

SENATE COMMITTEE ON  
EDUCATION

May 4, 1995 8:00 A.M.

Hearing Room B  
Tapes 127- 128

MEMBERS PRESENT: Sen. Tom Hartung, Chair  
Sen. Ken Baker  
Sen. Marilyn Sha, nnon  
Sen. Cliff Trow

MEMBER EXCUSED: Sen. Shirley Gold

STAFF PRESENT: Fallie Calder, Committee Administrator Carolyn Gillson,  
Committee Assistant

MEASURES HEARD: HB 2972 - re. annexation of new territory to existing  
comm. college diet.,  
WRK  
HB 2542 - prohibits sch. diets. from designating smoking area, PAW  
HB 2337 - re. OSSC declaring person default on student loan, PAW

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made during this session. Only text enclosed in quotation marks report a  
speaker's exact words. For complete contents of the proceedings, please  
refer to the tapes.

TAPE 127A

005 SEN. TOM HARTUNG, Chair: Calls meeting to order at 8:05 a.m.

WORK SESSION ON HB 2972

009 DEBBIE LINCOLN, OSSC: Reviews the provisions in HB 2972-1 amendment (see  
EXH. F, 4-27  
95A). Notes SB 296 is a companion bill which needs to pass and is in the  
Senate Government Finance and Tax Policy Committee.

MOTION: Sen. Trow moves to adopt the -1 amendment.  
MOTION ADOPTED: There are objections.

LINCOLN: Talks about the -2 amendment (EXH. A) concerning payment of  
expenses for a boundary change election.

MOTION: Sen. Trow moves to adopt the -2 amendment. MOTION ADOPTED: There  
are no objections. MOTION: Sen. Trow moves HB 2972 as amended to the floor  
with a do pass recommendation.

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MOTION PASSES: In a roll call vote, the motion carries with all members  
present voting AYE. Excused: Senators. Gold and Shannon Carrier: Sen. Trow

PUBLIC HEARING ON HB 2542

Witnesses: Wilma Wells, Confederation of School Administrators  
(COSA)

Bill Beck, Portland Public Schools  
Judy Miller, Oregon Department of Education (ODE)  
Jim Green, Oregon School Boards Assoc. (OSB A)  
Don Shore, Oregon Education Assoc. (OEA)

080 WILMA WELLS, COSA: Feels the bill is not necessary and refers to mandate

in ORS  
339.865.

> Up to local district to decide how to handle 18 year olds smoking on school grounds.

SEN. BAKER: Are school districts enforcing the tobacco law?

WELLS: Can't respond as to school districts other than Salem-Keizer where no smoking is allowed on the campuses by students or school staff. Has created problems in neighborhoods near high schools.

SEN. TROW: Doesn't want to create a situation that is not manageable. Bill doesn't make sense.

132 BILL BECK, Portland Public Schools: HB 5570 passed in 1991 making it illegal for children under 18 years of age to be in possession of tobacco in any form.

> Struggling to make campuses smoke-free in Portland.  
> Talks about the policy they enforce for smoke-free school facilities.  
> Opposes HB 2542 because it is not necessary to write another law to enforce existing law.  
> Talks about problems with open campuses.

SEN. TROW: What percentage of the kids are smoking?

BECK: Don't have figures. Greatest increase is in young females.

244 JUDY MILLER, ODE: Recent study indicated about six percent of sixth graders, about 19 percent of eighth graders and about 25 percent of 11th graders are smoking.

> ODE opposes the bill because a statute already exists to cover this issue.  
> Implementation problems include what disciplinary action to take. HB 2542 would not stop problems from occurring.  
> Refers to SB 741 that would use some cigarette tax revenue for programs concerning smoking.

309 JIM GREEN, OSB A: Provides and reviews copy of sample policy for use of tobacco, alcohol and drugs  
(EXH. B). Notes every school district in the state has a policy on the use of tobacco on their campus.  
> Talks about problem in Medford School District where bill sponsor is from.

362 DON SHORE, OEA: Testifies in opposition to the bill.

PUBLIC HEARING ON HB 2337A Witnesses: Doug Collins, Oregon State Scholarship Commission (OSSC) Kathy Silke, OSSC

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Jane Lesser, Oregon Student Lobby (OSL)  
Jim Markee, Oregon Hairdresser and Barber Schools

385 DOUG COLLINS, OSSC: Testifies in support of HB 2337 and reviews background on the loan program. Default rate is about nine percent, recovery rate is 54 percent and loss rate is five percent.

