

SENATE COMMITTEE ON EDUCATION

March 17, 1999 Hearing Room E

1:00 p.m. Tapes 55-57

MEMBERS PRESENT: Sen. Tom Hartung, Chair

Sen. Susan Castillo, Vice-Chair

Sen. Peter Courtney

Sen. Verne Duncan

Sen. Gary George

Sen. Avel Gordly

Sen. Marylin Shannon

MEMBER EXCUSED:

VISITING MEMBERS: Rep. Ron Sunseri

Rep. William Morrisette

Rep. Chris Beck

Rep. Betsy Close

Rep. Elaine Hopson

Rep. Bob Jenson

Rep. Tim Knopp

Rep. Lynn Lundquist

Rep. Carl Wilson

Rep. Jackie Winters

STAFF PRESENT: Jan McComb, Administrator

Karen O'Kelley, Administrative Support

MEASURE/ISSUES HEARD: K-12 Funding Levels, Governor John Kitzhaber

Dave Willard Video

Database Initiative Pilot Project

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 55, A		
002	Chair Hartung	Opens meeting at 1:05 p.m. and opens the informational hearing on K-12 funding levels. Discusses agenda for today's meeting.
<u>K-12 FUNDING LEVELS</u>		
026	Gov. Kitzhaber	<p>Governor, State of Oregon. Appreciates the opportunity to explain to the committees what he is proposing and why. States that over the past few years, many people have been frustrated by not being able to determine the fiscal number that would need to be dedicated to the K-12 system in order to achieve the objectives of the Education Act for the 21st Century (EA21C).</p> <p>States that the EA21C provides a level of education that allows children to achieve the Certificates of Initial and Advanced Mastery. Explains that the Quality Education Model (QEM) reports, for the first time, how much it should cost to purchase the type of education described in the EA21C. States the QEM is a starting point and it will be refined over time.</p> <p>States that the \$4.95 billion dollars that he has recommended is based on a phased-in approach of the QEM. Explains that it is a full phase-in for grades K-3 to support class sizes of 20 and adequate instructional support. Adds that for grades K-12 it will support additional resources for professional development, as well as additional help for students that are struggling to meet the standards.</p> <p>Explains that, in the past, school funding was achieved by taking resources for K-12 from other education budgets. States that education does not start with kindergarten and end with grade 12. Comments that the success of kids in school depends on investment in early childhood programs and education beyond high school. Believes that there needs to be additional resources to fund K-12 education.</p>
086	Gov. Kitzhaber	States that the goals and objectives of the EA21C have been endorsed. States that the question is whether or not legislators are willing to put the resources behind it this session.
096	Rep. Knopp	Refers to the smaller class size element of the QEM that will require more classrooms. Asks how smaller classes will be funded since the \$4.95 billion does not include any new capital construction.

103	Gov. Kitzhaber	Responds that he is suggesting both a short-term and a long-term strategy. Explains that the short-term strategy is intended to make a clear, financial commitment to the EA21C in the next two years. Adds that the long-term solution includes the capital construction piece.
115	Sen. Gordly	Asks Gov. Kitzhaber what indications of support has he received from the public for the school funding strategy.
123	Gov. Kitzhaber	Responds that so far the response from the public seems to be mixed. States that recently he met with a group of corporate leaders from the Tri-County area and they certainly were not enthusiastic about increasing the corporate income tax, but they recognize that they need to be a part of the solution for the educational issues their communities are faced with.
151	Sen. Duncan	Commends Gov. Kitzhaber for bringing his ideas forward and setting a goal. Appreciates that he is looking at the long-term strategy as well.
160	Rep. Morrisette	Asks Gov. Kitzhaber what the alternatives are to not having more funding. Asks what types of programs are likely to be cut.
167	Gov. Kitzhaber	Responds that the budget process has pitted the affordability of a child's education against a barely adequate K-12 budget. States that at-risk youth programs are threatened by budget cuts. Adds that resources must be dedicated to early childhood invention and at-risk programs.
193	Vice-Chair Castillo	Commends Gov. Kitzhaber for his leadership on education issues.
196	Rep. Beck	Refers to a story about a friend who teaches in the Portland School District. Asks how the legislature can encourage young teachers to stay with teaching as a career.
217	Gov. Kitzhaber	Responds that what the legislative assembly accomplishes this session will say a lot about the depth of their commitment to the EA21C. States that if resources are invested based on the QEM, then the resources should produce improvements in student performance towards the standards. Comments that the districts need to be willing to take risks and make a commitment about what the resources will produce for the investment.
235	Rep. Sunseri	Asks, if Oregon reaches an economic downturn, how the state will sustain the budget.
246	Gov. Kitzhaber	Responds that it will be difficult, based on the current tax code. States that part of the long-term solution is to provide more stability to the tax system.
260	Rep. Wilson	Comments that it would be easier to stand for a higher level of funding if legislators could be assured that the money is going directly to classrooms.

