

HOUSE SPECIAL SESSION COMMITTEE ON
EDUCATION MODEL REVIEW

April 13, 1999 Hearing Room 350

5:00 p.m. Tapes 3 - 5

MEMBERS PRESENT: Rep. Jackie Winters, Chair

Rep. Elaine Hopson, Vice-Chair

Rep. Vic Backlund

Rep. Betsy Close

Rep. Ryan Deckert

Rep. Juley Gianella

Rep. Jeff Merkley

Rep. Susan Morgan

Rep. Bill Morrisette

Rep. Ron Sunseri

Rep. Judy Uherbelau

Rep. Carl Wilson

Charlie Arnest

Martin Bronstein

Joby Butcher

Glenn Colangelo

Michael Ewers

Tom Gentry

Caryl Gertenrich

Donna Hamer

Lisa Martin-Baker

Diane McKillop

Andy Pate

Tiffany Pate

Rick Reznick

Jennifer Roth

Ben Schellenberg

Darrel Trussell

Linda Verdoorn

MEMBERS EXCUSED: Rep. Betsy Close

Rep. Susan Morgan

Rep. Bill Morrisette

Joby Butcher

Michael Ewers

Tiffany Pate

Rick Reznick

Ben Schellenberg

STAFF PRESENT: Jan McComb, Administrator

Nancy Geisler, Administrative Support

MEASURE/ISSUES HEARD: Presentation of the Oregon Quality Education Model

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 3, A		
004	Chair Jackie Winters	Opens meeting at 5:15 p.m. Introduces Rep. Lynn Lundquist, who is responsible for the Oregon Quality Education Model (hereinafter "the Model").
010	Rep. Lynn Lundquist	District 59. Presents the Model (EXHIBIT A). Considers the Model to be revolutionary funding for education of grades K-12 in Oregon. Explains the background of the Model's inception.
051	Rep. Lundquist	Remarks that education has always been funded by taking the last budget and

		adding inflation, student population growth, and then the squeaky wheel. Explains this does not allow for judgment based on good facts.
076	Rep. Lundquist	Comments that the Legislative Council on the Model (hereinafter "the Council") was successful because they decided to bring in a cross-section of members and avoid bureaucrats and the Legislature. Adds the Council believed the people of Oregon need to decide issues concerning education.
116	Rep. Lundquist	Explains the Council had to get out of the mode of thinking about balancing the budget and one-time costs and into what a quality education should cost in the State of Oregon.
139	Rep. Lundquist	Remarks that, when discussing what education should cost, it is implied that education should be sufficient to allow students to reach the high standards set for them by education reform. Explains the process the Council went through was arduous. Comments the first decision they made was that education reform is the basis for the Model.
170	Rep. Lundquist	Indicates the Council could not answer all of the questions that arose. States there is a lot of work left to do, and this is not a static Model it is a living, breathing Model which will be constantly revised.
200	Rep. Lundquist	Outlines the areas which are still being examined. Notes it is important to understand the background of the Model and where the Council wants it to go. Reiterates the Model is not a disbursement allocation model or a prescriptive model. Adds the Model determines the total revenues needed for quality education.
239	Dr. Dave Conley	Associate Professor, University of Oregon, and consultant on the Model. Presents an overview of the Model (EXHIBIT B). Comments it is important to understand the database initiative for two reasons: <ul style="list-style-type: none"> • Policy reason. • Practical reason in terms of understanding the Model.
270	Conley	Indicates information is being collected on schools in Oregon to allow comparisons between schools. Explains the database initiative will cause schools to report expenditures in a standardized fashion. Remarks that the policy environment in Oregon is changing. Explains the effects of Ballot Measure 5, one of which was to move control of funding from the local level to the state level.
286	Conley	Adds that an intelligent system can be developed which maximizes the effectiveness of local school districts and allows the state to support that process. Remarks that to accomplish this, one needs to know what they want from the education system.
307	Conley	Explains the elements are in place to indicate how our schools are doing. Comments the Model is not intended to tell schools what to do, but to ask what they need to be successful in an environment where they will be judged in new

