

SENATE COMMITTEE ON EDUCATION

February 2, 1993 Hearing Room 343 3:00 p.m. Tapes 7 - 9

MEMBERS PRESENT: Sen. Catherine Webber, Chair Sen. Stan Bunn Sen. Ron
Cease Sen. Shirley Gold Sen. Paul Phillips

STAFF PRESENT: Jan Barga, Committee Administrator Julie Mušiz,
Committee Assistant

MEASURES CONSIDERED: Orientation Meeting SB 2 - Community
College Services, PPW

[--- 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 7, SIDE A

004 CHAIR WEBBER: Calls meeting to order at 3:07 p.m.

034 KENNETH JONES, LEGISLATIVE FISCAL OFFICE: Distributes and
reviews testimony, (EXHIBIT A). In the Mandated Plus Budget, the
Governor

protects those programs that serve the people she considers to be at
risk. The Mandated and the Mandated Plus Budgets reduce education
resources.

093 CHAIR WEBBER: You've plugged in the anticipated growth in the
student enrollment into the current program level?

095 JONES: That's right.

095 SEN. BUNN: You talked about a cut of 9.7%, is that taken
after the current service level is increased by 6%?

100 JONES: That's right. It comes out to a 9.6% loss from current
service level in both years of 1993-94 and 1994-95.

103 SEN. BUNN: So it's not 9.7% plus the 6%.

107 JONES: You build your budget first, which would be a growth of 6%,
then you take 9.7% out of that. 120 SEN. BUNN: If we put that 9.7%
back in, then, after taking into account inflation and growth of
students, we would be able to maintain a current service level.

122 JONES: And provide for the anticipated growth in enrollments, yes. Continues review of graphs, (EXHIBIT A). Reductions are most likely to

take place in staff developments.

148 CHAIR WEBBER: Has that ratio changed significantly over the past two years? Maintenance of buildings has probably been reduced.

154 JONES: There could be some of that, especially in the flat funded districts. But I wouldn't expect to see a large variation from this.

162 CHAIR WEBBER: Some of the schools I've been in look as if they are depreciating significantly.

165 JONES: I wanted to draw your attention to the special education area. These dollars are targeted for specific populations. The Superintendent chose to serve only the programs that served children thought to be most at risk. Programs not serving at risk children but were very important

nonetheless were cut. One could get the wrong impression of the full impact of the eliminated programs.

241 SEN. GOLD: So the Staff Development program is not on this sheet but on the lottery sheet?

244 JONES: Some of it is on the lottery sheet. A portfolio of programs funded in 1991-93 and 1993-95 has been put together.

282 SEN. CEASE: On the Talented and Gifted program, is that the total amount the state pays on the program or does that appear anywhere else?

263 JONES: That is the total amount the state mandates.

268 SEN. BUNN: My experience is that local school districts don't do much more than what the state money gives them. When we take away the state

money, we're really taking away the program. It's ludicrous to leave a mandated statute that will be meaningless. At what point does the Committee become fully familiar with the nature of these programs and the cut backs so we can deal with that policy?

286 CHAIR WEBBER: Next Tuesday we have an agenda where some of the programs will come in and talk to us.

298 JONES: These are supplementary resources that go out on a targeted basis.

305 SEN. BUNN: For programs that are operating with a marginal budget, a 5% cut could have disastrous effects. I hope we'll devise a mechanism to

educate the other legislators of the impact of these cuts.

324 SEN. GOLD: I agree.

345 CHAIR WEBBER: It may be worthwhile to wait after next week's hearing.

350 SEN. BUNN: It's my hope that this Committee could articulate a position to the Ways and Means Subcommittee and to our caucuses on the essential items on this budget.

359 SEN. CEASE: I agree. It would also be helpful to have a breakdown of the social programs directly associated with K-12.

376 SEN. BUNN: As a member of this committee, I believe education is under-funded. We need to advocate for funding.

390 JOHN LATTIMER, LEGISLATIVE FISCAL OFFICE: It's clear that the governor is outlining choices here. We need to make some tough choices. This

Committee could articulate some priorities to help us make these choices.

408 JONES: If you look at the last chart, the budget drops. The last thing I want to point out is the Superintendent's proposal to deal with budget issues for the blind and deaf schools. To relocate these schools is a

very complex issue. It has some problems in terms of cash flow.

470 SEN. GOLD: Are these charts as they came from the Governor's Office.

487 JONES: I can't speak to that. The Superintendent could.

Tape 8, Side A

038 SEN. CEASE: It's obvious that this budget has massive cuts in education. If you want to get to these programs, you have to go beyond

the mandatory budget.

050 PEGGY ARCHER: Distributes and reviews summary of Governor's budget (EXHIBIT B). The Department of Higher Education is the agency that

receives the allocation, appropriation, and the expenditure limitations. It's the State Board of Higher Education that then allocates those resources in annual budgets.

