

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.

Measures Heard: None Informational Meeting

HOUSE COMMITTEE ON AGENCY REORGANIZATION AND REFORM

February 2, 1991
13 - 16

Room 357 10:00 a.m. Tapes

MEMBERS PRESENT: Rep. Clarno, Chair Rep. Hugo, Vice-Chair Rep. Derfler Rep. Jones Rep. Brian Rep. Clark Rep. Campbell

MEMBER EXCUSED: Rep. Katz

STAFF PRESENT: Susan Browning, Committee Administrator Scott Kaden, Committee Assistant

WITNESSES: Norma Paulus, Superintendent of Public Instruction

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TAPE 13, SIDE A

005 CHAIRPERSON CLARNO: Calls the meeting to order at 10:04. Opening comments by the chair; introduction of Norma Paulus.

043 NORMA PAULUS: Thanks the committee for the opportunity to speak and introduces three members of the State Board: Jeana Woolley (Portland), Sharron Little (Lebanon) and Ruth Hewett (Salem). We also have other members of the Department of Education here to answer any specific questions you may have. Discussion will consist of two sections: 1. Assure committee of the development of a very good working relationship between the Board of Education and the Superintendent. The Board has split into smaller subcommittees in order to respond to educational issues. 2. Address broad issues of governance, accountability, fragmentation and flexibility. - Governance - Discussion of "Superboard," as well as the need for a curriculum for K through graduate school. Currently, we do not have this in place. - The lack of unification is costly to the State. - Early Childhood Development and Work Force 2000 legislation are the number one and two priorities of the Superintendent, the Department of Education, and the Board of Education. - Unification of some school districts is an option, as is the abolishment of some existing Educational Service Districts (ESDs). Consolidation of school districts again should to be addressed. - Local school boards should be examined for their purpose and responsibility. - A commission should be established to examine governance, specifically, unification and consolidation of school districts and ESDs. - The bottom line: the Legislature is going to have to address these issues, and the sooner the better.

167 REP. DERFLER: What is the function of an Educational Service District (ESD)? How are they formed and what do they do?

169 NORMA PAULUS: The philosophy behind an ESD is that if one entity could act as a central storehouse of information and services (especially in small districts), you could be more cost effective. - One way you could save a lot of money in the school system is to change the election law so that School Board member elections are held every two years rather than every year. You will get arguments against this suggestion because of the fear of lack of continuity.

187 REP. CLARK: Madame Chair, do you want questions now?

189 CHAIRPERSON CLARNO: If it is pertinent, I think we should ask questions as we go along.

191 REP. CLARK: Why couldn't you treat ESDs like you do Land Use localities? Tell them they must hold hearings which address ESD efficiency, consolidation, privatization, et cetera. Tell them to come up with a plan that addresses the tough issues, and then have your office review and scrutinize the plan.

213 NORMA PAULUS: We have done that, in a very informal way. Before the legislative session opened, the superintendents came to town and we had a talk about our legislative agenda. I told them to go back to their districts and within a week, give me ideas on consolidation. In addition, they were to work with their cities and counties to come up with some ideas. They were also charged with addressing accountability. (Speaker refers to the Yamhill District.) The dialogue that you suggest has been going on, though it is at an informal level. - We repeatedly remind the districts of the accountability issue to insure that they are strictly accountable for the funds provided by the Legislature.

282 REP. JONES: What role does the Education Planning Policy Office serve in this whole arena?

290 NORMA PAULUS: I think it should be abolished. Currently, the policy process is spread all over the place, which leads to fragmentation.

307 CHAIRPERSON CLARNO: Why don't you continue with your thoughts, and we will formulate our questions and ask them before we break.

311 NORMA PAULUS: There are a couple other things to consider in light of Measure Five (5). - We collect informational material from the schools and provide it to you so that you can make educated decisions. Our present system of information gathering is not adequate. - Our offices lack the technology to interact with the field offices; we cannot conduct conference calls, thus we might have to move our weekly calls to Willamette. Our technology is in the 18th century. - I must have some flexibility in my management duties. There are extremely competent managers in state government who have very little flexibility. If these people had more flexibility, they could give you a much better product. For example, Kevin Concannon.

457 REP. JONES: Let me clarify what you are saying. You believe that increased flexibility, accompanied with a agreed upon mission and goal, would result in a better product?

