

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 1, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 108 - 109 Human Investment Benchmarks Workforce Quality Act
Workforce Development Programs

MEMBERS PRESENT: REP. RAY BAUM REP. JERRY BARNES REP. MARGARET
CARTER REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE REP. BOB
PICKARD

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER,
POLICY ANALYST JERI CHASE, OFFICE MANAGER HOLLY BROWN, COMMITTEE
ASSISTANT

WITNESSES:REPRESENTATIVE BEVERLY STEIN, DISTRICT 14 DUNCAN WYSE,
ADMINISTRATOR, OREGON PROGRESS BOARD, ECONOMIC DEVELOPMENT DEPARTMENT

NOTE: These minutes contain materials which paraphrases and/or
summarizes statements made during this meeting. Only text enclosed in
quotation marks reports a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes.

TAPE 108, SIDE A

000 CHAIR BAUM convenes the meeting at 8:08 a.m.

HB 3310 (Human Investment Benchmark Priority) - Public Hearing

002 TAMI MILLER: Presents Staff Measure Summary on HB 3310 (EXHIBIT
A).

040 REPRESENTATIVE BEVERLY STEIN: Submits "Oregonians Investing in
Oregonians" (EXHIBIT B) and "It is Cheaper, Easier and More Effective
to:" (EXHIBIT C). HB 3310 is one element of the Human Investment
Strategy which is a change in thinking. The principles of the human
investment strategy are: 1) To overcome fragmentation and bureaucracy
through client centered service systems which involves changing the
culture of government; 2) Investment and accountability are essential;
3) Partnership, we do not have the resources that we need in the public
sector to address the challenges of the future so it is important for
the public sector to work with the private sector to leverage resources
and achieve the scale we need to address the level of problems we have.
This bill relates to the concepts of investment and accountability. The
goal of this bill is to orient government spending to emphasizing
investments that give good returns. Presents EXHIBIT C. To justify
investments you have to show that a return is possible. The legislative
process operates on a 2 year investment return and this will take a
longer period of time. I am proposing a model on the potential of

return on human investment. This model could be used to chose the lead benchmarks. There are areas in state government and the private sector which are using this model.

175 DUNCAN WYSE: We really do need to organize a system to find out what the pay off of these benchmarks will be. The bill fits with the direction that the Progress Board is taking.

219 REP. KATZ: In the past we have done this type of thing and with the federal matching funds it is not that expensive. If you keep track and let the people know there will be a pay off that sets the credibility for our institutions.

267 REP. PICKARD: What would be the cost of determining the model?

274 REP. STEIN: A lot of it is being done within the Progress Board itself, however there has been another opportunity to raise money externally. We are going to be able to take advantage of some very significant thinking that is already going on with very little investment from ourselves.

291 WYSE: Right now we are trying to get a better pay off on the teen pregnancy program. So we have a team that is looking at the data and trying to come up with a return on investment model.

301 REP. HAYDEN: Teen pregnancy is something we all agree is not a healthy situation for society, but how we reduce it is the question.

321 REP. STEIN: This model could show on which method you will get the best return.

339 CHAIR BAUM: I don't want to get hooked up in the details of how to achieve the benchmarks.

357 REP. MC TEAGUE: What kind of people develop this type of model?

366 REP. STEIN: We haven't created the group yet, but I imagine economists, social policy analysts, statisticians, there is a variety of different modeling you would want to get into.

381 REP. MC TEAGUE: What would be the fiscal impact on the Progress Board's budget?

388 REP. STEIN: We are already in the process of becoming a national demonstration state in which case we will contribute \$150,000 to being a national demonstration state. The Corporation for Enterprise Development is raising about \$.5 million for development work. I would suspect that the money we will need would be part of that demonstration project.

395 WYSE: This is a return analysis. Within existing staff we can do a lot of this analysis already.

440 WYSE: This bill will not compromise the priority setting of the Progress Board.

TAPE 109, SIDE A

019 MILLER: You might want to leave the term "in selected areas" out and just say that you "shall budget according to priorities established

by the Benchmarks".

028 WYSE: What we did this time was tried to think about benchmarks for discretionary dollars as ways of setting budget priorities.

HB 3133 (Workforce Quality Act) - Public Hearing

083 REP. KATZ: Submits article from The Oregonian (EXHIBIT D). The vision was that Oregon have the best educated and trained workforce in the United States by the year 200 0. There are four goals: 1) All students must start school ready to learn; 2) That every student must be prepared for productive employment and further learning with knowledge and skills to compete in a global environment; 3) Students must demonstrate in grades 3, 5, 8 and 10 achievement of newer higher educational standards, benchmarked equal to the highest in the world; 4) Schools must have authority to act quickly, decisively and creatively to improve schools and be held accountable for student performance and progress. The proposals are the following: 1) That we set a new education performance standard for all students; 2) Establish the certificate of initial mastery, from America's Choice; 3) The schools will take responsibility for assuring that virtually all students achieve the certificate of initial mastery; 4) The creation of learning centers, which could be the school itself, for school drop outs and those that need special assistance in attaining the certificate of initial mastery, even adults. Our schools don't know what happens to the students who drop out. We are recommending that someone try to contact that student or family and find out why that student is dropping out. When the student reaches the 10th grade there are two ways a student can go. If the student doesn't think that they will go to college then the student can link up with someone who may employ them in the future. They will keep up with their academics studies so they can go to college but will also work toward their technical degree. There will also be a college prep. track for student who want to go to college. If a student is performing at an unsatisfactory level the schools will be required to give the child the help they need. We may not permit youngsters to fail. We want to involve business, labor and education. We want each school to become a high performance organization. In the 11th and 12th grade we should let students chose what high school they want to go to so they can participate in the programs in which they have interest. We want to make headstart available to all students. We are requiring the expansion of the school year. We will fundamentally restructure education, revise common curriculum goals and create a coherent workforce strategy.

