

Informational Hrg SENATE COMMITTEE ON - EDUCATION January 22,
1991 Hearing Room 343 3:00 p.m. Tapes 3 - 4 MEMBERS
PRESENT: Sen. Shirley Gold, Chair Sen. Bill McCoy, Vice-Chair Sen.
Joan Dukes Sen. Peter Brockman Sen. Ron Gensky Sen. Cliff Trow MEMBER
EXCUSED: Sen. Paul Phillips STAFF PRESENT: Jan Barga, Committee
Administrator Angela Muniz, Committee Assistant

WITNESSES: NORMA PAULUS, State Superintendent of Public Instruction MIKE
HOLLAND, Commissioner of Community Colleges TOM BARTLETT, Chancellor,
Oregon State System of Higher Education

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.

TAPE 3, SIDE A

005 CHAIR GOLD: Calls the hearing to order at 3:10 p.m.

COMMITTEE INFORMATION

031 NORMA PAULUS, State Superintendent of Public Instruction: Is
excited about possibilities for education in Oregon despite Measure 5,
and also is encouraged by quality of people in Dept. of Education. Is
convinced she will be able to charter a good future for education. Has
ideas about changing the direction the department goes. The State Board
of Education: Believes it is an important part of the education
community, and has done several things to improve relations: -Board has
divided into subcommittees for immediate collaboration and response.
-Weekly telephone conferences with the board. They are open, public
meetings. Senate Committee on Education January 22, 1991 - Page 2

In the past there have been strained relationships, but she is committed
to working with the board.

Deficit issue because of Measure 5: If the Legislature is going to be
the major source of funding for education, things are going to change.
Has no preconceived notions and is willing to discuss all sorts of
consolidation. -Must preserve local school boards. Wants to maintain
some segment of property taxes to K-12 in order to tie into local
control of schools. Dr. Joyce Benjamin is a liaison between the board
and the department. -Do not bother blind and deaf schools. Both are
operated efficiently, and there is no need to open them up to question.

135 SEN. TROW: Is liaison position held by Dr. Benjamin new? How do you
visualize the position working and what is its purpose?

PAULUS: No, the position is not new. Dr. Benjamin replaces Marva
Graham-Hutchins. The state board will choose how the position operates.

150 SEN. MCCOY: Do you have plans for doing something at the blind and
deaf school after the session? PAULUS: No. Periodically, those schools
have been subject to legislative inquiry. Given what's happened to
Fairview, she does not intend to bring any issues forward.

SEN. MCCOY: Thinks parents believe something should be done for schools.

CHAIR GOLD: Clarifies that the parents want improvements and Paulus
wants to prevent damage to the schools.

175 PAULUS: Returns to discussion of priority issues.

Extend respect to the classroom teacher: Wants to remove unnecessary stress and demands on teachers' time. Wants to expand on work the Legislature did last session such as the 20-20, the mentoring system and the waiver bill. The department can do things internally to give teachers flexibility: 1) The standardization process. The issue is not whether to have standards; it is the way to determine whether schools are meeting them. The present system imposes too much of a financial and time burden on schools. Changes are needed in the department's administrative procedure. 2) The textbook commission. Has introduced a bill to eliminate the commission for similar reasons. Doesn't want to change the process, but it is another layer of conflicting bureaucracy. 3) Use of volunteers. Asking superintendents to find community members to take on playground and cafeteria duty. This is being done successfully in Albany. It sends message that tells teachers they are important.

Incorporating business people: The school community traditionally resists partnerships with business and the perceived intervention of volunteers. Need to overcome that perception.

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1) Discussed cooperative approach to the liability problem businesses have that prevent them from having day care programs. 2) Spoke to Jerry Fisher about setting up a private foundation to offer sabbatical leave to elementary teachers.

301 SEN. TROW: Commends Paulus for her ideas. Teachers are overwhelmed and they can't focus on the teaching they want to do. PAULUS: Need to entice young people into the teaching profession. We're in the situation we're in because we don't have a society that honors the teaching profession. The public needs to change its priorities.

Budget process: Was asked to cut 10 percent. Personal bottom lines: - The Talented and Gifted program. School community not overjoyed about it because they see it as something that is mandated without the money. It will remain in budget because board made it a priority and she has personal, strong feelings about it. Has introduced a bill to make part of last year's bill promissive to ease some opposition. -Early Childhood Development. Both she and the board agree this will be their first priority. The department is identifying all agencies that have something to do with early childhood development, identifying existing programs and delineating programs in schools that are already working.

Strategies to support the Early Childhood Development priority: 1) Private foundation possibilities: -An Ounce of Prevention. Went to Chicago with legislators to meet with Irving Harris, founder of a private foundation called An Ounce of Prevention. Using his own money, he worked with the educational system and the department of human resources in Illinois to get early childhood development and prenatal programs into the schools. -Possibilities in Oregon. A local businessman wants to do in Oregon what Mr. Harris is doing in Illinois. If the Legislature is interested she will draft a bill that would authorize the

Department of Education to work with private foundation money for early childhood development programs.