		ways.
321	Rep. Juley Gianella	Asks if the draft Model the committee was given two weeks ago is being replaced by what they were given today.
324	Chair Winters	Answers yes, they have been given an updated Model.
328	Rep. Gianella	Clarifies they will no longer be working on the Model they were given two weeks ago.
337	Conley	Reiterates the Model they were given today is the most current one.
338	Nancy Heligman	Project Manager, Database Initiative Project (hereinafter "the Project"), and Finance Director, Eugene School District. Presents a slide show involving the background and history of the Project. States the Project has been an inclusive process, with many stakeholders involved.
388	Heligman	Notes that the Project is a pilot project, involving a diverse group from a cross-section of geography, size, demographics, and educational programs. Adds that approximately 30% of the students in Oregon are represented within the pilot districts.
407	Heligman	Comments the impetus for the Project was passage of HB 3636 in the last legislative session. Indicates the purpose of the Project was to get more consistent data. Explains school districts were not accounting for expenditures and revenues in the same manner, so it was impossible to make comparisons across districts.
TAPE 4, A		
010	Heligman	Notes that HB 3636 required that districts report at the school level to the state. Adds they were asked to place the information in a database accessible to the public through the Internet. States they included other types of data in the database than just financial. Explains they broke the Project down into four parts: <ul style="list-style-type: none"> • Update to chart of accounts • Database development • Database loading • Internet reporting
038	Heligman	Elaborates on what was accomplished in the four areas above.
083	Michael Hess	Senior Manager, KPMG, and KPMG's Project Manager for the Project. Comments the third major component of the Project is to automate the collection of data from the pilot districts. Explains the data was formatted so it could be sent via the Internet to the Department of Education (DOE).

108	Hess	Indicates the fourth major component of the Project is the creation of the web-based reporting capability. Notes this allows information to be disseminated to those who require it.
127	Hess	States the intent of the project pilot was to develop a plan for statewide implementation. Adds this plan is to identify the approach needed to take the pilot project forward to encompass all districts in the state. Remarks there are tasks planned to expand the database.
141	Hess	Explains the automation of data collection, which will streamline business processes. Adds the database could be used to support efforts at modeling and provide data for decision making and further reporting of educational data.
158	Chair Winters	Inquires if they considered redundancy in the Project.
166	Heligman	Responds there is an opportunity to eliminate some redundancy in manual reporting and to streamline the process between the school districts and DOE.
175	Rep. Wilson	Inquires if DOE has shared how many website hits they are getting on the data pages on a daily basis.
183	Heligman	Notes they have been averaging approximately 500 hits per month. States they were fortunate to hire KPMG as contractors because they were instrumental in all phases of the Project.
199	Martin Bronstein	Corvallis. Asks about the reaction of the pilot districts to the Project.
205	Heligman	Remarks the pilot districts had mixed reactions. Comments the Council learned a lot about how DOE should work with districts if the Model is implemented statewide.
217	Bronstein	Asks if it was voluntary.
221	Heligman	Answers yes.
230	Conley	Shows overhead slides and explains (EXHIBIT B) . Notes there are bills in the Legislature designed to control the costs of school or anticipate what the costs might be next session. Comments the Model is an outgrowth of policy changes, not just good intentions.
280	Conley	Explains the history of the Model. States some principles had to be adhered to: <ul style="list-style-type: none"> • Education is different from health care. • The Model must make sense for schools, not just to government.

302	Conley	Points out that in (EXHIBIT A, page 11) , there are descriptions of the Council members, who are very diverse and show a commitment to the well-being of Oregon.
330	Conley	<p>Reports the Model uses education reform as a basis in part because teachers cannot accomplish things without resources. Notes that students need to be given a broad set of opportunities. Indicates the Council defined the elements of quality education as being:</p> <ul style="list-style-type: none"> • What is needed to get to the standards. • What elements does the Board of Education desire. • What are the key policy elements defined by the Model (EXHIBIT A, page 44-47).
374	Conley	Comments the Model attempts to determine how school funds are spent.
392	Rep. Uherbelau	States the Council does not address readiness for starting school in the Model.
396	Conley	Responds this is correct. Explains many state policies go beyond the charge of the Council. Comments if they had moved outside their charge, they might have gone into areas where they did not have any influence.
420	Conley	Stresses that schools will always be compared. Suggests people need to take control of the way they talk about school comparisons rather than just ranking them all by number.
TAPE 3, B		
021	Conley	Explains the Model is a tool which allows us to think systematically about what schools have done, how they relate to expectations, and their actual performance. Reiterates this is not about telling schools how to spend their money.
037	Conley	Comments on the weighting system, where extra money is provided for certain categories of pupils. Comments the Model does not address weighting.
061	Conley	Reports they looked at what it would take to achieve high academic standards. Adds they constructed the model by thinking of individual school buildings. States this is an integrative Model, which means that when things are done in combination, a lot of students will get to the standard. Comments this is about the relationship between input and output.
089	Conley	Notes there is a partnership operating between the state and schools. Reports this is about a good school system getting much better. Adds that individual schools are the unit of analysis. Indicates the prototype school is a way to think about idealized performance, not the performance of individual schools.
117	Conley	Notes the Model is a way to provide guidance in improving education and funding.

