

HOUSE COMMITTEE ON EDUCATION

June 24, 1993      Hearing Room E 1:30 p.m.      Tapes 104-106

MEMBERS PRESENT:    Rep. Carolyn Oakley, Chair Rep. Jim Whitty, Vice-Chair  
Rep. John Meek Rep. Patti Milne Rep. John Schoon Rep. Larry Sowa Rep.  
Sharon Wylie

VISITING MEMBER:    Rep. Ken Baker

STAFF PRESENT:      Linda Sample Brown, Committee Administrator  
Carolynn Gillson, Committee Assistant

MEASURES CONSIDERED:      HB 2773 - Student financial aid loan  
program, PUB SB 898A - Expands early intervention services, PUB HB 3191  
- Req. noncontiguous sch. dist. to become part of contiguous dist., PAW

[--- Unable To Translate Graphic ---]

These minutes contain materials which paraphrase and/or summarize statements 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. [--- Unable To Translate Graphic ---]

TAPE 104, SIDE A

014      REP. CAROLYN OAKLEY, Chair:    Calls meeting to order at 2:30 p.m.

Public Hearing on HB 2773 Rep. Ted Calouri Linda Adlard, M Plan SAFE Loan Program

019    REP. TED CALOURI, District 7:    The HB 2773-1 amendment was suggested by the Lottery Subcommittee of the House Appropriation Committee (EXH. A). > Explains how the state and federal government are doing an increasingly inadequate job of providing funding for students. > The bill puts a mechanism into place enabling Oregon to set up loan programs at universities and colleges using lottery money to get it started. > Points out language in two parts of the bill: none of the money shall be used to provide for administrative expenses (page 2, line 18) and losses suffered by private lenders are not guaranteed by the state (page 3, line 7).

055    LINDA ADLARD, executive director, M Plan SAFE Loan Program: Explains the program allows students to have access to higher education loan monies through a bank. To-date the program has been exclusively in private colleges. The program leverages dollars. > Reviews information in her handout concerning the program (EXH. B). > If the state provided \$100,000, we would provide \$200,000 worth of student loan availability. > Suggests inserting December 31, 1993 on line 20, page 1. > Dollars from the Lottery Committee are an incentive. > The bill is generic and could apply to other financial programs. > The trust pays interest while the student is in school and up to one year afterwards. > Student has five years to pay off the principal and remaining interest. No defaults on the program. > The administration of the program costs the school nothing.

154 CHAIR OAKLEY: Who pays for the operating expenses?

ADLARD: The first \$100 of each \$600 subscription unit covers operating expenses. The computer and accounting programs and literature are all in place. Paid staff are involved in the processing.

180 REP. SHARON WYLIE: What are the interest rates?

ADLARD: Only bank we have agreement with in Oregon at this time is the First Interstate Bank. The interest is the same as on a basic T-bill plus 5 percent. > There are no guarantees on these loans. The Trust owns all the contributions that come in. We are pledged to the bank as a sense of security. > The lottery amount is a one-time state donation to a school which chooses this program. Schools can do this on their own if they can find donors to begin the program. > Talks about program that has been in place in Idaho since 1987. > Zero defaults and prompt pay backs. > Money is used to pay tuition and fees. Explains how the bank monitors the dollar amount.

292 CHAIR OAKLEY: Why is the money going to OSB HE and not the OSSC?

ADLARD: I attempted to work with the OSSC, and I have not talked to the OSB HE.

REP. PATTI MILNE: Who is the program through in Idaho?

ADLARD: The program in Idaho uses private contributions not state money.

341 CHAIR OAKLEY: Is there a maximum amount of loan available?

ADLARD: Schools set the amounts of loans and choose the students. We would encourage them to not make loans less than \$500. There is a \$50 set up fee charged to the student. The student signs a promissory note and does not go through a credit check.

Public Hearing on SB 898A Karen Brazeau, Department of Education (DOE)  
Greg McMurdo, DOE Kathryn Weit, Families as Leaders Sen. Ron Cease

440 REP. JOHN MEEK: How does this bill compare with HB 2095?

TAPE 105, SIDE A

007 KAREN BRAZEAU, DOE: HB 2095 contains special education regulations which apply to school-age children ages 5 to 21. This bill brings the state into compliance with federal requirements that the state lower it's special education program down to ages 3 and 4 and an incentive for states to provide services to children birth up to age three with severe disabilities. > Reviews in more detail background on early education and the provisions in the bill.

REP. MEEK: What are we doing over and above federal requirements?

BRAZEAU: We are doing nothing beyond the federal requirements for the children ages 3 and 4. It is not a federal requirement for states to serve children birth thru age three with severe disabilities. Oregon has been providing that service.

CHAIR OAKLEY: If we do not pass this bill, can the DOE still receive

federal funding and continue to provide the same level of service?

BRAZEAU: No, without this bill, we would not be able to provide the level of service we have been providing for the birth to three population. The federal money would be withdrawn. There is more federal money in this program than state general fun dollars. The program serves about 1,000 who have the most severe disabilities.