323 REP. HAYDEN: I presume one of the options left to the school is repeating a grade.

333 REP. KATZ: It is not the most progressive thing to hold a child back for their failures.

350 REP. HAYDEN: When we move too radically we are going to have resistance. One of those problems is functioning families who will resist their child spending so much time in school.

379 REP. KATZ: Parents were very negative about this at first but it is changing. The parents are willing to change the way they have created their lifestyle for the benefit of their children.

415 REP. HAYDEN: It is more cost effective to keep the child at home until they reach an optimal age.

TAPE 108, SIDE B

054 REP. MC TEAGUE: Teachers are nervous about massive reform because we haven't solved massive funding issues. How can we go forward with these massive reforms when we can't even afford to run the system we have?

065 REP. KATZ: There is plenty of room for adjustments to this reform.

111 REP. PICKARD: How would you characterize the level of support from the Oregon Education Association?

114 REP. KATZ: They are nervous, this is dramatic change, they support the goal and they want to see pilots. There already are pilots but we don't want to pilot it for ten years.

126 REP. CARTER: Will those students who decide to go into a vocational model still have the mathematical thinking and reading abilities that would allow them to go on to college if they so desire?

128 REP. KATZ: Yes.

137 REP. CARTER: Will the adult learner be involved in an environment that encourages the adult learner?

130 REP. KATZ: That is the goal. Right now they can go to the community college, but I think they should use the public schools.

165 REP. CARTER: How do we deal with parents who don't want their kids to be kept after school?

172 REP. KATZ: They have to make a contract with the parent, they have to commit themselves to getting the parents involved.

205 REP. BARNES: How are we going to expand the community college system?

219 REP. KATZ: The smaller school districts are where I have some concern. I don't have the answer to that question.

280 REP. PICKARD: It is helpful for the teacher to associate with the student and the family before school begins.

333 REP. MC TEAGUE: Montessori, an alternative school, has been very beneficial for my child. I can see early childhood education as very helpful in small doses. I think Headstart should be fully funded.

403 REP. HAYDEN: I think Headstart should be funded for kids who are at risk. You really don't gain much by putting the child in school at 3 or 7. We just need to address the concept of utilizing the time that students are in school not adding more hours.

TAPE 109, SIDE B

025 REP. KATZ: The school year doesn't have to be extended for all grades.

050 CHAIR BAUM: I would like to see the people who can do functional things with their kids in the summer months be allowed to do that.

056 REP. KATZ: That may be the way you want to go for the next 6 years. That would be my preference but it may not be doable in terms of what you want these kids to know.

083 REP. PICKARD: We had a test that kids were required to pass to go on to high school and this provided a great area of focus for the students.

110 REP. BARNES: Japanese kids are not as happy as our kids. We don't want to require kids to grow up too fast and miss out on their childhood.

122 REP. KATZ: Their goal is to get into the right college this is different. The goal is to maintain the child's creativity and at the same time make sure that they well educated.

139 CHAIR BAUM: I just don't want to lose the discretion over the individual child.

146 REP. HAYDEN: I don't know that America wants to follow the Japanese model. The final decision may be six years away but the initial decisions are being made right here.

179 REP. KATZ: We need to do the planning work right now.

HB 3474 (Workforce Development Programs and Appropriations) - Public Hearing

199 MILLER: Presents the Staff Measure Summary on HB 3474 (EXHIBIT E).

342 CHAIR BAUM: This is similar to a pilot program.

350 REP. KATZ: There are schools that are ready to start and want some money and that is what is driving this. I told them they need to become a 20/20 school, they need to put together a proposal to the Department of Education and in the bill we are working on they get priority funding.

360 CHAIR BAUM: There is a significant portion of the public that feels if we spent our dollars differently we would do better with them. So there will be suggestions to reduce administrators and put the money into front line teaching. That is our challenge. How do we implement a curriculum program and drive change and change the thinking of those people. I think we can make a lot of changes without throwing more money at it.

375 REP. KATZ: If they cut the 20/20 program, programs like this will be driven.

428 CHAIR BAUM adjourns the meeting at 10:05 am.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - Staff Measure Summary on HB 3310, submitted by Tami Miller, pgs. 2.

EXHIBIT B - "Oregonians Investing in Oregonians," submitted by Rep. Beverly Stein, pgs. 3.

EXHIBIT C - "It is Cheaper, Easier to and More Effective to:," submitted by Rep. Beverly Stein, pgs. 1.

EXHIBIT D - Article from The Oregonian, submitted by Rep. Vera Katz, pgs. 1.

EXHIBIT E - Staff Measure Summary on HB 3474, submitted by Tami Miller, pgs. 4.