464 NORMA PAULUS: Yes, let them tell you what they need, then you approve it and give them a mission and deadline. In addition give them as much flexibility as possible. I see so much management talent being stifled as a result of inflexibility. - We should not solely concentrate on the big budget items. "If you watch the pennies, the dollars will take care of themselves." - The Department of Education has been drifting for a while, without any sort of close examination. As an outsider, it is easier for me to observe these items.

TAPE 14, SIDE A

062 SPEAKER CAMPBELL: As you go through the specifics, could you identify specific areas which need help directly from the Legislature? Some of these topics will require the help of the Legislature.

065 NORMA PAULUS: Yes, thank you. - Public officials must set an example. An assistant has produced a bill which lowers my salary by \$250. Every month my paycheck has an additional \$250 for incidentals, but this is not an appropriate use of public money. I hope that you examine this in other areas, especially in school districts and other governmental agencies.

100 REP. HUGO: What is your opinion of local districts hiring lobbyists?

101 NORMA PAULUS: I am opposed to that. I strenuously objected to that at the meeting with the Superintendents.

109 SPEAKER CAMPBELL: How many have lobbyists?

110 REP. HUGO: About 30 districts have hired the lobbyists. District 4-J is one.

111 REP. JONES: Thirty, are you serious?

112 REP. HUGO: The Legislature will have a larger role in many of the decisions, and so the school districts are expressing an interest in having their views heard.

116 SPEAKER CAMPBELL: We have identified 19 lobbyists. Legislators are in a very difficult position from a time standpoint. If all 19 of those lobbyists try to see us individually, they will find it difficult to be heard. We are hearing different positions and different stories, depending on the school district. I would suggest that education get their act together. In essence, in the long term, they will hurt themselves rather than help themselves.

129 NORMA PAULUS: I couldn't agree more. - Along the same line, on my first day on the job, I was given keys to a state car, equipped with a phone. I turned the keys back in and told them I didn't want a state car. I have thus examined the fleet of state cars. I have asked Rick Burke to look into the option of utilizing the state motor pool. Rick Burke, in his initial investigation, concluded that the Department is doing it in the cheaper fashion, but this will be further examined.

143 REP. HUGO: What is the difference between a state agency having its own vehicles or a state agency leasing or using cars from the State's motor pool? Isn't it all under the same situation, Rick? [Received an affirmative nod from Rick Burkee].

147 NORMA PAULUS: My point was, Rep. Hugo, whether we need this fleet of cars as a standby unit. - I have suggested that our travel budget be cut by one-half. When I go before the Ways and Means Committee, I intend to ask just for the minimum. I think there is far too much out-of-state travel. - Publications is a very big issue, as well as postage. We have very big budgets and I have discovered several things: (1.) There are 712 different labeling devices within the Department, largely due to vertical organization. Because of the various labeling programs, there is much duplication. (2.) Many of the publications are mailed out first class, when first class is not necessary. (3.) I have renamed our department's publication Education First. I thought about eliminating the publication, but we decided we could save money if we used this news paper (which goes to all the school personnel) instead of mailing out other items individually (i.e. textbook lists).

210 SPEAKER CAMPBELL: We have put together a task force of county commissioners and mayors which identifies the mandates that state government have placed on local government, that are unnecessary and

should be changed. We are considering doing something comparable to Education. Is there the same need within the educational field?

225 NORMA PAULUS: Yes, definitely. We would like to come back and indicate different statutes that we think would save the state money, as well as streamline our Department. - Refers to a publication "LAWS." Volume One is done very inexpensively, Volume Two is very labor intensive and very expensive. I am wondering if LC could "dump out" this material by subject or department.

276 REP. HUGO: Do you know if Kathy Murdoch (the Department's counsel) asked other agencies if they do that?

279 NORMA PAULUS: I am not sure, I have only had one discussion with her about this issue.

280 REP. CLARK: Are you statutorily required to do this, or not?

282 NORMA PAULUS: No, but it is a needed service. If we didn't do this, the schools would have to buy their own Oregon Revised Statutes, which runs approximately \$800. I think there is a more efficient way of doing this.

297 REP. JONES: I think it would be appropriate for this committee to ask Legislative Counsel to come and address this issue.

