

**HOUSE COMMITTEE ON EDUCATION**

**January 27, 1999 Hearing Room E**

**1:00 PM Tapes 12 - 13**

**MEMBERS PRESENT: Rep. Ron Sunseri, Chair**

**Rep. William Morrisette, Vice-Chair**

**Rep. Chris Beck**

**Rep. Betsy Close**

**Rep. Elaine Hopson**

**Rep. Bob Jenson**

**Rep. Tim Knopp**

**Rep. Lynn Lundquist**

**Rep. Carl Wilson**

**Rep. Jackie Winters**

**MEMBER EXCUSED:**

**STAFF PRESENT: Norm Fox, Administrator**

**Joan Diaz, Administrative Support**

**MEASURE/ISSUES HEARD: Informational Meeting**

**HB 2095 ñ Public Hearing and Work Session**

**HB 2250 ñ 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 12, A**

005	Chair Sunseri	Calls meeting to order at 1:00 p.m. Opens informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
006	Martha Anne Dow	President, Oregon Institute of Technology (OIT). Presents overview of issues heard by the Joint Boards Articulation Commission. <b>(EXHIBIT A)</b>
027	Jon Carnahan	President, Linn-Benton Community College. Presents articulation plan, which is the result of HB 2387 (1997 session).
056	Carnahan	Presents experiences regarding transfer and articulation issues.
070	Carnahan	Discusses: <ul style="list-style-type: none"><li>• Course equivalency tables on their website</li><li>• Hotline on website for individual institutions</li><li>• Joint Articulation Commission since 1992</li><li>• Articulated Associate Degree Block Transfer (1987)</li><li>• Joint admission agreements between Linn Benton Community College and Oregon State University</li><li>• Regional Partnerships</li><li>• Workshops</li></ul>
146	Rep. Close	Asks what is the tuition charge for joint admission.
147	Carnahan	Responds students pay the appropriate tuition at each institution.
148	Rep. Morrisette	Asks what percentage of students continues their education to a 4-year institution.
173	Rep. Jenson	Comments that statistics regarding out-of-state or of out-of-area transfer students are not included.
180	Carnahan	Presents information on other examples of agreements between community colleges and four-year institutions.
187	Chair Sunseri	Asks for example of changes implemented since passage of HB 2387 (1997 session).
189	Carnahan	Explains that programs were already in process at the time HB 2387 was being considered. Indicates there are more joint admission agreements. Explains changes in transfer of "professional technical credits." Describes financial aid needs for community college students.

225	Dow	Discusses: <ul style="list-style-type: none"> <li>• Articulation team</li> <li>• Data sharing between (OIT) and community colleges</li> <li>• Hotline which addresses immediate issues</li> <li>• OIT partnership with Klamath Community College</li> <li>• Tuition equalization model</li> <li>• Director of Community College Articulation appointment</li> </ul>
287	Rep. Lundquist	Comments that the coordination between community colleges and higher education seems to be working well.
309	Rep. Morrisette	States that a seamless educational experience for students is the primary goal, and thanks presenters for work done on the transfer plan.
335	Rep. Jenson	Comments that constituents have concerns regarding block transfers.
362	Carnahan	Explains details of obtaining an Associate of Arts Oregon Transfer Degree which addresses general education courses.
367	Chair Sunseri	Comments on his visit to OIT and suggests committee would find it beneficial to visit the facility.
374	Carnahan	Responds to earlier question that 3,226 students transferred from community colleges to higher education in 1996.
394	Chair Sunseri	Closes informational meeting.
398	Chair Sunseri	Comments that the committee will be visiting the Sabin Skill Center in the future and will give the exact date as soon as possible.
399	Chair Sunseri	Opens public hearing on HB 2095.
<b><u>HB 2095 PUBLIC HEARING</u></b>		
<b>TAPE 13, A</b>		
002	David Myton	Executive Director, Teacher Standards and Practices Commission (TSPC). Supports HB 2095, which increases certain fees collected by TSPC. <b>(EXHIBIT B, C)</b>
060	Myton	Explains TSPC is supported entirely by license fees paid by Oregon educators. Comments the current fee is \$60 which the 1991 Legislature established as the