079 GREG McMURDO, DOE: The money to fund this has already passed out of the House and the Senate Ways and Means Committee and is headed for Senate floor.

BRAZEAU: For the three-and-four-year old population we were required to increase the number of children served to include those with more mild disabilities. The costs increase because they were not all enrolled on the first day of the program. The birth-to-three program does not have an expanded level of service or cost.

CHAIR OAKLEY: What if the feds mandate a larger program?

BRAZEAU: I believe Oregon would have the opportunity in the future to opt out of the program since it is not mandated, but an incentive. We have no indication new requirements are on the horizon. > Explains the difference between the family service plan and the individual education plan (iep). The state's responsibility under this bill would be limited to having the meeting with all the participants who might be providing services to the family.

152 CHAIR OAKLEY: What is the capacity of the advisory committee?

BRAZEAU: When Congress passed this bill, they described the activities of the interagency coordinating counsel. It is a counsel established by the Governor to make sure services are coordinated for families with disabled children. The counsel does not have the ability to make things happen but they are sort of a watch dog organization to make sure all the agencies are participating. They do not have the authority to handle complaints. They assist the lead agency in resolving disputes. There is a separate mechanism in the federal law for resolving allegations of violations of law.

183 KATHRYN WEIT, Families as Leaders: This is one of the first pieces of federal legislation that really recognized the role of a family of children with incredible needs and not all those needs are met by one agency. The counsel brings all the agencies to the table and makes sure those needs are addressed.

BRAZEAU: We have had a counsel like this in operation since 1983. The entire program budget was \$31 million. Most of the money is for the 3 and 4 year olds, with around \$4 million for birth to three.

230 SEN. RON CEASE, District 10: The bill brings Oregon into full compliance with the federal law. The program has been very successful and should be made available to as many children as possible. The results from providing the service are substantial.

268 Committee takes a short break.

Public Hearing on HB 3191 Rep. Ken Baker Don Tank, Oregon City School District Kevin Williams, Concerned Parents of Jennings Lodge Marilyn

White, Concerned Parents of Jennings Lodge Stan White, Concerned Parents of Jennings Lodge Cindy Brockney, Island Residents for Oregon City Schools Audrey White, Jennings Lodge Organization Gina Houston, Jennings Lodge Organization Dan Holiday, Oregon City resident Brian Oakes, Jennings Lodge resident

278 SAMPLE BROWN, Committee Administrator: Reviews the intent of the bill.

CHAIR OAKLEY: Reviews the contents of the committee's directive to the Oregon City, Gladstone and Redland school districts concerning a choice plan (see EXH. E, 6-3). > Felt the people from the three school districts were reasonably pleased with the arrangement. > Refers to a problem that arose at an Oregon City School Board meeting. > The committee views a video tape provided by Rep. Whitty of the meeting.

TAPE 104, SIDE B

012 CHAIR OAKLEY: I don't feel a televised meeting should be used as a vehicle to degrade the Legislature. We want this to work.

024 REP. JIM WHITTY: My concern about that tape is the way the school board and superintendent went superficially over this committee had done. Where are the kids in all this stuff? There appears to be animosity towards the Legislative process and concern about money.

045 REP. KEN BAKER, District 10: I personally believe the Oregon City School District has not dealt with the Jennings Lodge issue as they should have. When concerned citizens come before the Legislature and there is this kind of reaction, it stifles the process. I cautioned this Board about micromanaging. This is one more case which is eventually going to result in the state getting involved citizens cannot trust and rely upon local officials. 070 REP. MILNE: Talks about the memo she sent to the Chair Oakley expressing her lack of confidence in the Oregon City School District being interested in what is best for the children (EXH. C). It should not be a money and turf issue.

085 DON TANK, superintendent, Oregon City School District: I don't speak for my school board members. I am concerned when people say we don't care about kids. You cannot talk about educating children without talking about the costs. We (three superintendents) left the June 3rd hearing with the understanding we would put this committee's recommendations into practice. > Called a meeting next week of the members of the original committee that developed the choice plan to discuss the option plan. Had every intention of implementing the guidelines.

144 CHAIR OAKLEY: Is it normal at your school board meetings that your board members take on the Legislative Assembly?

TANK: No. I cannot answer for the tape. The Board is committed to the plan regardless of what you may have heard on the tape.

CHAIR OAKLEY: If the committee you mentioned is setting the guidelines, how will Jennings Lodge people be involved?

TANK: Our plan next Tuesday is to determine how this is going to be done. There are people from both sides of the issue at Jennings Lodge. Recommends including one person from each side on the committee.

195 KEVIN WILLIAMS, Concerned Parent of Jennings Lodge: Talks about the editorial he wrote (EXH. D).

MARILYN WHITE, Concerned Parent of Jennings Lodge: Talks about her editorial (see EXH. D). > Notes a choice plan does not exist.

