

HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS

June 23, 1999 Hearing Room D

8:00 A.M. Tapes 111 - 114

MEMBERS PRESENT: Rep. Mark Simmons, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Bruce Starr, Vice-Chair

Rep. Roger Beyer

Rep. Randall Edwards

Rep. Dan Gardner

Rep. Kevin Mannix

STAFF PRESENT: Cletus B. Moore, Jr., Administrator

Keith Putman, Policy Analyst

Pat Zwick, Policy Analyst

Kevin E. Wells, Administrative Support

Valerie H. Luhr, Administrative Support

MEASURES HEARD: SB 1282-A Work Session

SB 1061-A Work Session

SB 975-B Work Session

SB 811-A Public Hearing and Work Session

HCR 12 Public Hearing and Work Session

SB 1180-A Public Hearing

SB 1181-A 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.

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TAPE/#	Speaker	Comments
TAPE 111, A		
002	Chair Simmons	Calls meeting to order at 8:30 a.m. Opens work session SB 1282-A.
<u>SB 1282A WORK SESSION</u>		
008	Staff	Distributes ñA5 amendments (EXHIBIT A) .
010	Sen. Marilyn Shannon	Senate District 15. Testifies in support of SB 1282A with the ñ5 amendments (EXHIBIT B) . Relates discussions concerning SB 1282A.
060	Sen. Shannon	Describes problems contractors encounter with Oregon Department of Transportation (ODOT) in resolving claims. Explains that SB 1282A remedies the situation. Discusses the fiscal impact analysis by ODOT.
098	Michael Kelly	KT Contracting Company Inc. Testifies in support of SB 1282. Relates concern of ODOT that SB 1282A discourages informal mediation of claims. Explains what claims may be brought forward to ODOT.
150	Kelly	States that ODOT has many opportunities to resolve claims.
191	Rep. Mannix	Supports SB 1282A. Asks if capping the amount of recoverable legal costs and payment of interest on claims encourages claims settlement.
226	Sen. Shannon	Asks if those provisions encourage ODOT to settle claims.
229	Rep. Mannix	Suggests that ODOT report periodically to the Legislature.
232	Kelly	Stresses that contractors do not use claims as source of additional revenue. States that SB 1282A allows contractors to receive proper compensation for services rendered.
260	Sen. Shannon	Supports legislative oversight of ODOT's formal claims.
274	Kelly	Stresses that ODOT has opportunities to informally resolve claims.
280	Rep. Mannix	Asks if a minimum \$1000 amount for legal costs would encourage ODOT to use the informal methods of resolving claims.
303	Chair Simmons	States that further amendments are needed. Asks Sen. Shannon how ODOT has

		responded to the letters in her testimony.
317	Sen. Shannon	Replies that ODOT has been responsive and helpful.
331	Rep. Mannix	Offers to draft the amendments. Suggests a delay implementation date.
341	Doug Tindall	Maintenance Engineer, ODOT. States that the ñ 5 amendment drastically reduces the fiscal impact. Explains that ODOT currently pays interest on its outstanding claims. States that ODOT does have an interest in settling claims quickly.
390	Tindall	States ODOT's concern is the culpability issues in SB 1282A.
419	Chair Simmons	Asks Tindall to provide further information. Asks Rep. Mannix to draft further amendments. Closes Work Session SB 1282A. Opens Work Session SB 1061A.
TAPE 112, A		
<u>SB 1061A WORK SESSION</u>		
009	Pat Zwick	Policy Analyst. Reviews the ñA7 amendments to SB 1061A (EXHIBIT C).
026	Jon Chandler	Oregon Building Industry Association (OBIA). Supports SB 1061-A7.
030	Rep. Devlin	Asks about the mechanism for local jurisdictions to plan park service.
038	Chandler	Explains that only a plan to develop park service needs to be in place, but no money needs to be secured.
042	Rep. Beyer	MOTION: Moves to ADOPT SB 1061A-7 amendments dated 6/21/99.
		VOTE: 4-0 EXCUSED: 3 - Edwards, Gardner, Mannix
	Chair Simmons	Hearing no objection, declares the motion CARRIED.
048	Rep. Beyer	MOTION: Moves SB 1061A to the floor with a DO PASS AS AMENDED recommendation.

