

**HOUSE SCHOOL FUNDING AND TAX  
FAIRNESS/REVENUE COMMITTEE**

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**MARCH 26, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING**

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Members Present: Representative Lane Shetterly, Chair (2:47 arrived)

Representative Janet Carlson, Vice Chair

Representative Deborah Kafoury, Vice Chair (2:34 arrived)

Representative Alan Bates

Representative Alan Brown (2:45 arrived)

Representative Mark Hass

Representative Max Williams (2:14 arrived)

Representative Bill Witt (2:27 arrived)

Members Excused: Representative Chris Beck

Staff: Paul Warner, Legislative Revenue Officer

Joan Green, Committee Assistant

Witnesses: Stephen Kafoury, Art Institute of  
Portland/University of Phoenix

Bonita Oswald, Art Institute of Portland

Steve Gorman, Art Institute of Portland

Pat Hardie, University of Phoenix

Thomas Turner, Oregon Student Assistance  
Commission

Geoff Winkler, Chemeketa Community College

Kathy Campbell, Chemeketa Community College

Melissa Unger, Oregon Student Association/Lane  
County

**TAPE 100, SIDE A**

004 Vice Chair Meeting called to order at 2:12 p.m. as a sub-  
Carlson committee with Rep.'s. Bates, Hass and Vice  
Chair Carlson in attendance.

**OPENED PUBLIC HEARING ON HB 2591**

015 Paul Warner Provided a description of the measure and  
discussed the background. (Exhibit 1)

035 Stephen Kafoury Spoke in support of the measure and presented  
the (-1) amendments. (Exhibit 2)

053 Steve Gorman Spoke in support of the measure.

094 Bonita Oswald Spoke in support of the measure.

114 Rep. Williams The (-1) amendments would change the two-  
years to four-year for-profit institutions?  
(Exhibit 2)?

116 Kafoury Yes.

118 Rep. Williams Which Oregon schools are impacted by that  
change?

131 Kafoury Listed schools that would be impacted.

141 Vice Chair Referenced a Fiscal Impact form prepared by the  
Carlson Agency and read the institutions that would be  
affected. (Exhibit 4)

146 Rep. Williams Noted that the Art Institute of Portland and the  
University of Phoenix has some financial aid  
programs and requested witnesses expand on  
that.

152 Gorman In addition to federal programs the Art Institute  
of Portland funds approximately 2% of tuition  
revenue back into scholarships for students on a  
quarterly basis.

169 Rep. Bates Questions and discussion regarding:

1. Both nonprofit and for-profit institutions  
would be impacted by this measure.
2. What types of programs are administered

by the Oregon Assistance Commission and what is the primary type of help offered.

3. Under-funding of the Oregon need program.

199 Vice Chair Clarified that Oswald had qualified for a need grant, but when she changed schools the grant was not available?  
Carlson

205 Oswald Concurred.

214 Vice Chair The program you were interested in wasn't available at the school where you could have kept your grant?  
Carlson

216 Oswald Yes.

Convened as full committee at 2:27 p.m. with the arrival Rep.'s Williams and Witt.

217 Pat Hardie Presented testimony in support of measure. (Exhibit 3)

Continued as a sub-committee at 2:31 with Rep.'s Bates, Hass, Witt and Vice Chair Carlson in attendance.

Convened as full committee at 2:47 p.m. with the arrival of Chair Shetterly.

329 Thomas Turner Spoke in opposition to the measure.

**TAPE 101, SIDE A**

015 Vice Chair Questions and discussion regarding for purposes of clarification on the status of whether two institutions are separate or one. :  
Carlson

1. Clarified that Cascade College and City University are two separate universities.

2. Clarified what institutions were included in the listing given in the Fiscal Impact Form? (Exhibit 4)

031 Rep. Witt Questions and discussion regarding:

1. Clarification that federal PELL grants are provided to students of these institutions on an equal footing with students at two and four-year traditional institutions.

2. Questioned if it would be appropriate to apply federal criteria at a state level, dollars aside.
3. Verified that Turner's opposition to the measure is because of budget constraints not equity.

078 Rep. Bates	Does your agency receive matching federal funding?
082 Turner	On a limited basis, explained the funding mechanisms of the Oregon Student Assistance Commission.
137 Geoff Winkler	Spoke to the measure; no position taken — requested that in consideration of this measure the funding ramifications be considered.
186 Kathy Campbell	Spoke to the measure; no position taken.
217 Melissa Unger	Spoke in opposition to the measure, not because she opposes the philosophy, but opposes enlarging the pool until adequate funding can be found.
232 Rep. Williams	"The objection is not the four-year, for-profit institutions, the objection is that the need grant is not funded at an appropriate level?"
244 Winkler	Yes.
250 Campbell	Yes.
267 Unger	Concurred with prior witnesses.
277 Rep. Williams	Noted that a key component to this measure is allowing people to make educational choices and is concerned that the prior witnesses do not want to enlarge the pool for fear of diluting the dollars. Spoke of concern about "limiting the size of the lifeboat by not allowing the dollars to follow a student".
343 Rep. Hass	Commented on debate and discussed his perspective of the benefit — not only to the student, but the State as a whole.
372 Chair Shetterly	Commented on debate and discussed that there is exclusion currently, just of a different sort.
399 Rep. Witt	Questions and discussion regarding: <ol style="list-style-type: none"> <li>1. Agreement that all students that qualify</li> </ol>

are deserving and the programs are  
deserving.

2. Questioned if alternative policy decisions  
could be made.

487 Vice Chair Meeting adjourned at 3:09 p.m.  
Carlson

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2591, Staff Measure Summary, Revenue statement and excerpt from Governor's  
Recommended Budget, Warner, 4 page
2. HB 2591, (-1) amendment, (CH/ps) 01/23/01, Kafoury, 1 page
3. HB 2591, Testimony, Hardie, 4 pages
4. HB 2591, Agency Fiscal Impact Form, Warner, 2 pages