087 CHAIR WEBBER: The implication of being non-limitation means they don't have to come to you for permission to collect or spend the money.

089 ARCHER: That's right. Higher Education has a \$2.6 billion budget with less than subject to limitation.

097 CHAIR WEBBER: What is your responsibility towards the dollars that are not part of the limitation?

099 ARCHER: They're frequently intermingled in a program, but donation, grant and research projects are not limited.

107 CHAIR WEBBER: So the Legislature has no control over them.

108 ARCHER: No but they're reported in the budget. Continues summary of EXHIBIT B. 127 SEN. CEASE: Would it be fair to say that basic administration and operations are still supported by the general fund.

129 ARCHER: Yes. Look at the last page. All the charts relate to this last page. Continues summary. Increased tuition and some lottery money

supplements these cuts. The Governor has taken seven steps to address the reduction in the general fund. The most notable step is the reduction of administrative costs. The result will be a commitment of administrative costs to be reduced 25%.

231 SEN. CEASE: Do you have figures you could give that would provide the percentage break down of general fund and all other funds for the

schools in the system?

235 ARCHER: I have the annual budgets for the institutions in the current biennium. By adding those together I can come up with a current budget

for the current biennium. It would be an assumption but it gives you an idea.

247 SEN. CEASE: I assume that the percentage would be different from each institution.

252 ARCHER: The larger universities have the most money. Very few programs have been actually eliminated. We won't see a revised list of those

until we get into the Ways and Means hearings.

291 CHAIR WEBBER: Are those hearings scheduled?

292 ARCHER: They're tentatively scheduled for early March. The enrollment reduction is the fifth of the seven actions I was going to go through.

322 SEN. CEASE: As we talk about the chart, do we have a sense of what the total enrollment would look like if it weren't controlled?

331 ARCHER: Higher education measures its enrollment by freshman participation. It's dropped to 18% of the graduating freshman. If we

were to keep that 18%, then we would have to provide space for about 66,000 students in 1995.

347 SEN. CEASE: Then we'd have to go below 18% to be within the budget.

350 ARCHER: If you were going to match the enrollment projection, I believe it would be up to 76,000 students by the year 2000. The benchmark

guideline of 24% in the mid-80s would mean we'd need to space for 80,000 students by the end of the decade.

361 SEN. CEASE: So it would get worse each year.

367 ARCHER: High school graduates go up while the enrollment goes down.

366 SEN. CEASE: How will the community colleges respond to that need?

370 JONES: There's lots of pressure on capacity in the community colleges to make it possible for them to respond positively.

382 SEN. GOLD: With the increasing tuition, wouldn't that put pressure on the community colleges for their academic transfer programs? It's a

problem that will be increasing over the next several years.

400 SEN. BUNN: How can we as a committee try to figure out what the policy issues are? We can't do what we could do on a line item budget.

Looking at this, we can't get at what the important issues are.

440 ARCHER: The policy issues will be the same as last time. During the Ways and Means process we'll address all of those budget notes. I don't have a budget document right now, but it will have the information in

it. I'll be glad to get those to you and list them. The Veterinary Medical School is clearly an access issue with high costs and low enrollment.

Tape 7, Side B

039 SEN. BUNN: If there were a way we could find the major issues that need to be dealt with, it would be extremely helpful for this Committee.

051 ARCHER: There's an emphasis on undergraduate instruction. We could attempt to find those but it will take some time.

059 SEN. BUNN: Is there a way to speculate on the issue with what you have? Education reform, workforce legislation and the benchmarks are the

things this Committee has identified as important. If there's a way for you to identify such issues that would be helpful.

069 ARCHER: We've asked the Department to address the issue of benchmarks but we can go beyond that and relate it to education benchmarks overall.

074 SEN. BUNN: One thing we need to work with is emphasizing the workforce at the community college level. At the same time we're taking away the

student aid from the independent colleges and cutting back access to higher education. We're sending the public a message that there isn't any capacity for that sort of public education. Do we need to help independent college education?

087 ARCHER: That's not in the higher education budget, it's in the Scholarship Commission budget. But it does relate to the role that the

independent colleges play in the education system.

105 SEN. BUNN: If we do tuition waivers, then it leaves all the student aid in the public schools. If we set up a pot of money instead of tuition

wavers then if there's a program at a private institution not available at the public institutions, there's a source of money available.

116 ARCHER: The institutions and the government never took the total reductions. There are some enhancements in the budget. 152 CHAIR WEBBER: The source of those dollars would be an increase on the beer and wine tax?

154 ARCHER: No, the source of the \$1.6 million in the Mandated Plus Budget would be the increase in the beer and wine tax. At the recommended

level, the Governor's source would be general fund money.

160 SEN. CEASE: It's clear that the big loser is higher education.

163 ARCHER: I think it is. In percentage terms, it's 12% less than in the current biennium, 7% less than the 1989 biennium, and 18% less than the current service level. But when you add lottery money and tuition, that 18% looks more like 14-15%.