		VOTE: 6-0 EXCUSED: 2 - Edwards, Gardner
	Chair Simmons	Hearing no objection, declares the motion CARRIED. REP. STARR will lead discussion on the floor.
064	Chair Simmons	Closes Work Session SB 1061A. Opens SB 975B. Explains a change that needs to be made to SB 975.
<u>sb 975b work session</u>		
083	Rep. Beyer	MOTION: Moves to SUSPEND the rules for the purpose of Conceptually amending SB 975B.
		VOTE: 6-0 EXCUSED: 1 - Edwards
	Chair Simmons	Hearing no objection, declares the motion CARRIED.
095	Rep. Beyer	MOTION: Moves to AMEND SB 975B on page 3, in line 1, delete "photograph".
		VOTE: 6-0 EXCUSED: 1 - Edwards
	Chair Simmons	Hearing no objection, declares the motion CARRIED.
100	Chair Simmons	Closes Work Session SB 975B. Recesses the meeting at 9:10 a.m..
107	Chair Simmons	Reopens the meeting at 2:21 p.m. and opens a public hearing on SB 811A
<u>SB 811A PUBLIC HEARING</u>		

113	Sen. Ted Ferrioli	Senate District 28. Reviews provisions of the SB 811-A3 amendment (EXHIBIT D) . States the amendment helps resolve some concerns of The Oregon Sheriffs Association.
141	Russ Spencer	The Oregon State Sheriffs Association. Reviews the intent of the SB 811-A3 amendment. Explains the bill addresses concerns of states contiguous to Oregon of the ability to obtain a concealed handgun license and lawfully carry the weapon in Oregon.
172	Rod Harder	National Rifle Association. Testifies in support of the bill. Questions whether the bill would have any effect on HB 2535.
183	Rep. Mannix	States he does not see a conflict between the two bills. Explains what would occur if there was a need for a conflict amendment.
192	Sen. Ferrioli	Indicates SB 811-A represents a good compromise. Speaks to the need for some individuals to carry a handgun.
215	Rep. Devlin	Asks Spencer if the police chiefs support the bill.
218	Spencer	States he cannot speak for the chiefs of police, but they usually defer to the sheriffs' association.
225	Chair Simmons	Closes the work session on SB 811-A and opens a work session on SB 811-A.
<u>SB 811A WORK SESSION</u>		
227	Rep. Mannix	MOTION: Moves to ADOPT SB 811-A3 amendments dated 6/2/99.
		VOTE: 7-0
	Chair Simmons	Hearing no objection, declares the motion CARRIED.
231	Rep. Mannix	MOTION: Moves SB 811-A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Simmons	The motion CARRIES. REP. MANNIX will lead discussion on the floor.

247	Chair Simmons	Closes the work session on SB 811-A and opens a public hearing on HCR 12.
<u>HCR 12 PUBLIC HEARING</u>		
255	Speaker Lynn Snodgrass	House District 10. Testifies in support of HCR 12. Relates her personal experience with Colonel Emil Veer and the impact he had on her life. Urges the committee's support of HCR 12.
315	Speaker Snodgrass	Continues testimony in support of HCR 12.
392	Rep. Jackie Winters	House District 31. Testifies in support of HCR 12. States Colonel Veer was not only a constituent, but also a friend. Urges the committee to support HCR 12.
TAPE 111, B		
003	Vi MacDonald	Salem, Oregon. Submits and presents testimony (EXHIBIT E) in support of HCR 12. Speaks to Colonel Veer's military service. Urges the committee's support.
017	Chair Simmons	Comments on his personal experience with Colonel Veer. Closes the public hearing on HCR 12 and opens a work session on HCR 12.
<u>HCR 12 WORK SESSION</u>		
029	Rep. Mannix	Relates his personal experience with Emil Veer.
031	Rep. Mannix	MOTION: Moves HCR 12 be sent to the floor with a BE ADOPTED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
Chair Simmons		The motion CARRIES. REP. WINTERS will lead discussion on the floor.
041	Chair Simmons	Closes the work session on hcr 12 and opens a public hearing on SB 1180-A and SB 1181-A.
<u>SB 1180A and SB 1181A PUBLIC HEARING</u>		
058	Chair Simmons	Calls a recess at 2:45 p.m. Reopens the meeting at 3:07 p.m.