> Explains how the bill will help them collect loans.

SEN. TROW: Where is the greatest amount of default?

COLLINS: Highest rate is in proprietary schools.

TAPE 128A

030 KATHY SILKE, Collections Director, OSSC: Not familiar with any statistics tracking student loan defaults based on occupation or socio-economic group.

> Talks about perceptions on types of students who default based on her experience and not statistics.

SEN. TROW: Is there a big default rate among community college students?

COLLINS: Community college default rate is 10.29 percent, proprietary schools is 22.1 percent, state system schools is 4.21 percent and private is 3.39 percent.

> Reviews percent of loans in each section.

> Collect for OSSC program from state schools.

SILKE: Explains how the original bill was amended in the House.

SEN. TROW: Is our default rate so high we need this legislation?

COLLINS: Our default rate is lower than most states. There is \$72 million in default and 16,000 people in the default file.

SILKE: Talks about U.S. Congress reauthorization of the Higher Education Act in 1992 encouraging state agencies to share information with guaranteed agencies to assist in the collection of defaulted student loans.

138 SEN. TROW: Are you going to be more selective and sensitive to individual problems?

SILKE: Mandated under Higher Education Act to establish repayment plans that are reasonable and affordable. Required to consider the borrower's financial situation when considering a payment plan. Difficulty with borrowers who will not provide significant information.

173 JANE LESSER, OSL: Opposes the bill. Primarily concerned about issue of due process.

> Already process in place to get garnishment through the Attorney General's office by suing the defaulter.

> Concerned about process by which defaulter is informed.

SEN. SHANNON: How would this hurt someone's rights?

LESSER: In favor of any program requiring people to repay their loan. > Gives more details on possible situations.

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> OSL recommends gathering interested parties and legislators during the interim to consider way to improve situation. > Students OSL represents have lower number of defaults. > More likely problem with schools not under public control. > Reviews average debt for student loans.

270 SILKE: Administrative hearings process set forth under federal law for the Administrative  
Garnishment

Program nationwide. Utilizing that process since 1966 to offset federal tax refunds for borrowers.

Explains how the process is used. Need garnishment process because not everyone has a tax refund.

> Goes into more detail about the law and the individuals who default.

> HB 2337 would allow them to pursue individuals who now reside outside the state.

364 JIM MARKEE, Oregon Assoc. of Barbers and Beauty Schools and Oregon Collectors Assoc.:

Oregon Board of Barbers and Hairdressers already have a program in place to revoke licenses of individuals in default. Provides handout concerning the program (EXH. C).

> Policy question of who should have garnishment authority.

> Garnishment in HB 2337 is less than that for child support. Only 10 percent allowed under the federal law.

> Oregon Collectors Assoc. take no position on the bill.

TAPE 127B

012 SEN. TROW: What happens if there is already garnishment for child support?

SILKE: Child support takes precedence and would supersede a student loan. Only can garnish up to 25 percent of wages. Reviews further details about garnishment of wages. > Reviews the process used.

COLLINS: Explains where the money goes that is collected and how it is used. Talks about their reserve fund.

070 SILKE: Borrowers can come out of school with multiple types of loans under federal programs can be consolidated. Information is supplied in exit interviews and to defaulters.

SEN. TROW: Seems like there is not a good system that keeps out the inequities.

COLLINS: Because of high costs, no one who needs aid gets out debt free. Grants are increasingly small portion.

WORK SESSION ON HB 2337A

108 MOTION: Sen. Shannon moves HB 2337A to the floor with a do pass recommendation.

MOTION PASSES: In a roll call vote, the motion carries with all members present voting

AYE. Excused: Senators Baker and Gold Carrier: Sen. Shannon

133 CHAIR HARTUNG: Adjourns meeting at 9:10 a.m.

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Reviewed and submitted by,

Carolynn Gillson  
Committee Assistant

EXHIBIT SUMMARY:

A HB 2972 OCCS 1 page

B HB 2542 OSB A 4 pages

C HB 2337A Board of Barbers & Hairdressers 1 page

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