302 NORMA PAULUS: This second volume was so difficult to put together, it arrived almost too late to be of any use.

306 REP. DERFLER: A lot of a teachers' time is spent doing paperwork required by the state. Is what we require worthwhile? Are they actually being used?

312 NORMA PAULUS: Exactly. The educational community should tell us what our students should be able to do in the future and tell us what is needed to get us there. We have not had this vision setting as an educational community. Add to that, families are breaking up and societal problems are being heaped on the schools. The classroom is now a "stress box." It is harder to get talented educators into the classroom. I want to ask you, as a Legislature, to free us from many of the requirements. We are presently in the process of developing a new process that will be less bureaucratic, less time consuming and less costly. We will come back, if you want us to, to address the legislative burden. - With regards to advisory committees, we have identified 77 boards, commissions, work groups and advisory committees which are on our tail. At the end of the biennium, I suppose we will have spent around \$350,000 on these people; with half of this figure being federal money. It takes a lot of staff time to organize and be a facilitator. I would like to abolish most of them and start all over.

410 REP. HUGO: Could you provide us some examples of state funded advisory committees that have no federal money in them?

411 NORMA PAULUS: I don't have a list with me, but I do have a breakdown of how many of each. I'll get back to you.

416 REP. HUGO: The point is that I have friends in the Washington state legislature who are absolutely amazed that Oregon can get anything done, with so many citizens involved.

422 NORMA PAULUS: As you and I know, many of us have fought for the citizens' right to participation and Oregon's citizen legislature. I am not sure that we are ready to give that up. I am committed to getting a handle on this issue, and I am hopeful that this committee will help us.

436 REP. HUGO: I would hope that you can do that without at least giving the appearance of cutting people out of the process.

440 NORMA PAULUS: None of this is easy to do. Any sort of cutting is

very difficult because competent people do not want to be cut out. But that is my job, and I am willing to do that.

460 REP. JONES: What would you think about a sunset that automatically "sunsetting" all of them, giving them the opportunity to make their case to you and the department?

470 NORMA PAULUS: I think the legislature has made a valiant effort with Sunset committees and I have not noticed that anything has been "sunsetting" yet, with the exception of the Watchmakers Board. So I don't hold much hope out for that. I am stiffening my backbone (within the department), and I am asking you to do the same thing.

TAPE 13, SIDE B

037 REP. CLARK: How do we do this without cutting people off, how do we get volunteers involved?

043 NORMA PAULUS: We want our children to learn all about the societal problems we face, and we must enlist volunteers. We must form business partnerships to help us take care of those other problems. We have to give the teachers the proper setting, for we want them to be able to teach. We have to use volunteers and the private sector.

062 REP. DERFLER: Would it be appropriate to bring in some teachers to testify about the process?

065 NORMA PAULUS: I would welcome that. I wished Bonnie Elliott (teacher-of-the-year) would do more public speaking. She is a quality person, and I would welcome the opportunity to do this.

074 CHAIRPERSON CLARNO: We will definitely look into this . . . it is a wonderful suggestion.

079 NORMA PAULUS: Another issue I would like to bring to your attention is the LED'S system, the means for looking at the criminal backgrounds of those you wish to hire. This may be an area of duplication, which may save a few dollars.

091 REP. HUGO: You lost me on that one Norma. The Department is spending money on criminal investigations?

092 NORMA PAULUS: We have people who get the information when the school districts call. Each department, every entity has someone who provides this service. I feel there is a better way to make this information available; we must look for a better way. - Association Memberships approach \$170,000. We also have page after page of professional memberships. I would get rid of the association and professional fees before anything else.

114 REP. HUGO: I have been very restrained today, but this one bothers me a bit. If I call your office concerning a recent administrative or judicial rule, how am I going to expect to be currently informed about that . . . if there is no networking with your department and national organizations?

119 NORMA PAULUS: All of these organizations are valuable, and there will always be reasons for attendance. But, there are too many of them and we don't have a handle on it.

127 REP. HUGO: \$170,000 covers all that extensive list of organizations? I am the first to admit that there are many boon-doggle trips that occur under the flag of some associations. But, "I hope we don't cut our noses off to save \$170,000."

139 NORMA PAULUS: I agree. But if I have to help the Legislature find some money within our Department, I will put my membership to the state superintendents organization on hold for a couple of years. I am not saying that organizations do not have value, but we must prioritize.

This is one area that has gotten out of hand.