072	Sen. Neil Bryant	Senate District 27. Testifies in support of SB 1180-A and SB 1181-A. Speaks to bringing balance to the collective bargaining laws and allowing local control. Discusses SB 750 (1995). Discusses attempts to be considerate of the Oregon Schools Boards Association and local school districts. Speaks to whether local school districts can bargain effectively with a statewide teachers' union.
125	Sen. Bryant	Comments on the state of Wisconsin's "Qualified Economic Offer" (QEO) (1993). Indicates the bills before the committee include all spending by school districts. Speaks to the legislature's control of spending.
170	Sen. Gene Derfler	Senate District 16. States SB 1180-A makes adjustments to SB 880 (1997) to help make the process run smoother. Comments on the "just cause" provision. Comments on the budgeting process. Comments on the issue of salary caps. States his support of control at the local level.
230	Rep. Gardner	Asks if school boards hire professionals to handle negotiations.
235	Sen. Derfler	States the school boards do their own negotiating.
237	Sen. Bryant	States most school districts hire professionals. States school board members are susceptible to pressure. States SB 1181-A is an effort to restore balance and an attempt to avoid statewide negotiating.
256	Sen. Derfler	Indicates many school board members would not run again after going through the bargaining process.
261	Rep. Gardner	States there may be many teachers who would not want to continue teaching if the bills were implemented.
264	Sen. Derfler	Speaks to Oregon's teacher salaries. States the system is socialistic.
273	Rep. Devlin	States there are many issues beyond economic issues that are normally dealt with in bargaining, some mandatory and some permissive. States the bill could potentially close the door towards resolving issues between labor and management. Asks Sen. Derfler and Sen. Bryant for their reaction.
284	Sen. Bryant	States he believes the language issues in the contract would become more focused and more important if the not-qualified economic offer was made. States the unions would be able to concentrate in those areas and apply more pressure to obtain concessions on language.
295	Sen. Derfler	Expresses agreement with Sen. Bryant's comments. States the ability to bargain for issues is not eliminated.
297	Rep. Devlin	States his belief that compensation levels would rise to the highest level if there was statewide bargaining. Asks Sen. Bryant and Sen. Derfler to comment.

306	Sen. Bryant	States he thinks that would be the tendency. Indicates statewide bargaining has not been easy for other states. States there is the tendency to go to statewide bargaining since the legislature is providing most of the funding.
336	Rep. Mannix	Asks why there isn't a statewide collective bargaining bill.
339	Sen. Derfler	Indicates they talked with Hawaii, Washington, and three Canadian provinces. Comments on Washington's program. Comments on Canada's experience. Indicates a statewide system is not easy to develop. States his preference for local control.
380	Rep. Mannix	Comments on a letter from Jean Thorne addressing amendments that were rejected in the Senate. Asks Sen. Derfler and Sen. Bryant for their thoughts on putting the amendments in the bill.
395	Sen. Derfler	States the amendments "have no teeth." Recommends removing the language in the bill relating to evaluation of teachers because it has caused problems.
415	Sen. Bryant	States it is important to note, both in SB 880 and SB 1180-A, that renewal of contracts addresses not only certified staff, but also administrators.
422	Sen. Derfler	Comments on administrators being the biggest problem in schools.
428	Sen. Bryant	States Oregon has a very good educational system that is in an age of transition. Speaks to the role of teachers in today's society. States the legislation is not intended to be demoralizing.
TAPE 112, B		
007	Sen. Derfler	Expresses agreement with Sen. Bryant's comments. Comments on the content of letters he receives.
015	Chair Simmons	Comments that the problems being addressed are easily recognizable. Recognizes that there is consternation from teachers and their representatives about the two bills. Asks if anyone else has suggested solutions outside statewide collective bargaining.
024	Sen. Bryant	States the Governor's office has proposed some amendments and ideas. States he has not received any ideas from labor.
033	Rep. Edwards	Asks Sen. Bryant and Sen. Derfler if they have anticipated what the growth factor would be.
038	Sen. Derfler	States there is not a set figure. State they will let the Department of Administrative Services (DAS) set the figure.