280	Gov. Kitzhaber	Responds that the QEM is cost-based. Adds that the QEM assumes that resources will be spent where the model suggests they should be spent in a given school district.
304	Rep. Hopson	States that she is glad Gov. Kitzhaber is receiving positive feedback from the public regarding his plan. Comments that some legislators oppose his plan. Asks if he will look at alternative plans if his current plan fails.
318	Gov. Kitzhaber	Believes that those who oppose his plan do not have a lack of commitment to provide higher funding for K-12. States that the budget process will force choices about what the alternatives are.
338	Rep. Winters	Asks if there is a way to align student assessments without the new plan.
349	Gov. Kitzhaber	Responds there is not, to his knowledge. States that the database will make it possible to compare data between schools.
358	Chair Hartung	Thanks Gov. Kitzhaber for coming before the Senate and House Education Committees. Discusses video that the committee will view next. States that the video is from testimony at a Ways and Means Subcommittee meeting.
370	Chair Hartung	Closes informational hearing on K-12 funding and opens informational hearing on the David Willard video.
<u>DAVID WILLARD VIDEO</u>		
TAPE 56, A		
001	David Willard	Parent, Superintendent, Phoenix-Talent School District. States that funding is the educational issue of the day. Encourages legislators to invest as much money as possible into schools and children. States that there are teacher shortages in many areas. States that schools have fewer supervisors and administrators than most businesses. Explains that having few administrators in a district does not lend itself to increasing the accountability of teachers and the ability to spend more time in the classroom. States that a school principal has little time during the day to spend on education reform.
060	Willard	States that reading and math scores are down from 20 years ago. States that schools do not have the funding to provide counselors or special programs to the kids who need it. States that the schools need more money to provide programs to meet the basic needs of kids. States that the health of our youth, the quality of our schools, and the raising of standards will not occur until children are the highest priority. States that, "we

		will never move forward and solve the ills of our society until and unless we expect and demand for every child what we expect and demand for our own."
144	Willard	Asks legislators to find the necessary dollars. Expresses that, "he is embarrassed and sad at the state that our voters have put us in."
		States that, "we need adequate, stable funding for our children." States that children need to be a top priority. Emphasizes that, "you can never over-invest in education."
205	Chair Hartung	Closes informational meeting on the David Willard video and opens informational hearing on the database project.
<u>DATABASE INITIATIVE PILOT PROJECT</u>		
207	David Rike	Director of Technology, Department of Education (DOE). Submits (EXHIBIT A) . States that the DOE is pleased to report on the database project.
218	Nancy Heiligman	Project Manager, Database Initiative Pilot Project. States that the database team represents 18 months of a collaborative effort among staff from school districts, the Governor's Office, the legislature, state agencies, school organizations, and the DOE. States that 16 school districts participated in the pilot project.
270	Heiligman	States that the legislature passed HB 3636 during the 1997 Session. Explains that HB 3636 mandated the DOE update the K-12 school budget and accounting system to produce comparable spending information for school districts. Adds that the information was to be placed in a database. Explains that due to HB 3636, the DOE proposed the Database Initiative Pilot Project.
348	Heiligman	States that the pilot project was divided into the following areas: <ul style="list-style-type: none"> • Uniform chart of accounts • Database development
384	Michael Hess	Project Manager, Database Initiative Pilot Project. Continues discussing areas that the pilot project was divided into: <ul style="list-style-type: none"> • Data loading • Internet reporting
TAPE 55, B		
011	Hess	States that the current data is from the 1997-1998 school year from the 16 pilot districts.
		Discusses the statewide implementation of the pilot program.