		statutory ceiling. Requests an increase to \$100 and requests amending the late application fee from \$15 to \$25.
137	Rep. Winters	Asks what is the amount of yearly carryover funds.
140	Myton	Responds \$375,000, but it is projected to be \$275,00 at the end of the 1999-2001 biennium.
146	Rep. Winters	Asks is this amount included in the governor's budget and has the Department of Administrative Services approved this proposal.
150	Myton	Responds there will be no fiscal impact in this biennium, but in 2001-2003 the impact will be \$450,000.
162	Rep. Hopson	Asks does the workload of TSPC increase as a result of alternative teacher education.
165	Myton	Explains factors that impact the workload.
198	Rep. Morrisette	Asks why is there a fiscal impact on general fund if the agency is supported entirely from licenses fees.
208	Myton	Responds there would no fiscal impact for the current biennium but there would be a fiscal impact on licensed educators in 2001-2003.
220	Rep. Wilson	Asks if TSPC is expecting an increase in overhead.
240	Myton	Explains agency costs are determined by general inflation, rent, etc. Comments that salaries comprise most of the budget.
264	Rep. Knopp	Asks have all professional educators been notified of proposed increases.
279	Myton	Responds affirmatively.
283	Rep. Knopp	Asks was there any opposition to increases.
286	Myton	Explains that the Confederation of Oregon School Administrators and the Oregon Education Association support the proposed increases.
288	Rep. Knopp	Questions why does the bill indicate a ceiling of \$200 when fee is to be \$75.
290	Myton	Responds that there will probably be a two-phase increase.

305	Rep. Winters	Asks is the two-phase increase agreeable to the professional educational organizations.
306	Myton	Responds affirmatively.
308	Chair Sunseri	Closes public hearing on HB 2095. Opens work session on HB 2095.
<b><u>HB 2095 WORK SESSION</u></b>		
309	Rep. Wilson	Asks if Ways & Means hasn't approved a budget for the biennium, why is a request being made for fee increases.
336	Myton	Comments it is a "Catch 22" situation. Explains he has to give his best estimate of expenditures for the next two years.
350	Rep. Wilson	Asks does the bill request the committee to raise the "cap" on fees and then the Ways & Means committee will be dealing with the details.
360	Myton	Responds that is correct.
389	Rep. Knopp	Asks is TSPC adding four new positions.
395	Myton	Responds no, but they are reclassifying two positions.
<b>TAPE 12, B</b>		
002	Myton	Explains the cost of \$72,000 is due to reclassifying positions.
006	Rep. Knopp	Asks for total budget for current and next biennia.
008	Myton	Responds budget for the 1997-99 biennium is \$3,594,000. Explains budget for 1999-2001 is \$2,994,000; a reduction of \$600,000.
041	Rep. Lundquist	Explains why there is a reduced budget at the same time TSPC is reclassifying personnel. Indicates the discrepancy is the result of phasing out of fingerprinting costs.
043	Chair Sunseri	Suggests committee should be reviewing policy issues in the bill and let Ways & Means worry about financial issues.
045	Rep. Knopp	Expresses confusion with the fact that budget is being reduced but an increase in fees is requested.

042	Myton	Refers to exhibit for fingerprinting costs, applications and renewals.
064	Rep. Knopp	Asks for exact fee including the requested increase.
066	Myton	Responds that \$102 is the fee for a person who had never been fingerprinted.
068	Rep. Morrisette	Asks for clarification of repeated fingerprinting.
072	Myton	Responds once a fingerprint record is sent to the FBI, there would be no need to fingerprint again unless license has lapsed for 3 years.
<b>081</b>	<b>Rep. Morrisette</b>	<b>MOTION: Moves HB 2095 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways &amp; Means.</b>
084	Rep. Knopp	Comments he will vote yes but may vote no on the floor.
		<b>VOTE: 10-0</b>
<b>090</b>	<b>Chair Sunseri</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
104	Rep. Beck	Suggests the witness return at a later date to give committee more information on TSCP.
105	Chair Sunseri	Closes work session on HB 2095. Opens public hearing on HB 2250.
<b><u>HB 2250 PUBLIC HEARING</u></b>		
107	Woody Farber	Director, Oregon State Scholarship Commission. Supports HB 2250, which establishes income tax credit equal to 50% of scholarship funds paid by employers in providing scholarships to employees and their dependents.
158	Sherrill Kirchoff	Private Awards Coordinator, Oregon State Scholarship Commission. Supports HB 2250. Discusses endowment programs.
190	Rep. Morrisette	Asks if there are plans to give parents any tax credits.
197	Farber	Explains new federal tax credit program of \$1500.
203	Rep. Morrisette	Asks if there are any tax credits for businesses who provide scholarships at the