TAPE 4, SIDE A

030 2) Common school fund: Drafting a bill that would have the Legislature direct money from common school fund to early childhood development programs. Must shift resources to earlier grades. Haven't been successful because no one is responsible or accountable for early childhood development. The department is willing to accept the responsibility. Also unsuccessful because people have not been specific about the programs. 063 SEN. TROW: Are you incorporating what Gov. Roberts has in her budget for the Head Start program.

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PAULUS: The Governor has allocated lottery money for pre-kindergarten. Paulus is hesitant because everyone wants lottery funds, and would feel more comfortable if money came from the general fund.

SEN. TROW: But the thrust toward Head Start is good. PAULUS: Yes. Re-emphasizes priority to early childhood development. CHAIR GOLD: Are you aware of the interim work done in the education committee? This committee also is committed to early childhood programs. 090 PAULUS: Yes. Hopes they can form a strong alliance. Mentions one more priority. Workforce 2000: Working on this with Mike Holland. Darrell Ward and Monty Multanen have knowledge of programs that train or retrain workers. Multanen is concentrating efforts on a low skills, low wages report. There are ways to change curriculum to focus on the workforce and dropout issues. Has not drafted any bills, but other legislators are drafting legislation.

126 CHAIR GOLD: There is some interim work out of Trade and Economic development committee. PAULUS: The department will be putting resources into the Workforce 2000 issue.

SEN. GRENSKY: What is your commitment to districts that have been in the safety net for a long time? What is the priority for addressing their concerns? 147 PAULUS: Has been meeting with lobbyists trying to come to an agreement on approach legislation on funding and other educational issues. There is a better chance to make education should be the state's Number 1 priority if the education community is united. Most understand the state needs a new distribution formula. Wants to raise poor school districts up to level of rich districts. If not, then there has to be a more equitable distribution of the gap between rich and poor.

Need to know by first Monday in March how much basic support the Legislature will give. A statute requires superintendents to tell schools how much the Legislature will give them, and schools need to plan for next year. Also schools that need to borrow money over the summer will need to assure banks they are getting money from the Legislature.

Knows the Legislature can't come up with new distribution formula by March 1. So to give schools some stability the department will distribute funds for first year on the same formula. Hopes by the second

year the Legislature will have a formula that will fit the second biennium and work if a sales tax is adopted. The governor's budget allocates 27 percent for basic. Some districts can't survive on the 27 percent. Basic will go down to 24 percent if the Legislature doesn't eliminate the 2 percent kicker.

265 SEN. GRENSKY: In my district the average income is under \$10,000. Is it realistic to expect 30 percent for basic school support from this Legislature? Are you interested in targeting relief to safety net districts?

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PAULUS: Believes if those districts don't get the same base, they will sue and keep the Legislature from distributing anything.

SEN. DUKES: How do you feel about a separate certification for K-3 teachers? PAULUS: Wants as few mandated things as possible out of this session. Hasn't discussed that issue yet. Knows the state needs more training in early childhood development and wants to use private money for it. SEN. DUKES: In that area, more flexibility usually means a high school P.E. teacher is suddenly teaching kindergarten. 343 PAULUS: We need to get more people in those earlier grades. It will need more training and more money. SEN. TROW: Equalization formulas are difficult to arrive at. Are you developing some kind of formula? PAULUS: There is a committee working on it. Chuck Clemmens, Frank Macnamara and Rick Burke are on the committee. CHAIR GOLD: Members of this committee also are on the Revenue committee and are focusing on a distribution formula. PAULUS: We must stop thinking about adults in the process and be concerned about giving all children the same level of support. 380 SEN. GRENSKY: People who make arguments against more taxes are usually the poorest. SEN. TROW: The funding formula task was difficult in 1979. It would have helped if someone had been doing what you are doing.

PAULUS: Thank you. We have the brain power, we just need the political will. TAPE 3, SIDE B 004 MIKE HOLLAND, Commissioner of Community Colleges: Community colleges examined needs before the election: -bulging enrollment on campuses -access to students -growth in basic skills areas -assertive work force agenda -construction needs on campuses

Other points: corrections legislation, out of district issues also being considered. Governor's budget does include money for vocational education, work force programs and replaces some money lost to Measure 5. Senate Committee on Education January 22, 1991- Page 6

Refers to fiscal implications listed in memo (EXHIBIT A).

070 CHAIR GOLD: If the Senate Revenue committee chooses to follow the pattern Superintendent Paulus was speaking to about developing a new distribution formula for the second year, and given the factor that Measure 5 includes community colleges, how will that figure with what you have been saying?

HOLLAND: Community college grant need appropriation has always been handled structurally differently than basic school support.

087 CHAIR GOLD: You're suggesting that whatever we devise visa Measure 5 and the distribution formula that we hold on it for community colleges until the following year?

HOLLAND: Constitutional pressures for equalization are not as large for community colleges as it is for school districts. Prefers to wait until 1993. If the Legislature wants something sooner, the colleges will give a distribution formula based on a head count. They have developed a new distribution formula not purely FTE driven. There was consensus among colleges not to be held to pure FTE driven model.

Returns to structural implications in EXHIBIT A.

