 437. Comments provisions in this legislation will enhance public institutions in providing services in a new way and capitalizing into transfers to private sector of valuable economic engines to grow businesses.
136	Chair Starr	Closes the public hearing on SB 437 and adjourns the meeting at 5:42 PM.

EXHIBIT SUMMARY

A – SB 11, written testimony, Ernie Blatz, 1 pp
B – SB 437, written testimony, Bev Clarno, 1 pp
C – SB 437, written testimony, Richard Jarvis, 2 pp
D – SB 437, written testimony, Dave Frohnmayer, 4 pp
E – SB 437, written testimony, Tim White, 2 pp
F – SB 437, written testimony, Ruth Ann Dodson, 2 pp
G – SB 437, proposed amendments, Rem Nivens, 2 pp
H – SB 437, written testimony, Rem Nivens, 1 pp
I – SB 437, written testimony, Mike Freese, 1 pp
J – SB 437, written testimony, Bridget Burns, 2 pp
K – SB 437, written testimony, Greg Magnus, 2 pp
L – SB 437, written testimony, Rob Wagner, 1 pp
M – SB 437, written testimony, Jessica Stevens, 1 pp
N – SB 437, written testimony & OUS academic program proposals, Gary Andeen, 5 pp