		present time.
209	Farber	Responds this is a new proposal.
214	Rep. Jenson	Asks what qualifies as a "business."
228	Kirchhoff	Responds the Commission follows the IRS guidelines as to what qualifies as a business and the minimum number of employees.
235	Rep. Jenson	Asks is the scholarship program available for a ranch owner and his employees.
240	Farber	Responds he does not know.
244	Rep. Lundquist	Seeks clarification on total lost revenue to the state if proposal should pass.
260	Farber	Responds that corporation income tax would enable commission to double the amount of scholarships available.
265	Rep. Lundquist	Seeks further clarification on total impact to the state.
289	Farber	Clarifies that 50% of the amount a corporation contributes to the program will result in scholarships.
290	Rep. Lundquist	Cites example of one firm contributing \$10,000, and asks if it gets a tax credit on \$5,000. Asks would their tax be 6.5% on \$5,000; or a savings of approximately \$300.
307	Rep. Beck	Discusses tax credits further.
319	Rep. Jenson	Asks is this proposal limited to just corporations.
325	Farber	Responds that that is only his terminology; bill applies also to individual entrepreneurs.
337	Rep. Jenson	Asks for impact on a federal tax return.
363	Farber	Responds that if credit is taken, it will no longer be an expense.
370	Rep. Jenson	Clarifies that it is his understanding that that would be a line item deduction and not a tax credit.

379	Farber	Responds he does not know, but will research for the committee.
387	Rep. Jenson	Questions if "XYZ Co." receives a tax credit, could they claim a deduction as well.
390	Farber	Responds he does not know.
395	Chair Sunseri	Comments that it is possible if the state authorizes a tax credit, it may not be deductible on the federal tax return.
401	Rep. Lundquist	Asks for definition of "qualified employers."
405	Farber	Responds that employers must meet IRS requirements.
410	Rep. Lundquist	Questions what are IRS the requirements.
<b>TAPE 13, B</b>		
004	Farber	Comments that the size of the employer is a factor on which to base the percentage of scholarship recipients.
010	Chair Sunseri	Comments there is a letter from the Department of Justice which summarizes the IRS rules that is available to the committee. <b>(EXHIBIT D)</b> .
014	Rep. Lundquist	Expresses concerns with children of employer who might be declared eligible by parent/employer.
019	Kirchhoff	Responds the selection is done by an outside agency separate from the State Scholarship Commission.
022	Rep. Winters	Asks for information regarding the standards and regulations.
026	Farber	Responds he will share that information with the committee.
045	Rep. Beck	Questions if there a definition in federal law which defines a corporation. Asks whether the commission wants discretion to define which types of corporations are eligible.
055	Farber	Responds that he would prefer no limitation on types of corporations eligible.
057	Rep. Beck	Asks if there is a cap on this program or a limit to tax credit to be given in one year.



065	Farber	Responds there is not a cap in this bill.
071	Rep. Beck	Comments that the state could suffer a larger loss if there is no cap.
074	Chair Sunseri	Comments that the commission is allowed to set minimums and maximums based on the rules.
075	Rep. Beck	Asks should this committee set the cap.
078	Chair Sunseri	Comments if the committee doesn't set a cap, Revenue will.
087	Norm Fox	Committee Administrator. Explains impact of the bill.
092	Rep. Morrisette	Asks what is the criteria the recipients must meet.
098	Kirchhoff	Responds the commission helps the donors determine the needs criteria for recipients.
114	Rep. Beck	Asks if the committee could obtain a list of corporations providing scholarships.
118	Rep. Jenson	Asks if other states offer this same type of scholarship.
120	Kirchhoff	Responds she has no information regarding other states.
125	Farber	Comments that administration of this program is supported by other funds and not the general fund.
126	Rep. Winters	Asks for information regarding demographics on scholarship recipients.
130	Farber	Respond he will forward that information to the committee administrator.
134	Chair Sunseri	Closes public hearing on HB 2250.
135	Rep. Morrisette	Indicates he would like the committee to reconsider HB 2386.
137	Chair Sunseri	Responds that the committee will address that issue on Friday.
138	Chair Sunseri	Adjourns at 2:40 p.m.

Submitted By, Reviewed By,

Joan Diaz, Norm Fox,

Administrative Support Administrator

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**EXHIBIT SUMMARY**

**A ñ Informational Meeting, written material, Martha Anne Dow, 5 pp**

**B ñ HB 2095, written material, David Myton, 5 pp**

**C ñ HB 2095, written material, David Myton, 2 pp**

**D ñ HB 2250, written material, staff, 9 pp**