051	Sen. Bryant	States the 3.8 percent, which was a political compromise, came from Wisconsin. States by allowing DAS to set the figure, it takes out the politics. States the amount can be argued every two years.
063	Rep. Edwards	Expresses concern about differentials and cost. Asks how differentials from around the state are incorporated.
070	Sen. Derfler	States that would need to be adjusted in the formula.
074	Sen. Bryant	States there have been discussions about the need for a separate pool of money for high growth districts.
078	Rep. Edwards	States he believes part of the problem is that the legislature is on a biennial budget and the schools budget annually. Expresses frustration with the removal of local control.
098	Sen. Bryant	Comments on the evolution from local control to increased state funding and control.
114	Rep. Edwards	Indicates the state's check is that whatever budget is passed signals how far they are willing to go.
118	Sen. Bryant	Speaks to what happens when funds to school districts are not increased.
123	Rep. Beyer	Asks if DAS has testified as to what they think the growth factor should be in Section 3 of SB 1181-A.
127	Sen. Derfler	States DAS did not testify, but it should be easy for the agency to make projections. States he has asked DAS to consider economic conditions and then project growth.
138	Sen. Bryant	Comments on his conversations with Jon Yunker.
148	Sen. Derfler	States the figure in the Republican-controlled budget is 8.5 percent for education funding for the biennium.
162	John Marshall	Director, Legislative Services, Oregon School Boards Association (OSBA). Submits testimony (EXHIBIT F) and presents introductory remarks.
174	Ron Wilson	Director, Labor Relation Services, osba. Testifies in support of SB 1180-A. Speaks to an enhanced accountability link between expectations of both administrator and teacher performance and education system results. Reviews collective bargaining changes and the dismissal process for teachers.

220	Chair Simmons	Asks how many teachers have been dismissed as a result of SB 880.
222	Wilson	States approximately 30 teachers out of 33,000 statewide were not extended.
233	Rep. Edwards	States he does not believe the analysis is fair because the bill's intent is not to put all teachers on notice.
238	Chair Simmons	Comments on the overall good quality of teachers statewide, but administration needs tools with which to take action.
246	Wilson	Reviews the programs of assistance for improvement, confidentiality provisions, and other changes in the bill.
261	Rep. Gardner	References the assessment of effectiveness and asks how the evaluation would be made.
267	Wilson	States the bill does not specify nature of the assessment. Reiterates Sen. Derfler's comment about asking what a teacher's job is and how well are they doing the job in order to do an assessment. States the bill language allows each school district to set individual standards and methods of assessment and then look at standards of student achievement.
279	Rep. Edwards	States the provisions are not clearly defined.
281	Wilson	Speaks to a system and assessment process generated through ORS 342.850.
298	Rep. Edwards	Asks if SB 1180-A is more "punch" than SB 880.
310	Wilson	States the SB 1180-A is trying to enhance the accountability link between performance, expectations, and student achievement started in SB 880. States the collective bargaining changes were not anticipated. States the teacher dismissal process is a product of the current situation. States SB 880 did not address the teacher dismissal process statewide.
331	Rep. Edwards	Asks what the "carrot" is if SB 880 and SB 1180 are the "stick." Comments on providing incentives, requiring accountability, and assessing student achievement.
345	Wilson	States HB 1180-A clarifies the ultimate job of the teacher and the bill creates policy for collective bargaining changes and dismissal process for teachers. States the bill is not a carrot-and-stick approach.
382	Rep. Edwards	Expresses his disagreement with Wilson's comments.

390	Chair Simmons	States he does not believe Rep. Edwards' analysis is fair.
393	Rep. Edwards	Expresses concern how SB 1180-A and SB 1181-A provide any more benefit to school boards and the school system.
TAPE 113, A		
003	Chair Simmons	Clarifies SB 1181-A does not affect the allocation of funds.
007	Wilson	States SB 1180-A will consider performance aspects of the job and their value. States the bill recognizes student achievement as a valued outcome. States he sees SB 1180-A and SB 1181-A as complimentary to each other.
030	Rep. Devlin	Comments on the debate over dismissal standards in the 1997 Session and the problems in evaluating teachers. Comments on the lack of resources to do evaluations and asks how that will change with these two bills.
051	Wilson	Comments on the changes SB 880 made in teacher and administrator evaluation systems.
078	Rep. Devlin	Believes the legislation is not well thought out and should have gone through a committee devoted to education issues early in the session. Speaks to the number of administrators at schools and asks how teacher performance will be measured
096	Wilson	States the language in the bill addresses individual student growth, and Oregon is a leader in the technology and methodology. Comments on Western Oregon University's nationally recognized program, "Teacher Work Sample Methodology."
126	Rep. Devlin	Reviews Sen. Derfler and Sen. Bryant's testimony about the process in SB 1181-A for compliance with the allowable growth factor set by DAS. Reviews Wilson's testimony in which he referred to the factor as a safe harbor. States he is looking at the connection between local control, schools, and local support as all being tied together. States the more we give school boards, there is less interaction at the local level. Indicates Sen. Bryant and Derfler agreed that maybe this was not good enough and we should go to statewide bargaining, further eroding what could be done at the local level. Asks Marshall if he is concerned that the connection between the public and their school will erode and Oregon will end up with much broader problems. States he believes there are many who would like to see local control maintained.
163	Marshall	States he would like to return to the time when the legislature provided 30 percent to 35 percent of the operating costs, and in turn the school boards asked their local communities what they wanted the schools to be and how much they were willing to pay. States the new reality is that the legislature provides 70 percent of the operating resources and controls nearly 95 percent of the operating resources. At the same time, the legislature has imposed on the system some of the most ambitious academic standards in the country. States the issue is how to allocate those limited resources to get the job done, which is enhancing student