173 JONES: I'm reminded frequently that schools are most heavily impacted in the at risk student area. The Oregon Educational Act for the 21st

Century (HB 3565) focuses on that.

205 SEN. GOLD: I agree with what you said as part of HB 3565, but the other part is prevention type programs. When you put the two together, then

you get the thrust of the whole legislation.

215 JONES: I would put the early intervention as programs designed to attack problems of the at risk student. I think you have to give the

Governor credit. She's focused on resources with more and more prevention with limited dollars.

225 SEN. GOLD: I've seen the Governor's summary budget and other things. Today with what you've said it points out that there isn't enough to go around. If we have additional priorities other than the preventional

route, then we have to consider other options.

Informational Meeting re-opens on page 7.

(Tape 7, Side B) SB 2 - COMMUNITY COLLEGE SERVICES, PUBLIC HEARING

256 ROGER BASSETT, COMMISSIONER OF COMMUNITY COLLEGE SERVICES: Submits and summarizes written testimony (EXHIBIT C).

329 SEN. CEASE: Why didn't they make it permanent last time?

333 BASSETT: It wasn't a tightly framed issue. It was a general discussion about a single state board and superintendent of public instruction.

342 SEN. CEASE: Would there be a problem if the sunset would continue for another four years?

344 BASSETT: We're good for our commitment whether or not a sunset exists. It would be very hard on the collective community college psyche.

364 SEN. CEASE: I'm not suggesting we do that. I know there's a desire to bring education closer together.

371 BASSETT: I don't think we've seen the last of discussions on what's best for education.

385 SEN. BUNN: It's worth noting that during last session there was broad support to get rid of the sunset and making this permanent, but with the understanding that another several years should have given us the

ability to say let's move on. 398 SEN. CEASE: I think this is better than what we've had.

402 RUTH HEWETT, OREGON DEPARTMENT OF EDUCATION: Submits and summarizes written testimony (EXHIBIT D).

432 KAREN GARST, OREGON COMMUNITY COLLEGE ASSOCIATION: Expresses support of SB 2.

441 BOB BARBER, CENTRAL OREGON COMMUNITY COLLEGE: Expresses support of SB 2. I'd like to respond to Sen. Cease's question about how we feel about the sunset continuing. I think it's a distraction for us because everyone's busy worrying about their political position, relative to the sunset

clause. Summarizes Governance Report (EXHIBIT E).

Tape 8, Side B

050 WILMA WELLS, CONFEDERATION OF OREGON SCHOOL ADMINISTRATORS: Concurs with previous testimony.

(Tape 8, Side B) SB 2 - COMMUNITY COLLEGE SERVICES, PUBLIC HEARING

057 MOTION: Sen. Cease moves SB 2 to the floor with a do pass recommendation.

064 VOTE: Motion passes (5-0). Sen. Cease will lead the floor discussion.

(Tape 8, Side B) INFORMATIONAL MEETING

090 JIM SCHERZINGER, LEGISLATIVE REVENUE OFFICE: Distributes testimony and reviews graphs and testimony (EXHIBITS F & G). Discusses Revenue per

Student graph, EXHIBIT G.

351 CHAIR WEBBER: This is the representation of the current expenditures and we're using the permanent formula now?

355 SCHERZINGER: The dotted line is a representation of the current resources that districts have; the lighter solid line shows what would

happen if the current formula were to go into effect. These are all at the same budget level. If we were looking at the reduced budget level, that permanent formula line would be pulled down the page. Continues summarizing EXHIBIT G. The notion of HB 3565 is to decentralizing decision making, push it down to the district level.

456 CHAIR WEBBER: When you talked about distributing money according to the size of problem they face, you're talking about the type of students and problems students have to be educated.

Tape 9, Side A

020 SCHERZINGER: Anything that the formula recognizes. Continues summarizing charts (EXHIBIT G). 055 SEN. BUNN: Unless we have another source of revenue, then basically we don't have an equity formula that works, is that correct?

058 SCHERZINGER: It would create great pressure for sharing the burden of the cuts.

065 SEN. GOLD: I think the outsiders are at work here.

070 SCHERZINGER: I think it is a fair statement that it puts great pressure on that. Another recommendation was that the existing weights not be

changed.

101 CHAIR WEBBER: Adjourns meeting at 5:08 p.m.

Submitted by:

Reviewed by:

Julie Mušiz
Administrator

Jan Barga Assistant

EXHIBIT LOG:

A - Education Program Budget, Ken Jones, 6 pgs. B - Summary of Proposed Budget, Peggy Archer, 10 pgs. C - Testimony on SB 2, Roger Bassett, 2 pgs. D - Testimony on SB 2, Ruth Hewett, 1 pg. E - Testimony on SB 2, Bob Barber, 32 pgs. F - Measure 5, Jim Scherzinger, 6 pgs. G - School Funding Graphs/Formulas, Jim Scherzinger, 3 pgs.