230 STAN WHITE, Concerned Parent of Jennings Lodge: Suggests changing the advisory committee to the Choice Plan/Advisory Committee so we can help develop the choice plan and have equal choice. > The residents involved in the committee should be advocates of choice since the function of the committee is to work towards the choice plan and maintain it. > People interested in serving on the committee should have a way to sign up and each area should have their own meeting to select their representative. > Need a third party to serve as a watch dog and mediate between the school boards and the committee if necessary. > Information needs to be sent out to the residents involved in the controversy. > Area representatives need to speak at school board meetings in all three school districts. > Union representatives should be kept informed of what is going on. > The students need to be polled. > Only willing to work with the choice plan if we get a fair shake.

378 CINDY BROCKNEY, Island Residents for Oregon City Schools: Speaks in support of the choice plan and talks about the advantages of keeping her children in Oregon City schools and provides written statement (EXH. E).

TAPE 105, SIDE B

014 AUDREY WHITE, Jennings Lodge Organization: Safety of the children is top priority to me. Still supports HB 3191. Financially, wants to support the district she lives in. > Suggests taking a poll of island residents to determine how many parents want their children closer to home. > We need something more promising than the choice plan to guarantee slots in local schools for our kids. The only way I see that happening with HB 319 1.

060 GINA HOUSTON, president, Jennings Lodge Organization: Points out that HB 3191 allows for continued local control and solution for another three years. It does not prevent trying the choice plan. The bill would not cost Oregon City any money and would give priority to employees. It would be fair and equitable. > Explains she no longer lives in the Jennings Lodge island area but still supports the people living there.

100 DAN HOLIDAY, Oregon City resident: Explains that taking a legislative step to move Jennings Lodge into the Gladstone School District would be detrimental to the Oregon City School District. Going to Oregon City schools was not a terrible experience for him.

128 BRIAN OAKES, Jennings Lodge resident: Feels his side of the island has been neglected by the proponents of HB 3191. Explains his children would have to cross a major four-lane highway in order to walk to school in Jennings Lodge. Bussing his kids to Oregon City is a mute point for him.

CHAIR OAKLEY: What would happen if there was a vote on the issue in the Jennings Lodge area?

OAKES: Predicting an election is tough to do. The distance issue has

never been a problem for us. > Testimony submitted by Jeri Gedrose, Jennings Lodge Organization (EXH. F).

Work Session on HB 3191

205 REP. SCHOON: Talks about school districts in the state that plan to join a larger school district and bus their children so they can get a better education. > The HB 3193-4 amendment (EXH. G) would permit areas of at least 10 miles or have a population of at least 50 people to petition the OSB E to withdraw from one district to join another school district for geographic reasons only. > The OSB E would have to establish by rule what an adequate geographic reason is. It would take the concurrence of the receding district. > HB 3191-4 will help more school districts when they are trying to meet the requirements of HB 3565. > Revenue analysis on HB 3191-4 provided by LRO (EXH. H).

MOTION: Rep. Schoon moves to adopt HB 3191-4 amendment except for lines 19-25 on page 2 and renumbering Section 10 as Section 9.

323 REP. SOWA: Why take away the school district's ability to have a choice plan?

REP. SCHOON: Accepts adding choice plan language in his bill and would consider it a friendly amendment. REP. MEEK: Suggests having the State Board draft procedures so current high school students can finish out their education at the school they are attending.

377 REP. BAKER: Supports the concept because it is a nice community-based approach.

424 DON TANK, Oregon City School District: Suggests adding in the choice guidelines.

HOUSTON: Overall it makes a lot of sense. The OSB E is a more neutral body and does not have to deal with turfs. > Amendment would encourage local involvement in the opportunities of HB 3565. > Leave the choice plan in and specify allowing students finish their current high school programs.

TAPE 106, SIDE A

015 MOTION WITHDRAWN: Rep. Schoon moves to withdraw his earlier motion. > There is no objection.

015 JERRY McCORMICK, superintendent of Redland School District: Where does this put my students between now and 1997 and afterwards? We have had over an eight year agreement with the Gladstone School District. We already have a merger package with Oregon City because of SB 917 (1991 session).

REP. SOWA: Explains how the amendment could be disruptive to school districts that are trying to get together for reasons other than geography.

095 TANK: Talks about number of students who could start the option program in September of 1993 instead of 1994.

122 CHAIR OAKLEY: Adjourns the meeting at 4:40 p.m.

Reviewed and submitted by:

Carolynn Gillson Assistant

EXHIBIT LOG: A - HB 2773-1 amendment - Rep. Ted Calouri - 4 pages B -  
Testimony on HB 2020 - M Plan SAFE Loan Program - 14 pages C -  
Testimony on HB 3191 - Rep. Patti Milne - 1 page D - Testimony on HB  
3191 - committee staff - 1 page E - Testimony on HB 3191 - Island  
Residents for Oregon City Schools - 1 page F - Testimony on HB 3191 -  
Jennings Lodge Organization - 3 pages G - HB 3191-4 amendment - Rep.  
John Schoon - 3 pages H - Revenue analysis on HB 3191-4 - LRO - 1 page