		achievement. States SB 1181-A does not necessarily create a cap on teachers' salaries, and it builds some fences around those processes that do not currently exist. States he would not be testifying in support of SB 1181-A if school funding had been adequate over the last decade. States he believes the legislature has made a "disinvestment" given the state of our economy.
195	Chair Simmons	Comments that Sen. Bryant indicated Oregon pays its teachers more than 11 western states pay theirs.
199	Marshall	States in terms of school districts' operating revenues, Oregon has not kept pace with inflation on a per student basis. Questions how to allocate dollars with limited resources. Indicates data suggests a larger and larger share has gone to teachers' salaries and benefits, which leaves less for hiring of various additional staff and bringing students up to the standards set by the legislature.
228	Rep. Devlin	Comments on staying within the allowable growth factor. Clarifies that funds will not be appropriated at the next biennium equivalent to the current amount.
239	Marshall	States agreement with Rep. Devlin's comments. States he understands DAS will arrive at a figure based not only on projected CPI (Consumer Price Index), but other projected aspects such as personnel costs. Comments on creating a service level system for school districts. Comments on creating fences around the collective bargaining process.
270	Rep. Gardner	Asks Marshall if he agrees with the testimony that school board members are spineless and do not do a good job.
273	Marshall	Expresses his disagreement with the comments.
294	Rep. Edwards	Comments on spending \$5.6 billion dollars for schools. Asks Marshall how a funding level will be achieved with SB 1181-A. States he views the bill as a way to limit resources.
325	Marshall	Explains OSBA will be able to argue the given resources are still inadequate if SB 1181-A is used properly. States he would expect very few school districts to oppose the allowable growth factor.
354	Rep. Edwards	Comments on contract settlement information the committee received from OSBA. Expresses his concern about Marshall's comments relative to holding down costs and salaries.
379	Wilson	States the data Rep. Edwards referred to is from OSBA's negotiation update and -indicates settlements recorded for 1999-2000.
399	Rep. Edwards	Expresses the legislation is an affront to local control
404	Marshall	Expresses agreement with Rep. Edwards. States the fundamental struggle is how

		to balance the rights of citizens and their communities to make decisions about their kids and their money and the rights of the legislature who provide the bulk of the funds. Believes SB 1181-A is an appropriate middle ground.
TAPE 114, A		
007	Rep. Edwards	Asks how the problem can be solved.
009	Marshall	Suggests a \$495 million appropriation to the state school fund for the next two years.
018	Chair Simmons	States that within the current funding scheme for education, the legislature cannot continue to allow the price tag to be set at the local level and give the bill to the legislature. States the bill allows the local negotiators an option.
028	Rep. Edwards	Comments how the bill affects others than teachers.
032	Rep. Gardner	Asks how often the QEO is used in Wisconsin.
035	Wilson	Indicates six districts out of 423 used the QEO, per Ray Allen, school board member from Madison.
040	Putman	States Sen. Derfler testified Wisconsin used the QEO 20 percent of the time.
044	Wilson	States Mr. Allen's numbers were for last year's negotiations.
048	Chair Simmons	Asks how often Madison, Wisconsin, negotiates.
049	Wilson	States they negotiate every two years.
066	Mark Toledo	Oregon Education Association (OEA). States OEA disagrees with the previous witnesses' testimony regarding SB 880. Comments on the hiring of attorneys or OSBA representatives by school boards to assist in bargaining. Cites examples. Comments on SB 880's effects on the Fair Dismissal Law. States doing away with the right of teachers to bargain just cause was not a main concern of the bill. Cites examples. Reviews the 1997 Fair Dismissal statute. States that school district classified employees' dismissal cases are typically handled through just cause. States OSBA's proposal would take away that right from schoolteachers. States the proposals in SB 1180-A would go back to the system before passage of SB 880. Comments on the importance of staying with one system to allow it to work instead of jumping back and forth between systems. Concerning SB 1181-A, submits written information (EXHIBIT G) in response to an inquiry by Rep. Starr at the previous meeting about the Portland CPI. States the CPI includes Yamhill, Clark, Multnomah, Washington, and Clackamas Counties. Discusses the percentage of growth in employment and wages for elementary and secondary schools for 1989-1997. Concerning SB 1180, expresses disagreement with Wilson's testimony that the provision that would make just