121	Rep. Lundquist	Asks Conley to discuss why they chose schools for comparison.
123	Conley	Explains research on effective schools suggests that teachers may be good or bad, but going through an instructional process in school is a greater influence on the student than an individual teacher. Adds it is more important to compare school to school rather than teacher to teacher.
137	Conley	Comments a good school aligns its curriculum. Explains that schools have cultures which sometimes support improvement and in other cases drag the students down. Notes the school is the appropriate unit of analysis.
154	Conley	Reports the Model identifies a series of intangibles which have to be there for the school to succeed. Notes that money will not make a difference if the school is not attending to these intangibles.
176	Conley	Suggests that money should come with strings attached, which is that the intangibles be tended to.
189	Rep. Gianella	Asks what Conley was just talking about.
192	Conley	Replies he was talking about intangibles and how they can be more important than the tangibles.
194	Rep. Gianella	Asks for an example of an intangible.
196	Conley	Responds that leadership of the principal is an important intangible in determining how well the school functions to improve student achievement. Adds other intangibles are parent involvement and teacher leadership abilities.
210	Rep. Uherbelau	Inquires about an underlying assumption that the prototype is close to an urban area and large enough for a full range of central office services. Suggests this is not true of many schools in Oregon.
220	Conley	Explains that many of the assumptions in the Model are not true of most Oregon schools. Emphasizes the assumptions tend to come out of research and take a slightly optimistic point of view. Adds the assumptions are necessary because the Council had to have a starting point for the Model.
270	Conley	Explains if money were distributed based on the Model, they would have to ask how a rural school is different. Notes they rolled all the weightings in and developed a school without reference to the weightings. Emphasizes they did not attempt to deal with the distribution issue because this would have called for multiple models at different levels.
303	Conley	States they want the database to come online so they can have good comparison data. Acknowledges they pulled out the high cost special education students in order not to skew the Model. Notes they tried to get the best estimate of how

		much students cost, but this was difficult to do because there are no records of this.
330	Conley	Reports the Model required coming up with a figure through the General Fund budget, not addressing every cost associated with schools. Reports the Model builds in realistic figures on how much it takes to maintain schools, because many schools are under-resourcing the maintenance of their facilities.
362	Rep. Gianella	Asks what maintenance covers.
366	Conley	Replies roofs, building upkeep, electrical, janitorial, etc.
371	Heligman	Adds this would include ongoing maintenance and repairs, cleaning, and upkeep, which a local district would need to fund from the state.
386	Chair Winters	Asks if the committee could be provided with a copy of the chart of accounts.
388	Heligman	Answers yes.
394	Conley	Explains categories of costs in the Model which are separate from the database initiative.
400	Rep. Lundquist	Stresses that the database and the Model complement each other in order to provide the best data.
TAPE 4, B		
008	Rep. Gianella	Inquires if the copier costs are one cent per page or 2,520 copies per child.
010	Conley	Answers the cost is one and a half cents per page.
011	Heligman	Notes this is per school, not per child.
013	Conley	Explains the process of costing for copying. Notes the figure should include the lease, paper, maintenance of the copier, etc.
020	Rep. Gianella	Asks if someone will walk the committee through this so they will understand the concept of per school or per child.
023	Conley	Answers he will do that. Reports he wants to talk in terms of a program rather than a budget because programs have elements and budgets have categories. Emphasizes the Model is about what it takes to create a total school program. Notes the sources used for the program:

