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SENATE COMMITTEE ON EDUCATION

March 17, 1997 Hearing Room 343

3:00 P.M. Tapes 53 - 56

MEMBERS PRESENT:

Sen. Tom Hartung, Chair

Sen. Marylin Shannon, Vice-Chair

Sen. Ken Baker

Sen. Gary George

Sen. Cliff Trow

MEMBER EXCUSED:

none

STAFF PRESENT:

Jan McComb, Administrator

Shirley Spendal, Administrative Support

MEASURE/ISSUES HEARD:

SB 407 - Public Hearing

SB 628 - 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 53, A		
001	Chair Hartung	Opens hearing at 3:02 p.m.
<u>SB 407 - PUBLIC HEARING</u>		
006	Sen. Neil Bryant	District 27. Supports bill.
		(discusses bill solving community problem - help people get four-year education and stay in Central Oregon
		(100-125 miles away from 4-year school
		(discusses history of this legislation
		(discusses effect on Central Oregon community
050	Jim Carnahan	Chair, Central Oregon Community College Board of Directors. Supports bill. Submits (EXHIBIT A) .
		(discusses bill being student and business driven
		(discusses college statistics, being geographically isolated from higher education institutions
		(discusses Cascadia Project, baccalaureate programs
		(service is the paramount issue - community based issue
		(have developed infrastructure, have library, staff
097	Carnahan	(growth issue is important, typical student is 29, female
		(discusses goals, current program voids
130	Dr. Fredrick Boyle	Past president, Central Oregon Community College.
		(discusses needs for additional services beyond the community college level
		(discusses his research, proposal, college resources
		(discusses Central Oregon Consortium
		(discusses allowing to become new type of hybrid institution
		(discusses bargain state will get with campus paid for by people of Central Oregon
197	Boyle	(compares Cascadia proposal with branch campus approach
217	Sen. Baker	Discusses, questions what doing differently.
224	Robert	President, Central Oregon Community College since 1990.

	Barber	
		(proposal to recognize many types of degrees not being covered by traditional programs
		(discusses types of proposed degrees
		(would be designing degrees that are different, that do not exist; in some cases modify existing degrees
248	Sen. Baker	Discusses, asks if should call Central Oregon College.
254	Carnahan	(not interested in transition, interested in dealing with missing piece
262	Sen. Trow	Questions concerning degrees.
TAPE 54, A		
002	Robert Barber	(intention not to supplant currently existing degrees can get through other institutions unless to our students' advantage
		(looking at degrees currently cannot get through traditional means
010	Carnahan	(trying to build on base of technology, associates degrees
014	Sen. Castillo	Asks what is impact on university center.
024	Barber	Discusses programs feeding off each other.
045	Harry Brendle	President of Board of Directors, Central Oregon Economic Development Council. Supports bill.
		(discusses regional support for Cascadia project
		(discusses impact of limited access for employment
		(discusses divisions between Eastern and Western Oregon
086	Brendle	(discusses businesses' demand for higher educational levels
098	Jack Holt	President, Bend Chamber of Commerce. Supports bill.
		(concern to keep integrity of COCC as community college
		(discusses need for early establishment of career path for entry-level students, need for continuing education
		(discusses need for business, industry specific degrees
140	Holt	(discusses challenges of competitive world market, changing technology, need for retraining, rapid population growth
161	Jim Lussier	Board Member, Central Oregon Community College, member Governor's Task Force on Higher Education, President, Chief Executive Officer, St. Charles Medical Center.
		(discusses continued development of higher education
		(discusses becoming global economy - time to make sure our children given competitive education
		(discusses cost issues
210	Lussier	(need to challenge educators, others to come up with different way to utilize resources, be innovative

236	Sen. Trow	Questions about funding, timeline.
255	Dr. Barber	(discusses planning process with State Board of Higher Education - feel cost effective option
		(two-year planning process
		(discusses future financial issues
TAPE 53, B		
001	Dr. Barber	Continues discussing financial issues - thinks realistic.
012	Becky Johnson	Submits (EXHIBIT B). Opposes bill.
		(discusses unanswered questions about COCC
		(discusses being part of Central Oregon group
		(discusses costs, funding
		(discusses reasons for opposition of bill
060	Johnson	(discusses local events with implications for COCC
		(this legislation could change course for entire state
		(urge to find cooperative planning
113	Sen. Trow	Comment.
116	Chair Hartung	Closes public hearing SB 407; opens work session on SB 628
<u>SB 628 - WORK SESSION</u>		
126	Chair Hartung	Will discuss amendments on funding. (EXHIBIT C), -10 amendments, distributed to committee.
132	Walter Koscher	Oregon Department of Education. Here to answer questions.
161	Chair Hartung	Will interrupt work on -5's and go to -8 amendments on funding.
168	Cindy Hunt	The -5 amendments do not deal with funding; pages 12 and 13 of -3 deal with funding, -6, -7, -8, -9, -10 amendments deal with funding,
		(reads -3 amendments, page 12, Section 14, concerning distribution of state school fund
		(discusses Subsection 2 , contracting for educational services for public charter school students - 90%. Discusses definitions of ADM and "w"
		(discusses subsection 3, special education, should be read with Section 15
		Under Section 15, school district within which public charter school located responsible for providing services to any special education student attending public charter school; under sub-3 of section 14, school district allowed to hold back general purpose grant amount received for child eligible for special education. Then contract with charter school.

