

HOUSE COMMITTEE ON EDUCATION

March 26, 1997 Hearing Room E

08:15 A.M. Tapes 77 - 80

MEMBERS PRESENT:

Rep. Dennis Luke, Chair

Rep. Terry Thompson, Vice-Chair

Rep. Roger Beyer

Rep. Ron Sunseri

Rep. Charles Starr

Rep. Bob Jenson

Rep. Ryan Deckert

MEMBER EXCUSED:

STAFF PRESENT:

Bryan Boehringer, Administrator

Joan Diaz, Administrative Support

MEASURE/ISSUES HEARD:

HB 2382 - Public Hearing

HB 2610 - Public Hearing and Work Session

HB 2469 - Public Hearing and Work Session

HB 2778 - Public Hearing and Work Session

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 77, A		
004	Chair Luke	Calls meeting to order 8:20 a.m. Opens public hearing on HB 2382.

HB 2382 - PUBLIC HEARING		
010	Rep. Bill Markham	Represents District 46, testifies in favor of HB 2382 (EXHIBIT A).
122	Jim Hill	State Treasurer testifies in favor of HB 2382 (EXHIBIT B). Comments that the pre-paid tuition plan is financially feasible. Explains there is some risk, but Oregon can build from the experience of other states.
229	Rep. Markham	Continues testimony.
253	Rep. Peter Courtney	Represents District 33, testifies in favor of HB 2382 (EXHIBIT C). Prepaid tuition plan is comprehensive. Comments that students need at least a community college education to be able to survive financially in today's economy. Explains there is a five year grace period in which you must use funds for education.
364	Rep. Markham	Comments that in the first year of its prepaid tuition plan, the state of Virginia enrolled 16,000 individuals.
	Hill	Comments that education is one way towards achieving the "American Dream." Explains that Oregon is experiencing great prosperity and now would be an appropriate time to put this type of plan into effect.
TAPE 78, A		
002	Hill	Continues testimony.
	Chair Luke	Comments that the committee will work the bill.
033	Bryan Boehringer	Committee Administrator comments that the -1 amendments dated 3/25/97 replace the entire bill. Explains that the committee will have an edited copy to review when the bill is heard again.
035	Cindy Hunt	Legislative Counsel comments that the -1 amendments replace lines 5 through 28, pages 2-9 of the bill. Explains each section (EXHIBIT D).
093	Hunt	Continues testimony.

	Rep. Beyer	Asks if a specific beneficiary has to be named.
130	Rep. Sunseri	Asks who owns the account and what happens if monies are not used if there are several purchasers of the account.
140	Hunt	Responds and continues explaining each section of the -1 amendments.
288	Hunt	Continues explaining the -1 amendments.
TAPE 77, B		
002	Hunt	Continues testimony.
022	Rep. Sunseri	Asks what are the provisions for refunds.
030	Hunt	Responds and explains qualifying factors for refunds.
	Rep. Sunseri	Asks if the fund considers the status of the beneficiary.
037	Rep. Jenson	Asks if purchaser may substitute another beneficiary.
048	Hunt	Responds that it depends on original terms of contract. Refers to paragraph G, page 7. Comments there are numerous details that need to be addressed by the Board.
071	Hunt	Responds to committee's question, that a refund occurs only if original beneficiary decides not to use funds.
078	Rep. Sunseri	Asks if there is a provision for a partial supplement when a student has a full scholarship.
085	Hunt	Responds that it would depend if those charges are "regular" fees that all students would be incurring.
106	Hunt	Continues explaining -1 amendments. Comments that provisions stated in the draft are based on federal law and are similar to the State of Florida's prepaid tuition plan.