160 SPEAKER CAMPBELL: Bruce has raised a point that is worth examining. If they do attend these programs, in most instances, there is very little gleaned, with comparison to the costs. We have to ask our people to justify their memberships and their trips. In many instances, we can have our researchers, in this building, locate the information many people learn from these programs.

196 NORMA PAULUS: I have heard that Legislative Fiscal referred to our Department as a black hole. Department of Education was becoming too "consumer oriented." Our Department was responding to requests from school districts, reacting as opposed to being proactive. Legislative Fiscal is really looking at cutting money put into 20/20 grants, because it is a "fat" General Fund program. If I can continue 20/20 funding by knocking out my membership for two years in a national association, I will do that.

225 REP. HUGO: You are right. I just want to make sure "we are not too oriented on perception and symbolism." The fact is, we have to make real cuts that will hurt people.

239 NORMA PAULUS: The figure I received, from Ways and Means, for out-of-state travel was \$20 Million, but a high percentage of that is in Higher Education. We are talking about more than just the dollar amount spent, you also have to look at the personnel costs, the mailing costs, etc. You may think this is minor, but I see it as something that has to happen.

260 SPEAKER CAMPBELL: In support of what you just said, our publication costs for the biennium are \$43 million, not including postage. We have to look at these sort of things.

271 NORMA PAULUS: I have 77 boards, commissions, and work groups. I have tried to emphasize to the leaders of these divisions that we are going to be closely scrutinized, and I don't want wasteful expenditures. For our Winter Conference, we are going to save \$64,000 (in travel and lodging expenses) by changing the site of the conference from Springfield to the Metro area. We have to stop the practice of booking these advisory committee meetings at the Benson Hotel. We have 77 groups that are meeting constantly. This is a big expense. It is not just the paper, the printing and the mailing expenses. It is the staff time that it takes to track and collate these items. - Refers to the Driver's Safety Certificate.

340 CHAIRPERSON CLARNO: The committee will take a six minute break and reconvene at 11:30 p.m..

346 CHAIRPERSON CLARNO: The committee will reconvene (11:32).

358 REP. CLARK: You were talking about the Boards and Commissions and their individual worth. Is the Teacher Standards and Practices Commission (TSPC) necessary? I don't know much about it.

365 NORMA PAULUS: I don't know much about them either. I did meet with them last week. I feel Board members might have a better means for addressing that question.

380 CHAIRPERSON CLARNO: Do you want to continue with the rest of your presentation, before you call up the board members?

381 NORMA PAULUS: Sure. - We have lots of other information (printing, boards and commissions, etc.) available for you, and we can make that available to you at other times as well. - Fragmentation is an important issue I would like to address. We are working on a diagram for Early Childhood Program. We are trying to say to the public that we (as a department) are willing to be responsible and accountable for these programs. Right now, no one is responsible for these programs. We do have programs here in Oregon which are great successes. These programs

must be integrated within our entire educational system. - We haven't been specific about our mission. We have said we will take MacLaren and Hillcrest, and we don't expect more money. We are willing to assume the responsibility and the risks; we have a moral obligation to take this on. We will take Great Start. We cannot afford the duplication that is going on between agencies. It keeps us from achieving a philosophical pursuit that heads us in the right direction. Currently, our system is fragmented and it is not cohesive. We need to get organized. We cannot play politics . . ." we must rise to the level of the children." - I have a bill drafted that would have the school districts use their Common School Fund money for early childhood development. It would help us build up a constituency behind the Common School Fund so that it wouldn't be raided as it has been in the past.

TAPE 14, SIDE B

077 REP. HUGO:: What has been raided?

078 NORMA PAULUS: The Common School Fund.

079 REP. HUGO: By whom?

080 NORMA PAULUS: The Legislature put an amendment on the ballot, at the request of the Attorney General, to take the RICO funds out of it. That is a considerable amount of money. I think you have built buildings out of it, the Division of State Lands, the Trade and Economic Development Committee is in it (the fund.) It is being raided because there is no constituency to watch it.

086 REP. HUGO: I don't want to debate the Common School Fund being raided by RICO, but I think we ought to take a look at that ballot measure, and then look at the RICO statute that dealt with the property that you are talking about. There was no raid, it was just a matter of clarifying that local jurisdictions could use revenue from confiscated vehicles to continue their drug fight.