		cause a permissive item of bargaining does not change protections for teachers. States he agrees that Oregon schools are doing a great job with their current resources. Cites examples. Urges the committee to oppose SB 1180-A and SB 1181-A.
185	Tricia Smith	Oregon School Employees Association (OSEA). In response to previous questions, states the union has not done a statewide salary survey for a few years. States the bottom-step salaries for classified employees are not at market. States the Oregon Department of Education has estimated the classified employee turnover rate is 25 percent. Reviews the purpose of the "step" system. Questions how an allowable growth factor can be established for the next five years.
250	Smith	Comments on the work year for classified employees.
266	Chair Simmons	Asks if the average include bus drivers who work part-time.
268	Smith	States bus drivers typically work full-time, but some work part-time. References testimony that elected official do not always make the best decisions and that school boards cannot bargain effectively. States if the current collective bargaining process is used properly, there is no need for the legislation. Comments on the experience in the Perrydale School District. Urges the committee to oppose SB 1180-A and SB 1181-A.
313	Rep. Mannix	Asks Smith if she has received feedback about statewide collective bargaining.
318	Smith	States she does not have an official position on statewide collective bargaining. States her belief that there is a great disparity in salaries statewide.
335	Rep. Edwards	Asks how SB 1180 affects OSEA.
337	Smith	States the bill does not affect classified employees.
344	Chair Simmons	Expresses his concerns about the ability to bargain. Uses a lack of up-to-date textbooks as an example.
365	Rep. Edwards	Asks if OSBA has a position on the Governor's amendments to SB 1180.
370	Marshall	States OSBA prefers SB 1180-A as it came from the Senate. States they are willing to look at the Governor's proposal if the committee does not proceed with the bill as it is.
378	Rep. Starr	Clarifies his understanding of OSBA's position.
382	Marshall	States he would like the SB 1180-A and SB 1181-A concepts on the table for further discussion.

385	Rep. Starr	Asks if OSBA is in discussion with the Governor's office on the bills so the committee will not vote on legislation that the Governor will veto.
388	Marshall	States the discussions with the Governor's office are not currently happening and hopes negotiations will keep the bills alive.
398	Rep. Mannix	Asks if it would help spark discussion if the bills were referred to the voters to establish statewide collective bargaining.
402	Marshall	States his objection to Rep. Mannix's suggestion.
408	Chair Simmons	Asks for OSBA's position on the SB 1181-A6 amendment (introduced at the June 22 meeting).
410	Marshall	States OSBA has no objection to the amendment.
417	Putman	Reviews provisions of SB 1180-A6 amendment.
424	Marshall	States OSBA would not support removing the provision to assess the effectiveness of a teacher in improving student achievement as part of the evaluation process.
TAPE 113, B		
005	Chair Simmons	Asks Marshall what he thinks property taxes might be today if voters had not passed Measure 5 in 1989.
007	Marshall	States he does not know.
009	Chair Simmons	Questions if the process that was in place was flawed and whether the voters would have eventually voted to change it.
013	Marshall	States what he thinks would have happened if the property tax limitation measure had not passed. States the more provided to schools through the "basic school support fund" would have served as property tax relief. Comments on events in the 1980s that affected school funding and property taxes.
041	Chair Simmons	States he thinks Oregon has a good school system. Comments that the debate has changed over the years.
046	Marshall	Indicates his previous comments were partly in response to Rep. Devlin's comments about the connection between schools and communities. States he does not want to put citizens in the position of increasing taxes or closing schools.