164	Hunt	Responds to committee's question that currently funds are applicable only to undergraduate education expenses.
	Rep. Jenson	Asks how are terminations defined.
193	Hunt	Responds that the Board sets the definitions. Continues testimony.
225	Rep. Beyer	Asks what is the difference between this kind of fund and a front end load mutual fund.
231	Chair Luke	Responds this fund's fundamental purpose is to provide an instrument for savings for tuition expenses and is not primarily an investment fund.
	Hunt	Explains that HB 2382 would become effective only after House Joint Resolution 72 is passed by the voters. Continues testimony.
303	Rep. Sunseri	Asks if this fund is not used by a beneficiary and it is returned to the purchaser, do funds become an asset to the purchaser's estate.
361	Hunt	Responds there is a provision in the bill for designating control of fund by the purchaser.
371	Tom Turner	Director, Special Services, State Scholarship Commission, presents information on the bill, but takes no position.
TAPE 78, B		
002	Turner	Continues testimony.
018	Chair Luke	Suggests group study the bill further and return with answers to committee's questions. Committee needs an opportunity to study the -1 amendments.
031	Connie Seeley	Legislative Assistant to Rep. Courtney, volunteers to provide answers.
	Chair Luke	Responds that committee wants answers in writing. Suggest workgroup review bill closely. Suggests a list of items that workgroup can review.

066	Philip Bentley	Policy Advisor, Office of State Treasurer, comments he would appreciate time to review the -1 amendments in detail and return to committee for additional testimony.
	Chair Luke	Comments that this is a complicated bill and appreciates all the work done. Committee will hear the bill again in one week.
	Chair Luke	Closes public hearing on HB 2382. Opens public hearing on HB 2610.
<u>HB 2610 - PUBLIC HEARING</u>		
	Chair Luke	Asks staff to explain bill.
	Boehringer	Explains bill which allows community college service districts to incur bonded indebtedness. Explains the -3 amendments (EXHIBIT F), which omit Klamath Community College and includes "Community College Service Districts" along with "Community College Districts."
	Chair Luke	Explains why Klamath Community College was omitted from bill.
174	Rep. Tim Josi	Represents District 2, testifies in favor of HB 2610.
190	Alan Contreras	Senior Associate, Oregon Community College Association, testifies in favor of HB 2610 (EXHIBIT G).
	Chair Luke	Closes public hearing on HB 2610. Opens work session on HB 2610.
<u>HB 2610 - WORK SESSION</u>		
209	Rep. Thompson	MOTION: Moves to ADOPT HB 2610 -3 amendments dated 3/21/97.
	Chair Luke	Hearing no objection, declares the motion CARRIED.

	Rep. Thompson	MOTION: Moves HB 2610 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 Luke	The motion CARRIES.
		REP. JOSI will lead discussion on the floor.
	Chair Luke	Closes work session on HB 2610. Opens public hearing on HB 2469.
<u>HB 2469 - PUBLIC HEARING</u>		
	Rep. Tim Josi	Represents District 2, testifies in favor of HB 2469.
	Rep. Sunseri	Comments that his preference would be to also include Mt. Hood Community College in this bill .
	Rep. Jenson	Comments that Blue Mountain Community College would also qualify as a community college that is situated near a border state.
260	Chair Luke	Responds that governor's staff and leadership want to put together a workgroup this interim to work on legislation with other states to allow community colleges that cross state lines to create a bonding tax base.
	Diane Walton	Staff, Community College Services, responds to question regarding reciprocity. Comments there is a "huge" impact for certain community colleges in Oregon and Washington when students are exchanged.
305	John Wubben	President, Clatsop Community College, comments that he and Bill Bell, President of Columbia Gorge Community College met with their representatives and asked bill to be drafted (EXHIBIT H).
333	Rep. Thompson	Comments that he has concerns that this issue may be heading in a direction that may have a large impact with schools that are not isolated.
	Rep. Josi	Responds the two community colleges named in the bill are isolated.

360	Walton	Discusses reciprocity agreement that is in existence now in response to Chair's question. Agreement specifies balance must exist between the same number of Washingtonians benefiting from Oregon, as Oregonians benefiting from Washington.
396	Rep. Sunseri	Comments that Mt. Hood Community College has direct geographical access to Washington.
TAPE 79, A		
003	Rep. Jenson	Comments that he has questions and concerns with issue of reciprocity as it affects Blue Mountain Community College in his district. Comments this is a complex issue and wants to review it carefully.
	Walton	Comments that goal is not to duplicate efforts on either side of the Columbia River.
043	Joel Vela	President, Mt. Hood Community College, gives testimony regarding HB 2469. Explains community college's enrollment includes 1,100 students from the state of Washington which represents 3 FTEs to the college or 5% of their total enrollment.
069	Chair Luke	Asks if Oregon students are being denied admission because Washington students are enrolled. Asks what would happen if Washington students weren't offered in-state tuition rates.
	Vela	Responds Oregonians are not denied admission. Responds Washington students would probably not attend if not offered in-state tuition rates.
	Chair Luke	Asks if that would reduce the size of the community college and would programs be cut.
	Vela	Responds this is correct. An analysis was performed in 1991-92 and data showed a 2/3 drop in enrollment.
	Chair Luke	Asks if the community college benefits from the program now.
	Vela	Responds that it does, but the community college is not receiving state reimbursements and only receives the tuition from the students.