090 NORMA PAULUS: I don't agree with that, Representative Hugo. Under the Constitution, that property rightfully and legally belonged to the Common School Fund. When I was Secretary of State, I approached John Danielson with this same issue. I told him we needed a watchdog for this fund and suggested that we shift the emphasis on the spending of the fund to early childhood development. I had a hard time getting them involved because it was such a small amount of money.

108 CHAIRPERSON CLARNO: I am interested in saving small amounts of money. My constituency did not support Measure Five. I think this committee must live with the measure and save where we can. Small savings do add up.

117 REP. JONES: I am trying to clarify what we need to look at. Early Intervention and Great Start, are there proposals in this body or does this committee need to look at how we can assist you in that regard? I am just trying to clarify what this committee needs to look at that requires action from the Legislature.

138 NORMA PAULUS: I don't know about the intervention program for sure. There are not bills for the other transfers that I have mentioned, either. I am just trying to bring these issues to your attention. I don't think we have mentioned the Fair Dismissal & Appeals Board; that board should be moved to ERB or the Bureau of Labor. The move will save some administrative costs. We will come back with specific legislation if you like.

157 REP. JONES: I guess my interest is just trying to clarify what we need to do in order to assist you with your suggestions.

165 NORMA PAULUS: For instance, in the work force legislation, we are working very hard on this as a priority. We are trying to create bills and coordinate every possible way with the Legislature. We are finding

a lot of cooperation on that issue. On the other issues, we don't have specific legislation, but we are committed.

192 CHAIRPERSON CLARNO: I think different members have expressed different specific issues they are interested in working on. If you have specific issues that you are interested in pursuing with Norma, please pursue those issues.

198 REP. JONES: I would be glad to volunteer to work with Norma and her office.

200 REP. DERFLER: I would like you to come forth with ideas (CONCERNING FLEXIBILITY) that will help your department?

212 SPEAKER CAMPBELL: I would like to get back on track. Workfare will be handled by five committees . . . about four too many. Most of the issues you have mentioned today do not need our help. What are you looking at with the Department of education? What has occurred within the Department (concerning personnel) over the last ten years? What are the possibilities of reducing unnecessary activity within the Department?

241 NORMA PAULUS: Bob Burns, Deputy Superintendent, has a better handle on the historical aspects. Generally speaking, in the 1981 or 1982 session, there were 50 positions that were cut out of the Department. I can safely say that we don't have too many people, but with additional flexibility I can take the existing work force and redirect their focus. The people may be engaged in the wrong activities.

281 SPEAKER CAMPBELL:: In 1981, we cut vacant positions. When we were viewing the Governor's budget (48 positions to be cut), were these individuals or vacant positions? How are you going to cut 10 - 12 % out of your budget and not affect work force?

297 BOB BURNS: Introduces himself as Deputy Superintendent. First, let me give you some general background information. - Our funds are broken down in three categories: General Funds (state money), Federal Funds, and Other Funds. Over the past decade, the funding mix has dramatically changed. We have had a 8% loss in General Funds, a 2% loss in Federal Funds, and a 10% gain in Other Funds. With the Federal and Other Funds, there are certain prescribed duties and activities we are held accountable for, by bodies outside the state. This is a significant shift. - In 1977 - '79, we had 263 FTEs. In 1987 - '89, we had 199 FTEs (or 25% fewer). Those reductions were actual people who lost their jobs through the bumping process. This was a very traumatic time for the Department.

352 REP. DERFLER: Do we have the same number of students as we did ten years ago?

355 BOB BURNS: No, that is not true. Our student count now is the highest it has been in state history. We have had growth in several areas, and we have been integrating kindergarten programs over the past ten years. The total population is approximately 513 ,000.

363 REP. DERFLER: Do you know what it was about ten years ago?

364 BOB BURNS: I don't have that number, but I can easily retrieve that number for you if you wish. - Recently, we have had some growth in our FTEs. We have picked up about 25 - 30 staff people. Currently, we are at 228 full-time equivalent employees.

382 REP. HUGO: You have mentioned a whole bunch of areas that have added to your FTE requirements, and then you said that was a result of last legislative session. I don't recall voting on some of those programs. How many people were actually required by legislative action?