213	Sen. Baker	Suggests combining subsection 3 with Section 15 and with prior language on page 6, lines 12 through 14.
222	Sen. Castillo	Asks if consideration for other sponsoring bodies' administration costs.
232	Hunt	Not any compensation in the bill.
236	Sen. Baker	Discusses charges in Arizona. Asks if any funds available from state to assist a non-local school sponsor.
244	Koscher	Answers no.
245	Chair Hartung	Asks about federal grants.
247	Koscher	Federal chartered grants limited - may be some additional funding available in the future. Believes state board makes decision as to which charter school will fund with grants.
257	Sen. Trow	Questions if money limited, where it goes.
259	Jim Green	Oregon School Boards Association. Discusses previous handout Leon Fuhrman, Department of Education, shared. Discusses where money currently goes.
275	Chair Hartung	Comments important consideration.
TAPE 54, B		
001	Chair Hartung	Discusses putting together a workable charter school bill.
004	Richard Meinhard	Portland, Oregon. Discusses his call to US Department of Education.
020	Cindy Hunt	States Sen. Shannon's -6 amendments would add sections. Would not change existing -3 amendments. Adds creation of public school charter school development fund. Fund contains monies received from federal government or other sources for charter school development. Would appropriate monies in fund to Department of Education for purposes of grant, loan program established under Section 13(b). Lays out criteria, restrictions.
040	Sen. Baker	Questions about source of fund.
046	Cindy Hunt	Would take specific appropriation from general fund into this fund. Discusses specified criteria.
052	Chair Hartung	Asks how at risk student determined.
057	Koscher	Discusses definitions, reasons students determined to be at risk. Gives statistics.
074	Meinhard	Should read "all" at risk students.
075	Sen. Baker	Asks if Sen. Shannon would drop Section 13(c) of amendment so it would not go to Ways and Means.
081	Meinhard	Asks if E-Board appropriates monies.

086	Sen. Shannon	Agrees to take out Section 13(c).
088	Chair Hartung	Look at page 2, line 2.
088	Sen. Shannon	Period after "youth."
089	Meinhard	Delete rest of sentence.
094	Sen. Trow	Discusses, asks why called development fund, how much would cost.
103	Meinhard	Intent to use federal money.
113	Cindy Hunt	Discusses page 2 of -6 amendment.
116	Chair Hartung	Asks what (e) means.
119	Meinhard	Attempt to identify that should use some of money to go to schools taking lead in establishing models.
127	Cindy Hunt	Discusses subsection 4, page 2, -6 amendment.
132	Sen. Trow	Substantial difference between grants, loans. Have to get money into fund from somewhere. Language suggests other source general fund.
150	Chair Hartung	Asks about taking out word "grant" to be loan only.
160	Chair Hartung	Discusses paying back bonds.
162	Jim Green	If creating loan program must put parameters on loans.
177	Cindy Hunt	Discusses rule authority in -3 amendments, Section 10, line 21 "and may adopt only those minimum rules necessary for the implementation of procedures required by . . ."
186	Green	Asks continue to read paragraph as whole. Discusses does not believe tight enough - must create specific rules.
194	Sen. Baker	Asks chair to work with counsel on language.
196	Sen. George	Discusses President Clinton's plan to purchase facilities.
206	Meinhard	Discusses grants. Maintains shouldn't pay charter schools until rendered a service. Use state loan program as bridge-loan source.
216	Jim Green	States -6 may create some inequities for existing public school converting over. Discusses use for funds - not just for leasing facilities. Gives Howard Street as example.
229	Chair Hartung	Asks for clarification.
235	Caryl Gertenrich	Salem, Oregon. Proposed Howard Street Charter School. Will have contract if approved. Discusses process.
251	Sen. Castillo	Question why exclude conversion.