	Chair Luke	Closes public hearing on HB 2469. Opens work session on HB 2469.
<u>HB 2469 - WORK SESSION</u>		
107	Chair Luke	Comments that bill needs more work and is not inclined to move it.
115	Rep. Thompson	Comments that he still has some questions and rather than lose the bill, would like committee to try to resolve them.
	Chair Luke	Asks if Rep. Jenson and Rep. Sunseri will work with Rep. Josi, Rep. Montgomery and the Oregon Community Colleges Association on this bill.
	Rep. Sunseri	Agrees that bill needs work and agrees to work on it.
162	Walton	Comments that the governor has put \$500,000 in the investment budget directed to the "border river community colleges", and he recognizes that it is an issue.
v		
179	Rep. Josi	Comments that reciprocity has to be looked at. Comments that the existence of these two community colleges is in jeopardy.
v		
	Chair Luke	Comments committee will reschedule the bill when issues and fiscal analysis are clarified. Closes work session on HB 2469. Opens public hearing on HB 2778.
<u>HB 2778 - PUBLIC HEARING</u>		
v		
	Chair Luke	Asks staff to explain the bill and the -1 amendments (EXHIBIT I).
235	Boehringer	Explains bill directs the State Scholarship Commission to consider a student full time if the student's combined part time attendance at more than one institution equals full time.
v		
	Jim Beyer	Director, Grant Programs, State Scholarship Commission, testifies in favor HB 2778. Reviews the -1 amendments and supports them.
v		
		Inquires if statutory authority is needed so the commission can continue

265	Chair Luke	processing students as in the past.
v		
	Beyer	Responds that it is up to the committee. Comments there is nothing in the statute that defines full time enrollment.
v		
285	Rep. Jenson	Asks for definition of a full time student in regards to grants and cites ORS 348.040.
v		
324	Beyer	Responds that it is the educational institution's responsibility to determine status. Institutions must do that now in order to receive federal funds. The institution that disperses funds has the burden to monitor student's academic progress.
	Chair Luke	Comments that Chair does not want to pass an unnecessary piece of legislation but he does not want the Commission challenged in the future.
TAPE 80, A		
v		
004	Chair Luke	Closes the public hearing on HB 2778. Opens work session on HB 2778.
<u>HB 2778 - WORK SESSION</u>		
007	Rep. Jenson	MOTION: Moves to ADOPT HB 2778-1 amendments dated 03/19/97.
v		
	Rep. Beyer	Asks why section 3 was eliminated from the original bill.
v		
	Boehringer	Responds that the State Scholarship Commission suggested removing language in section 3 that would be confusing.
v		
	Chair Luke	Hearing no objection, declares the motion CARRIED.
030	Rep. Jenson	MOTION: Moves HB 2778 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-0 AYE: 6 - Beyer, Deckert, Jenson, Starr, Thompson, Luke EXCUSED: 1 - Sunseri

	Chair Luke	The motion CARRIES.
		REP. JENSON will lead discussion on the floor.
	Chair Luke	Closes work session on HB 2778. Adjourns meeting at 10:47 a.m.

Submitted By, Reviewed By,

Joan Diaz, Bryan Boehringer,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2382, written testimony, Bill Markham, 3 pp

B - HB 2382, written testimony, Jim Hill, 6 pp

C - HB 2382, written testimony, Peter Courtney, 3 pp

D - HB 2382 proposed amendments, staff, 19 pp

E - HB 2382, written testimony, Andy Clark 3 pp

F - HB 2610, proposed amendments, staff 15 pp

G - HB 2610, written testimony, Alan Contreras, 1 pg

H - HB 2469, written testimony, John Wubben 2 pp

I - HB 2778, proposed amendments, staff, 3 pp