		States that the database will support the QEM by providing the information. Cites examples: data for decision-making and budget formulation, quick access to information over the internet, and streamlined data collection.
055	Heiligman	Refers to examples of reports included in EXHIBIT A . States that the pink sheet summarizes the data from the database about students and staffing at the district level. Explains that the yellow sheet gives information from the school level.
072	Rep. Close	Asks why the reports do not have percentages for private schools.
076	Heiligman	Responds that it could not be compared because it is a different kind of measure.
		Gives internet demonstration of the database. States that the report section is the heart of the database. Explains that each report has a detailed definition.
134	Heiligman	Demonstrates how to look at information for a particular school. Shows examples of reports. States that it is possible to download a report into an Excel spreadsheet.
175	Sen. Gordly	Repeats a recommendation that she made during a Joint Ways and Means Committee meeting. States that the database program needs to include information about student demographics and student performance in the classroom. Stresses that the information should include gender, race, and ethnicity.
203	Heiligman	Responds that she is concerned about the cost of looking at each classroom. Adds that she does not know if it would be feasible.
215	Sen. Gordly	States that she would like to know what the costs are before the decision is made that it is not feasible.
224	Heiligman	Responds that the cost information will be available soon.
232	Sen. Shannon	Commends the database team for their hard work.
238	Chair Hartung	Closes the informational meeting on the database project and opens the informational meeting on the Quality Education Model.
<u>QUALITY EDUCATION MODEL</u>		
241	Rep. Lundquist	Explains that a counsel was organized to determine what a quality education should cost in the state of Oregon. States that the individuals who participated on the counsel were the key to the success of the project. States that the QEM is not the end but, rather, the beginning of a project that must continue. States that the QEM would not have been as effective without the database project. Explains

		that, "for the first time, a connection was made between the resources available and the educational payments that we expect from our students."
278	David Conley, Ph.D.	Associate Professor of Educational Policy, University of Oregon. Submits (EXHIBIT B) . Gives the following three reasons why the QEM was needed: <ol style="list-style-type: none"> 1. To determine what it costs to achieve the high standards of the EA21C. 2. To connect school funding and student performance. 3. To give lawmakers a reliable tool on which to base a state school budget.
		Explains that the following people developed the QEM: Prominent educators, business leaders, parents, teachers, and legislators.
354	Conley	States that the QEM accomplishes the following: <ul style="list-style-type: none"> • Provides an accountable method of determining how school funds are spent in coordination with the database project. • Provides a statewide basis for comparing school expenditures and performance. • Provides a tool to determine what different levels of state funding will provide.
400	Conley	States that the QEM does not: <ul style="list-style-type: none"> • Substitute for local spending decisions. • Change the current school funding distribution formula. • Force local school officials to use specific educational practices. • Offer quick answers to school funding.
TAPE 56, B		
021	Rep. Morrisette	Asks Conley what happens to a school district if it does not achieve the desired expectations. Asks if there will be some directives for the school districts.
028	Conley	Believes that the DOE should identify the schools that do not meet the expectations using the QEM. States that the local school board and the community should respond to the situation, not the DOE.
		States that the QEM was developed in order for students to achieve the high academic standards that are called for in the EA21C.
075	Conley	Explains that an individual school is the unit of analysis used in the QEM. States that as a basis for comparison, three prototype schools were created in an elementary, middle, and high school. States that school characteristics that had a bearing on costs and student performance were identified. Cites examples of school characteristics: leadership of the principal, level of parental involvement, and the amount of homework assigned.
		Lists the following cost assumptions for the prototype schools:

		<ul style="list-style-type: none"> • The model assumes that the highest cost special education students will be borne by the state, not by the individual school districts. • The capital costs are not included in the model. • The model assumes adequate funds for maintenance costs for schools.
143	Rep. Sunseri	Asks Conley what the threshold is for special education students in the model.
145	Conley	Responds that he needs to know in what sense.
146	Rep. Sunseri	Asks what the cutoff is for what the state pays.
148	Conley	Responds that they used students that were between three and four times the average student cost.
150	Rep. Sunseri	Asks if the state takes over the balance above that amount.
151	Conley	Responds that is the assumption they are currently working under, although it will need refinement.
		Explains that the prototype schools used the following costing elements and components: <ul style="list-style-type: none"> • Statewide database initiative project results. • Research on effective educational practices. • Data from the DOE. • Data from Oregon professional associations. • Experts from Oregon school districts and schools.
		States that full model implementation would create an entire school that is better. Explains that the model assumes that when a school is more effective at the elementary level, those positive results will carry up through the entire school system. Estimates that possibly, 90 percent of students would meet the standards.
217	Rep. Sunseri	States that the DOE is projecting an 80 percent failure rate.
219	Conley	Responds that his comments are referring to 90 percent of all third graders meeting the standards for reading, writing, and mathematics.
232	Sen. Gordly	Believes that Oregon should have a goal that all students will succeed. Adds that some students should not be "left behind." Asks what the student profile is for those 10 percent of students who would be "left behind."
247	Conley	Responds that they do not know who those students will be.
258	Sen. Gordly	States that the highest possible goals should be set for all students in Oregon.

		Adds that Oregon cannot be willing to "leave any students behind."
271	Tim Carmen	Superintendent, Albany School District. States that the QEM will work. Comments that by employing the assumptions that Conley mentioned the outcomes will be delivered. Explains that they are focussing on third grade students. Believes that as third graders mature through the system, 90 percent of them will meet the standards. States that not every school in Oregon will be able to achieve the standards. Explains that the targets are not precise but, rather, the beginning of work in progress.
301	Sen. Duncan	Asks if Carmen is aware of the testimony of two South Albany High School students from last week.
305	Carmen	Responds that he is not.
306	Sen. Duncan	Explains that the students testified that, due to the Certificate of Initial Mastery, advanced placement classes would be eliminated.
317	Carmen	Responds that, based on the preliminary budget projections, Albany will need to reduce the budget by \$600,000. Adds that as a result of the reduced budget, some advanced placement classes will be cut.
327	Sen. Shannon	States that the South Albany High School students testified it was a trade-off for the school reform because they had to put more emphasis on bringing up the kids in the tenth grade. Asks if the students who testified had an incorrect impression.
336	Carmen	Responds that the system is still in transition and it is not standards-driven yet.
342	Sen. Shannon	Gives an example about a teacher who is having a difficult time teaching because some kids are slowing down the whole class.
360	Duncan Wyse	President, Oregon Business Counsel (OBC). States that the OBC believes that K-12 education is a critical priority for Oregon. Comments that the movement toward having educational standards and assessments is critical for focussing on the kind of results that Oregon wants. Encourages the committee to put the QEM to use this session. States that any funding level can be used in the model.
TAPE 57, A		
008	Rep. Beck	Asks if there is a computer program that would indicate what all of the districts in Oregon would get for a certain amount of money.
016	Carmen	Responds that right now the model does not show that. States that with the model, for a prototype school, a person would be able to determine what they could buy for the school.

024	Rep. Beck	Asks how the model will apply to his district.
027	Wyse	Explains that the prototype allows discussions that would help to drive future budget discussions.
038	Rep. Morrisette	Asks Wyse if he knows of any alternative funding sources for this program.
056	Wyse	Responds that he cannot comment on the funding levels at this time. States that this model is the right approach.
064	Vice-Chair Castillo	States that the model is an important document. Comments that it shows how underfunded the K-12 system is and gives a path for where Oregon needs to go. Asks if the OBC will be a part of the revenue solution.
078	Wyse	Responds that the OBC will take a look at it. States that there are concerns about raising the corporate income taxes.
090	Rep. Lundquist	States that the model shows what a quality education should cost in Oregon. Explains that the information about K-12 funding needs to get to Oregonians so the legislature can find out if the public agrees.
114	Sen. Gordly	States that the information needs to be disseminated to the legislators.
122	Rep. Lundquist	Comments that he does not know how accomplish that task. Requests that everyone work together.
131	Sen. Duncan	States that this model is the most positive one he has heard about in the legislature for a long time. Adds that the model can improve education in Oregon.
142	Chair Hartung	Closes the informational hearing on the Quality Education Model and adjourns the meeting at 2:58 p.m.

Submitted By, Reviewed By,

Karen O'Kelley Jan McComb

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Database Initiative Pilot Project, report, David Rike, 26 pp

B ñ Quality Education Model, written testimony and charts, David Conley, 50 pp