254	Meinhard	If converting something that has infrastructure, will not need.
256	Jim Green	All should be able to access these dollars.
262	Chair Hartung	Asks what is wrong with public school having access to these funds.
270	Committee	Discussion, agreeing to drop out.
270	Sen. Baker	21 through 23 to come out then.
273	Chair Hartung	Asks if change to grant and loan or make strictly loan.
276	Sen. Trow	Discussion of grants, loans.
TAPE 55, A		
004	Chair Hartung	Question to Ms. Gertenrich.
020	Cindy Hunt	Discusses -7 amendment. Instead of directing school district to contract, pay 90%, amendment would have paying over 100% of general purpose grant.
029	Meinhard	Compares -4 amendment with -7 amendment.
039	Sen. Trow	Question that anything charter school needed from district in addition, it would have to pay for out of the money.
040	Meinhard	Yes, states that was left out of all drafts.
042	Sen. Shannon	Should add back in.
043	Sen. Trow	Questions about public schools charging charter schools for classes charter schools do not provide.
049	Meinhard	Answers yes. Should be spelled out in charter.
060	Vicie English	Brownsville School. Discusses assigning credits - you trade funds.
067	Chair Hartung	Need in -3.
084	Sen. Baker	Consumer, child has right you cannot force child to waive. Discusses reasons does not favor -7 amendment.
101	Sen. Shannon	Discusses, asks about transportation costs.
107	Sen. Baker	State refunds 70 percent of transportation costs irregardless of whether student uses that service.
110	Koscher	70 percent of transportation costs reimbursed to district.
111	Sen. Shannon	Asks if contract back or get out of 10 percent.
112	Green	Put cost on local district in -5 amendment.
118	Sen. George	Discusses all weighted dollars following child.

120	Jim Green	Discusses what -3 amendments say - local district has responsibility to provide special education services.
129	Sen. Shannon	Asks Sen. Baker if want lines 7 and 8 on -7 amendments.
130	Hunt	Asks for clarification of 90% or 100%.
130	Chair Hartung	90% - way it is on -3.
130	Hunt	On lines 4 and 5 of -7 - that issue addressed in -9's in different way. Look at -9, committee amendment on behalf of OSBA, page 2.
134	Green	Somebody has to compute that number. Should be date by which department should have to make available.
148	Koscher	Department makes estimates available to district by March in year prior to beginning of school year, will be updated a number of times.
159	Green	Money will be passed through at 90% ADM. Local district is the entity passing money on so they would receive ADM number from state department.
164	Trow	Asks if charter school can contract back to get more money to do more for child if more expensive.
172	Green	Discusses there is no logical reason for district to do that.
176	Meinhard	Should be district of residence, not district where located.
189	Green	Not funded by district of residence in -3. This is funded by district in which the charter school founded.
191	Chair Hartung	We will change that.
193	Sen. Trow	Asks if district of residence to send monies.
194	Sen. Baker	Comments is what they do now.
200	Green	Discusses out-of -state placement. Discusses committee wanting ability of that resident school district to send money along. Will have to change Section 14.
211	Chair Hartung	Will change that.
214	Sen. Baker	Discusses page 13, lines 7 to 10, suggests make part of Section 15.
213	Green	Discusses top of page 13, the general purpose grant.
216	Sen. Baker	Need separate paragraph for funding source if child comes outside local district.
219	Green	Under federal law local education agency, under laws of Oregon going to be resident district.
229	Chair Hartung	Asks what else -9 amendments do related to funding.
230	Jim Green	Amendment says costs of transportation shall be paid by public charter school; -5 amendments say responsibility of district where charter school

		located; also discusses child from another district.
242	Sen. Baker	Asks about child providing own education.
246	Green	Discusses being up to local district.
249	Sen. Baker	Prefer charter or student provide own transportation rather than impact sending district.
252	Green	States -9 amendments on special education look same as -3's - just highlighted as have specific concerns.
258	Meinhard	Other states doing in variety of ways, oftentimes leaving to local people to work out - agrees with Sen. Baker.
260	Sen. Castillo	Asks if transportation posed problem for accessibility.
269	Sen. Baker	Does not think we can do that in this process.
TAPE 56, A		
003	Green	Discusses issue of child coming from another district, 11 percent cap.
015	Chair Hartung	Asks if okay with everyone to use -10 in -3 amendments. After agreement, asks Cindy to put in.
018	Cindy Hunt	Funding based on weighted daily average membership. Currently based on extended daily average membership - looking at last two years and higher number is what school districts get. Thought amounts should correspond.
028	Koscher	Discusses issues if a charter school brings into district large number of students from outside district. Lowers student count but school is funded at level of previous year. If charter school to disband, the district where charter school located would receive windfall as have a larger extended ADM count than ordinary.
041	Chair Hartung	Asks what need to do by terms of amendment.
042	Cindy Hunt	Pros and cons. Charter school may have more fluctuation in enrollment than school district.
055	Green	Discusses wide disparity on funds for school districts.
064	Sen. Trow	Asks what sunset of Oregon law means.
065	Cindy Hunt	Discusses school funding formula and double amendments.
070	Chair Hartung	Adjourns meeting at 5:25 p.m.

Submitted By, Reviewed By,

Shirley Spendal, Jan McComb,

Administrative Support Administrator

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EXHIBIT SUMMARY

A - SB 407, Testimony, Jim Carnahan, et al, 23 pg.

B - SB 407, Testimony, Becky Johnson, 33 pg.

C - SB 628, -10 Amendments, staff, 7 pg.