388 BOB BURNS: I would say about 15.

391 NORMA PAULUS: The Legislature, rather than adding FTEs during that period, would provide monies to allow us to contract out. We have a lot of contracts, some small, yet some very substantial. I am not sure of the quality of those contracted programs. The Drop Out Program is one example . . . it is built for failure.

413 REP. JONES: What is your allowable FTE level?

418 BOB BURNS: I will give you 230, as an educated estimate.

422 REP. JONES: So you have only two positions that are unfilled?

424 BOB BURNS: Right now we have a hiring freeze, so there are some positions sitting vacant.

428 REP. JONES: There has to be a difference between the FTE and what you have filled, because you have requests out.

431 NORMA PAULUS: Yes. For instance, we were hiring an Educational Specialist and then we were hit with the freeze which halted our search. Rep. Hugo is absolutely right when he says that we are double filling. That is what we had to do to get Mr. McMurdo and Mr. Burkee in their positions. We are trying to rid ourselves of that as quickly as possible. I had to do that to get prepared for the legislative process.

458 REP. JONES: My question was not intended to be a criticism, I was just trying to get the real levels.

465 SPEAKER CAMPBELL: I would like Bob to go through and give us the FTE levels for the past ten years. I would also like to have the levels of contracting for those years. We may be keeping the same levels of employees, but we may actually double the costs as a result of doubling the contracting.

485 NORMA PAULUS: If I can, I would like to decrease contracting because I do not feel comfortable with insuring the quality of the product.

490 SPEAKER CAMPBELL: In addition, it would be helpful if you could identify, year by year, the General Fund levels as well as levels for the other two categories of funds. I am very interested in the doubling of the Other Funds category. I am very interested in finding out where those revenues for Other Funds came from.

TAPE 15, SIDE A

030 BOB BURNS: I am assuming that is a request for a future time. We can retrieve that material, but I cannot give that to you this morning.

035 REP. BRIAN: I would like you to bring to us a description of goals, objectives and activities that you are involved in. Organizational charts and historical budget information would also be helpful. I would appreciate that information . . . at a reasonable convenience. I would like to compliment the Superintendent for addressing issues of memberships, travel, publications, etc. You are the first Department to articulate an interest in these fields.

054 REP. HUGO: When you started talking about fragmentation, I thought you were going to get to the real meat. Are you in favor of a "Superboard" proposal?

057 NORMA PAULUS: I am very open to this option. The Board has some different ideas than I do. I am looking at it from a different perspective. Now is the time to examine the "Superboard" proposal again. What I see internally makes me lean towards that concept. I think a statutory revision commission should be formed . . . of legislators and prestigious citizens.

083 REP. HUGO: How should we reorganize differently than in the past?

If you were to arrive today from Mars, how would you design a school system that would most efficiently educate children? I am very encouraged and looking forward to the hearing concerning the Kentucky school district issue.

099 NORMA PAULUS: I talked to the gentleman now in charge of reformulating the school system in Kentucky. I don't think it is possible to do in Oregon what has happened in Kentucky. In Kentucky, very few people control the political process and those very few people went into a room and privately came up with the solution. Then they took it to the legislature and it was immediately approved. I think the best thing for Oregon would be a Statutory Revision Commission, with a broad charge and a specific time for reporting back to the legislature. Please listen very carefully to the testimony of the State Board of Education and the Department of Higher Education.

116 CHAIRPERSON CLARNO: Both of those groups have been invited to testify and will be appearing before the committee.

118 REP. HUGO: The ultimate irony is the reason the Kentucky school system was ruled unconstitutional is because of a word in the Kentucky Constitution which says they shall operate an efficient school system. We should keep that under consideration as we go about our business.

132 NORMA PAULUS: I certainly try to involve the public; I try to involve more citizens in the school community. But unless you give me more personnel, please give me the flexibility to move things around. Our people are not focused on the proper tasks, and the numerous boards and commissions do not help the process.

144 REP. HUGO: Last session, we passed a bill, rather widely, that stated the State Board of Education will be the policy making arm. The Department of Education was set up to be the administrative arm. The reason your costs are in administration is because that is what the Legislature has asked you to do. If you want us to change that theory, then we have some serious discussion ahead. You are an administrator and the Board is the policy group, by law. I'm glad that you both agreed on the priorities of the bills, because that is not always the case.