053	Rep. Devlin	Speaking to the predecessors to Measure 5, states the legislature responded by reducing the percentage of school costs that were covered when measures failed. States that caused property taxes to rise. Asks Marshall if he thinks we would be better off now if the legislature had increased the percentage.
062	Marshall	States he does not know.
071	Rep. Devlin	Asks Marshall to comment on the period of time of when we lowered the level of school support and the current discussions revolving around a 9 percent increase for schools and an 18 percent to 20 percent increase for most state agencies.
076	Marshall	States the most significant change in discussions has to do with the legislature's decisions now affecting the marginal dollars that school districts have.
085	Rep. Devlin	States the current figure is an 8.7 percent increase.
091	Rep. Edwards	Comments on the need for a local option to supplement what the legislature fails to provide. Requests clarification of OSBA's support of SB 1181-A.
103	Marshall	States OSBA prefers SB 1181-A as it currently exists.
107	Rep. Edwards	States the House during negotiations is not discussing SB 1180 and SB 1181.
113	Chair Simmons	Requests Sarah Gates to discuss the allowable growth factor.
117	Sarah Gates	Economist, Office of Economic Analysis, DAS. States the agency uses the National CPI in determining current service level for state government for employee compensation. Comments on other factors used for goods and services.
134	Rep. Edwards	Asks if the agency can calculate a factor for five years.
137	Gates	Discusses the agency's six-year forecast.
145	Rep. Edwards	Asks about the accuracy of the forecast.
146	Gates	States the farther out in time the forecast goes it tends to converge to the long-term trend. Cites the current forecast of the Portland CPI as an example.
161	Rep. Devlin	Asks Gates if she sees, not only the potential growth in state revenues and the changes in the CPI, but also looking at individual factors that might impact employee compensation, all of that within Section 3.
167	Gates	States DAS would look at all economic factors that would affect the

		compensation for school districts and education service districts based on the current version of SB 1181. States revenue projections are consistent with inflation projections.
182	Rep. Devlin	States, but for revenue projections and CPI projections, the broad CPI would not necessarily reflect the CPI for healthcare costs.
186	Gates	States Rep. Devlin is correct.
192	Rep. Edwards	Asks if calculation incorporates property taxes.
194	Gates	States property taxes are not considered part of state revenues.
200	Rep. Edwards	Comments on the difficulty to make accurate projections.
212	Gates	States it has been difficult to forecast revenues because the state has undergone dramatic growth with a rapid slowdown.
219	Rep. Mannix	Speaks to projecting for the future when negotiating collective bargaining agreement for the future.
224	Gates	States she would look to the future for what costs would be and how they would impact wages and the cost of living.
230	Rep. Edwards	Speaks to the difficulty of doing an accurate projection based on Section 3, SB 1181-A.
237	Gates	States the assumptions would be laid out behind any factor.
242	Putman	To paraphrase Gates' comments, states that when making the long-term forecast, the forecast is indeed more accurate than any subpart of the whole forecast.
252	Gates	States the long-term average growth will not change as much as the individual variation.
259	Rep. Edwards	Comments on changes that could happen from year to year.
267	Gates	Assumes if the projection is made at the first of every year, the projection would go forward for five years every time.
272	Rep. Mannix	Comments that with economic analysis when projecting the future, it is easier to be more accurate with the long-term projection than with the short-term projection.

283	Gates	States Rep. Mannix's statement could be applied to recent history for Oregon. Indicates there should be less difficulty predicting the short-term when the economy is stable.
300	Chair Simmons	States the committee will not meet on Thursday morning, but will meet at 2 p.m. Adjourns the meeting 5:13 p.m.
		Staff written testimony on behalf of the American Federation of Teachers-Oregon in opposition to SB 1181-A (EXHIBIT H).

Submitted By, Reviewed By,

Kevin E. Wells, Cletus B. Moore, Jr.,
Administrative Support Administrator

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EXHIBIT SUMMARY

A ñ SB 1282, -A5 amendments, staff, 1 p

B ñ SB 1282, written testimony, letters, and fiscal impact, Sen. Marylin Shannon, 8 pp

C ñ SB 1061, -A7 amendments, staff, 2 pp

D ñ SB 811, -A3 amendments, staff, 1 p

E ñ HCR 12, written testimony, Vi MacDonald, 1 p

F ñ SB 1180A & SB 1181A, written testimony and fact sheets, John Marshall, 6 pp

G ñ SB 1180A & SB 1181A, chart, Mark Toledo, 1 p

H ñ SB 1181, written testimony, staff, 2 pp