		<ul style="list-style-type: none"> • Database initiative. • Research on effective educational practices. • Data from the DOE and other professional organizations. • Direct questioning of schools regarding costs.
041	Conley	States they were not trying to determine the average, but to come up with a school which approximates a real school. Calls attention to the Model, pages 49 and 59.
088	Conley	Observes he is trying to explain the Model, and the Model is the framework. Advises the committee to flip back and forth between pages 49 and 59 in order to get a better overview of the details.
130	Conley	Explains the salary figures, which include all of the fringe benefits.
147	Rep. Gianella	Asks which page they are on.
151	Conley	Reports they are on page 2, which is handwritten page 50.
164	Margaret Hunt	Explains the matrix pages are an explanation for full implementation at the elementary level, middle school level, then the high school level. Notes the Model is a work in progress.
170	Conley	Delineates where information regarding the principal's salary came from. States that computer hardware and software is listed because there is a demand for people to know how technology is being used. Explains other costs listed.
195	Rep. Uherbelau	Inquires if the heading for element cost is per something.
199	Conley	Replies that everything in the element cost is for the school.
203	Peggy Lynch	Citizen Advocate. Explains how the last two columns are calculated.
206	Conley	Comments the per pupil costs are listed in the Technical Manual section.
214	Lynch	Remarks that the last column shows a calculation of the number of copies a student would need per year, and then the math is done to arrive at the figure in column 4.
223	Rep. Uherbelau	Clarifies they are talking about a per year cost.
226	Lynch	Answers yes. Adds it is for multiple areas.

228	Rep. Uherbelau	Comments she understands, but the labels are not very clear.
232	Conley	Reports some categories might be different than their school budgets.
242	Rep. Uherbelau	Asks about the data which states that some schools do not use texts.
247	Conley	Explains that some elementary schools use different materials. States the teacher reimbursement of material purchases is something that will not be found in most school budgets. Suggests a small investment can yield a large outcome in terms of student motivation and achievement.
265	Conley	Stresses they have provided enough money for each teacher to have 10 days of special training and development. Adds schools will have to find creative ways to come up with this time.
272	Rep. Uherbelau	Asks how they arrived at the per diem cost.
275	Heligman	Responds the cost is a blend based on part substitute time and part teacher per diem time.
287	Conley	Explains the per diem rates further. Comments they were trying not to prescribe the number of days teachers would be doing these activities.
304	Heligman	Notes the question was which per diem is Conley referring to.
307	Rep. Uherbelau	Reports she wants to know what was being counted. Adds when teachers have training days, they would normally be in the classroom on those days. Indicates the cost would only be for a substitute teacher.
316	Conley	States they assume a certain amount of release time. Reiterates they are not accounting for something that does not cost anything, but for things which would exceed the norm.
332	Conley	Adds the idea is not to have more release days, but to provide resources to account for the additional time teachers are absent.
344	Rep. Uherbelau	Replies she does not feel she and Conley are communicating well.
348	Chair Winters	Asks if Rep. Uherbelau and Conley can get together after the meeting.
350	Rep. Uherbelau	Answers yes.
352	Conley	Remarks the Council put time in the Model for 60 students for 4 weeks of

		summer school.
354	Rep. Gianella	Inquires whether these 60 students have failed school.
356	Conley	Responds the assumption is that some students will not meet the standard, and they will benefit the most from summer school. Adds there may be other students who do not meet the standard, but they can be addressed in ways other than summer school.
369	Rep. Gianella	Asks if not meeting the standard means having failed.
372	Conley	Replies no. Asks if Rep. Gianella means they have been held back in their grade.
374	Rep. Gianella	Answers yes.
376	Conley	Responds it does not mean they are held back in their grade. Explains the students did not meet the benchmark standard on the Oregon assessments.
379	Chair Winters	Asks that they keep in mind this is only a model and can be changed.
384	Rep. Gianella	Replies they need to know what they are looking at in order to provide input.
386	Diane McKillop	Comments that teachers can easily relate to benchmarks.
400	Rep. Lundquist	Notes they are talking about full implementation. Adds they are building a Model which will allow students to meet the standards. Clarifies that flexibility is part of the Model.
TAPE 5, A		
010	Conley	Moves on to additional instruction time. Notes these figures are out of the database initiative. Comments the Model shows that a school district apportions all its costs out to the schools' centralized costs.
015	Rep. Uherbelau	Comments one must go back to the foundation of how it is determined what will be allocated to the district to arrive at the figure to be allocated to specific schools.
020	Conley	Answers that concerns the distribution formula.
024	Rep. Uherbelau	Asks if they have not dealt with the distribution formula, where did the figures come from.