154 NORMA PAULUS: As long as I am elected by the people to straighten out the system, then I must necessarily bring my own ideas and own agenda. I recognize the Board's authority and I have worked overtime to develop a good working relationship with the Board. I recognize their authority and welcome their help, as well as the help of the Legislature. I don't care who is in charge of setting the policy. It is the elected official who will be recognized for the actions of the Department. The only way you are going to change the system is to change the Constitution of Oregon. I am totally open to that and I always have been.

175 REP. JONES: We have conflicts built into the organization of the system. It is not an efficient system. We have commissions formed all the time, but what happens to the reports of the various commissions? The Ridgely Commission Report . . . what has happened to that report? Not much. Is there not a better way of going about the reformation? Shouldn't we have a separate committee address this issue?

197 NORMA PAULUS: That is correct, that would be the best solution. But, (with a very limited period of time) I don't know if my Department can come before you with a set methodical plan. We are perfectly willing to do that, but with the time frame we have, and the enormous challenges facing you this session, some committees probably wouldn't want to do that.

211 REP. JONES: I am not just talking about consolidation, I am talking about the governance issue as well. I am just saying I don't want another report that probably will not be implemented for various reasons.

217 NORMA PAULUS: I do not think we can wait that long. I was hoping for a Statutory Revision Commission that would get started on the issues now. Then later, when a Special Session is called . . .

The hearing was momentarily delayed due to noise outside the building.

228 NORMA PAULUS: I think there is an immediate need to have those governance questions answered. I was hoping that this would be dealt with before the end of the year, that you would come back in a Special Session and accept the recommendations of the Commission. - The Chancellor and I have been meeting and we have both pledged that we will not let this disintegrate any more than it has. I sat in on a joint meeting of the Board of Education and the Board of Higher Education, and there was no discussion of substantive issues, which is quite frustrating.

246 CHAIRPERSON CLARNO: Thanks the Superintendent for her time and cooperation with the committee.

250 SPEAKER CAMPBELL: Wait a minute, as long as we have her here, I think we should have her answer some of these questions of the members.

252 CHAIRPERSON CLARNO: I will give all the members an opportunity to ask further questions. I just want to thank her before I do so. The committee appreciates her comments and suggestions.

274 SPEAKER CAMPBELL: I am sorry to hold the Superintendent longer than scheduled, but since I drove 140 miles for this opportunity, I want to cover some things, especially areas where you need the Legislatures help. Oregon has over 200 childrens' programs, in 38 divisions. How can we get a handle on curriculum development? It doesn't seem reasonable to me that we are doing curriculum development at places other than the Department of Education.

287 NORMA PAULUS: Defers these questions to Wayne Neuburger.

290 WAYNE NEUBURGER: This is a concern that we have as well. Each of these other agencies, in a sense, is a special interest group with their own ideas about what should be taught in schools. In some cases, we have taken a leadership role. In other cases, we have taken a position in the "back seat." For example, in HIV/AIDS education, we took the leadership role and the Department of Health supplied us with tremendous support. In the Department of Fish and Wildlife, Department of Forestry, and the Department of Energy, . . . we have had very little input. If we had the lead role in those departments, we feel we would be able to provide a much better coordinated effort. - I am not sure about the funding behind those programs.

328 REP. BRIAN: What is the formal linkages, if any, between AFS and CSD? Does the Department have any formalized linkages? For example, we have heard about problems with confidentiality rules. What is the state of the situation now, from your point of view?

341 WAYNE NEUBURGER: I am not the best person to respond to that. We do have linkages within the school lunch programs and their application process. We are trying to make it a more efficient process. I am sure there are other people present who could address that issue with more detail.

356 NORMA PAULUS: I think we need to have a lot more coordination, especially between DHR and its different sections. The private vendors who serve our schools called or wrote to me and told me the rules for delivery are so inflexible, that it was increasing the cost of their delivery system. They gave me all kinds of waste and inefficiency. If the money comes from the U.S. Department of Agriculture, possibly we would have a more flexible system if we were to transfer it to our own agriculture community. I went to a rural council meeting, just to meet an Under Secretary of Agriculture and learn more about this issue.

416 REP. HUGO: I look forward to working with the Superintendent and I just want to remind the Speaker that the Superintendent has two bills in this committee scheduled for 2/7/91. I would like to talk to you before that committee meeting about why you need another Deputy Superintendent.