181 TOM BARTLETT, Chancellor of Higher Education: Sees higher education's role in changing societal needs: 1) Value added economy. Alternative is an economy emphasizing primary products and unskilled labor. Higher education in all forms has to play a part. 2) Continuing education and workforce development. People not educated or continually retraining will compete with machines. Must reach out to people already in the workforce. 3) Internationalization. An international competence needed. 4) Interrelationship between sectors of education. It is all one process that interacts. Now they will all be financed in a similar processes. Gains are in academic articulation, not just in the budget. 5) Relate size to resources. Can't divorce what we are trying to do from the resources we have to do it.

Measure 5: Need to reduce operating rate of higher education by \$86 million. Higher education must get smaller but also must maintain commitment to getting stronger and better. Guiding principles: -Sustainability. This is not a short term situation that we can solve by borrowing from the future. Oregon must maintain elements of competitiveness after this biennium. -No across the board cuts. No "thinning the soup". Want selective program reductions. Trying to ensure that the core missions of the institutions are protected.

Students are concerned the system will charge higher tuition for weaker services. He is committed to preventing this. If they pay more they will not get less.

Demographic facts: By the end of this decade, Oregon will move from 26,000 high school graduates to 80,000. To downsize in this upswing is ominous. -Want to have a structure in place to accommodate students if Oregonians feel a greater need. 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. - Senate Committee on Education January 22, 1991- Page 7

for higher education. (an's cut from faculty salaries or maintenance programs.

Dreams: -Curricular integration in areas such as math, foreign language and American history. A single process needs to relate the three sectors of education. -Develop graduate research and engineering centers. -Internationalization and work force support. -Use of Ed-Net for faculty. -Outreach to non-traditional students. -Boost levels of minority students in post-graduate levels.

439 SEN. GRENSKY: What does it mean when you say you don't want to thin the soup. Do you intend to serve the same or more students as in the past? What else do you envision: cutting specific programs or cutting specific schools?

TAPE 4, SIDE B

007 BARTLETT: Model we are using for reduction splits the \$86 million between tuition increases, a surcharge and program reduction. Program reduction means \$39 million, about 500 full-time positions. It cuts the student body by 10 percent, about 6,000 students. If we reduce the student body no more than 6,000 students, we can hold tuition increases to 40 percent the first year, 6 percent the second year. If we decrease tuition, then we increase the number of students we can't accept. The third possibility to reduce faculty and staff and not reduce enrollment will water down the product. The approach to downsizing is to target programs and not have across the board reductions.

033 SEN. GRENSKY: That sounds like watering down to me. What are your feelings on closing one or more of the campuses?

BARTLETT: There are practical problems. It takes a while to close a campus, and most of the savings would come after biennium. It is impossible to know what will happen in the next biennium regarding an additional revenue source.

075 SEN. GRENSKY: What are you envisioning for cutting programs?

BARTLETT: In reference to the teaching program: No institution will have everything. Several institutions will have pieces of the whole state program. In other study areas the biggest structural change will be at universities. At universities some schools will merge, degree programs will disappear. At colleges administrative units will merge. There will be fewer opportunities, but hopes it will not be a major obstacle for students.

104 SEN. BROCKMAN: Refers to an Klamath Falls Herald and News editorial about Oregon Institute of Technology (EXHIBIT B).

BARTLETT: Does not intend to close OIT. Assumes OIT will be reduced but Oregon needs technology education.

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128 SEN. TROW: The Legislature has an obligation to Oregonians to provide accessibility to higher education. If we have policies that restrict accessibility, then we're doing them a disservice.

BARTLETT: We are going to be restricting access. The community colleges and higher education face a rationing process from which we can't escape. The challenge is to reduce that access in a wise, intelligent way. One example is to increase tuition beyond what is required and use some portion of it for financial aid. 154 SEN. TROW: Would we be educating more out-of-state students and fewer in-state students?

BARTLETT: Wants to set numbers for Oregon students based on Oregon resources that are available. Then it is desirable to get outside students at full cost. Some programs can be kept by being supported by out-of-state students. Doesn't want to deny Oregon students in an attempt to get an out-of-state students.

194 HOLLAND: Community colleges are making some of the same decisions about faculty, staff and programs. He is obligated to try to manage a set of programs and opportunities that maximize access to the student. It is still true, though, that there will be students who want to enroll and can't. The system must move to a cooperation that makes it easier for students to do what were inclined to do.

227 BARTLETT: Another subject that may be overlooked: The research enterprise makes about 72 cents for every dollar of higher education appropriations. Three-fourth of the appropriations funds are matched by funds generated by Oregon faculty. One danger is that we will lose the people who generate those resources and will have no way to replace them.

SEN. GRENSKY: Does the money get put back into the same school as the professor who generated it?

BARTLETT: It gets put back into the same school.

270 CHAIR GOLD: Adjourns the hearing at 5:00.

Submitted by:
Assistant

Reviewed by: Angela Muniz
Administrator

Jan Bargaen

EXHIBIT LOG:

A - Memo: Measure 5 Implications for Community Colleges - Mike Holland -
3 pages B - Editorial, Klamath Falls Herald and News - Sen. Peter
Brockman - 1 pages .