028	Conley	Reports they had to determine how much money it would realistically take to get a certain proportion of students to meet the standards. Elaborates on how they developed the figures.
045	Rep. Gianella	Inquires about the food service programs and if they are self-supporting right now.
048	Conley	Answers that in elementary schools they tend to be self-supporting, but high school food services are less self-supporting. States they decided that, since many districts can do this, it is an efficiency and allows for comparison.
079	Chair Winters	Addresses outcome assumptions and 90% performance in the Model and asks what happens to the other 10%.
083	Conley	Refers to (EXHIBIT A, page 62) , where a bibliography supports the notion that there may be a relationship between the kinds of activities listed and certain levels of students. Comments that some students have not been in the program long enough to be tested, and these are the other 10%.
119	Caryl Gertenrich	Remarks that Conley consistently refers to "all the children," not accounting for the other 10%.
123	Conley	Answers he would be happy to design another model to talk about all the children, but this Model talks about 90%.
130	Gertenrich	Asks if they should use the word "all" then.
131	Conley	Notes it depends on the definition of all.
137	Chair Winters	Indicates she would like to invite Conley to return and answer further questions.
140	Conley	Answers yes.
143	Andy Pate	Asks what specific group of people came up with the individual items in the Model. Remarks the Model mentions full-day kindergarten.
150	Conley	Explains the Council used various work groups, school research, and specific things which seem to relate to Oregon.
176	Rep. Lundquist	Clarifies they are talking about quality, not just reaching standards.
186	Linda Verdoorn	Gresham-Barlow. Comments she is offended by the comments regarding program staff in the Model covering for preparation times.

192	Conley	Notes the version of the Model they have is not the most current version.
199	Verdoorn	Explains that in quality education you do not provide music, art, etc., to cover preparation times. Adds a quality education is provided to more completely develop a child.
205	Conley	Answers that not everyone understands this. (Tape inaudible due to rustling paper and members conversing among themselves.)
209	Verdoorn	Comments this should not be in the Model.
211	Conley	Replies it is not in the current version.
213	Chair Winters	Asks what is the target date for completion of the Model.
217	Hunt	Answers the Model is a work in progress. Adds it is being edited and changed as the Council continues to meet. Suggests they are probably a couple of weeks away from a document to be sent to the printer.
232	Chair Winters	Reports that once they have the final document, they will call Conley and Hunt back.
239	Charles Arnest	Salem. Inquires if the Model has been validated.
248	Conley	Answers the full implementation Model does not attempt to replicate the current state of affairs in Oregon schools, but a vision of what is possible.
266	Arnest	Notes that (tape inaudible due to rustling paper and members conversing among themselves).
270	Conley	Replies the Model is not supposed to emulate any existing school.
275	Robert "Ozzie" Rose	Administrator, Confederation of Oregon Schools. Comments the Model does not portray what we have in Oregon, but what is needed if all students are to meet the standards. Notes it is not about school reform, but improvement.
295	Rep. Wilson	Thanks the teachers for being at the meeting.
308	Rep. Lundquist	Comments the reason for the Model is not to validate what is being done today, but to validate what it would cost to provide the education to meet the standards. Emphasizes the Model is flexible and links funding and performance.
337	Conley	Explains the Model looks like a real school in an academic exercise.

344	Heligman	Comments they did validate the prototype schools against schools in the database which were similar in characteristics and costs. Expresses that the costs are based on actual Oregon costs. Clarifies there is not a prototype school anywhere in Oregon.
354	Rep. Gianella	Asks Rep. Lundquist what is the exact role of the committee in this process. Inquires if they are supposed to offer input or just review what has already been done.
367	Rep. Lundquist	Answers he is not sure, but notes that input from anyone is welcome. Explains the Council will continue to work on the Model to refine it.
383	Chair Winters	Clarifies that the committee is charged with refining the Model and making recommendations to the next legislative session. Adds their input and thoughts are not restricted in any way.
396	Rep. Elaine Hopson	States the kindergarten issue is a good one to examine. Comments that flexibility is inherent in the Model.
TAPE 6, A		
009	Hunt	Relates the Model is a tool for the lawmakers, not a tool for the districts. Notes it was designed to fill a huge void in the Legislature regarding responsible decisions about school funding.
019	Chair Winters	Notes the time of the next meeting will be on April 27, 1999 at 5:00 p.m. Encourages members to take the document home and review it. Explains she will develop specific work groups.
030	Chair Winters	Comments that, on the issue of kindergarten, there is nothing to preclude this group from discussing full-time kindergarten statewide.
035	Chair Winters	Adjourns the meeting at 7:30 p.m.

Submitted By, Reviewed By,

Nancy Geisler, Jan McComb,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ The Oregon Quality Education Model, Draft, Rep. Lynn Lundquist, 116 pp

B ñ Quality Education Model Overview, Dr. David Conley, 15 pp