430 NORMA PAULUS: Defers all personnel questions to Rick Burkee and Greg McMurdo. I feel strongly about HB 2427. I have to have the authority to bring in my own people. It would be difficult to accomplish what we have to do without that authority.

450 REP. HUGO: In corporate life, the board of directors direct the administrators. We have a parallel situation here.

457 NORMA PAULUS: But you don't have the same situation at the school districts. The elected officials control the hiring and firing. This elected official is asking for the same authority.

465 SPEAKER CAMPBELL: In private industry, the board of directors set a general policy direction and then get out of the way and let the managers manage. That is what we have to get happening at the state government. Often, we do not allow the managers the flexibility to manage their people. We super manage them and superboard manage them.

479 REP. DERFLER: I am interested in the Teacher Standards and Practices Commission (TSPC) area. Can you relate to us information concerning this field?

485 NORMA PAULUS: I know very little about it. We have very little control over the board. They are appointed by the Governor and they have different charges. We have stressed cooperation. I know Sharron Little has some very definite feelings and we might ask her to comment. Defers to Joyce Benjamin, a new staff member of the Department of Education.

TAPE 16, SIDE A

045 JOYCE BENJAMIN: Addresses the issues brought up by Rep. Derfler. The Teacher's Standards and Practices Commission licenses and insures that teachers are properly credentialed. They also license schools of education. This duty used to be handled by the Department of Education, as is still the case in most states. The Oregon Education Association, about fifteen years ago, began a drive to get greater involvement over the licensing of their own profession. About twelve years ago, it was set up as a separate commission. There are seventeen members appointed by categories. I could get you more information if you would like.

076 REP. DERFLER: Perhaps Sharron Little could add to those comments.

077 REP. CLARK: Is the Commission satisfying its mission? Could this be done better elsewhere? What sort of requirements should be maintained to keep our teachers up to speed?

087 SHARRON LITTLE: Introduces herself as a member of the State Board of Education. There are some coordination problems with TSCP. There are some problems being voiced about TSCP at the local districts. (For example, the issue of music teachers.) My concern is that the right hand doesn't know what the left hand is doing. What we are presently doing is not serving our purposes . . . it is inefficient.

118 JOYCE BENJAMIN: There is a national drive to set up a new licensure system for teachers, which includes elements of demonstrated performance. That certificate would allow the movement of teachers and immediately recognize an outstanding teacher.

132 REP. JONES: I think this points out the need to look at the governance issue. The right hand does not know what the left hand is doing. What can we do, Sharron? How do we build the political will?

140 SHARRON LITTLE: I do have some concerns about this issue. The

Board is not unanimous on this issue. I have some concern about forming a group (such as the statutory review commission?) and giving them a three or four month period. I have done that before, and without the best of luck. I am concerned about doing this in a very short period of time.

158 REP. JONES: The Board and the Department is working together to develop some things you want the Legislature to address.

162 SHARRON LITTLE: Actually, my reference was to the Community College Oversight, which goes for another two years, unless something is done in this legislative session to extend its life. That is what I was specifically referring to. - Sometimes when the legislature tackles an issue, they don't have the proper amount of time to realize all the implications which result from the legislation.

174 REP. JONES: We need to have a lot of input, no argument there. Are you saying that you will come back to us with a recommendation as to how we ought to govern this place.

182 SHARRON LITTLE: Direct us to do it and we will do it.

185 NORMA PAULUS: You will have to use everyone in order to deal with the reorganization of the system. There are many people out there that have a great deal of knowledge about the system, and they can be a great deal of help to you.

195 SPEAKER CAMPBELL: Legislators are not in a position to make the decisions. We don't have the power to tell people to fire other people. But we can put the heat on the people who will be making the important decisions. The natural reaction of a person who is in charge of an agency is to protect their own tails. Thus, not too many people are coming forward with suggestions for improvement.

211 REP. CLARK: We are three weeks into this process, and we have yet to hear about any problems in state government. Apparently, there are no problems in state government, according to our testimony. I suspect that will continue. We are going to have to figure out another way to ask the hard questions.

222 CHAIRPERSON CLARNO: I think the Superintendent's testimony has been very informative. As a committee, we now have areas that we must identify and go forth. We have to include all the people out there. - The Chair adjourns the meeting at 12:50 p.m..

NO EXHIBITS

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