PUBLIC HEARING

HB 2950, 2951, 3110

TAPES 97-98 A-B

HOUSE REVENUE COMMITTEE

APRIL 4, 2005 1:00 PM STATE CAPITOL BUILDING

Members Present:

Tom Butler, Chair

Rep. Vicki Berger, Chair Rep. Mark Hass, Vice-Chair Rep. Brian Boquist Rep. Sal Esquivel Rep. Larry Galizio Rep. Betty Komp Rep. Andy Olson Rep. Chuck Riley

Witnesses Present:	Rep. Linda Flores, District 51
	Rep. Dave Hunt, District 40
	Rep. Debbie Farr, District 14
	Tina Kotek, One Voice for Child Care Coalition
	Julia Brim-Edwards, Nike, Inc.

Tamara Brickman, Oregon Dept. of Employment
Mark Nelson, Oregon Housing Alliance
Ellen Lowe, Oregon Food Bank
Michael Anderson, Oregon Housing Alliance
Clyde Doctor, City Club of Portland
John Blatt, Assn. of OR Community Development
Julie Massa, Oregon Food Bank
Channah Pastorius, Beaverton OR
Phillip Kennedy-Wong, Ecumenical Ministries of Oregon
Paul Rainey, Assn. of Oregon Housing Authorities
Patti Whitney-Wise, Oregon Hunger Relief Task Force
Sabina Riggi, Oregon Food Bank
Robert Castagna, Oregon Catholic Conference

Staff Present:Paul Warner, Legislative Revenue OfficerMary Ayala, EconomistLizbeth Martin-Mahar, EconomistKristi Bowman, Committee Assistant

TAPE 97, SIDE A

002	Chair Butler	Calls meeting to order at 1:04 p.m
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OPENS PUBLIC HEARING FOR HOUSE BILL 2951 AND HOUSE BILL 2950

010	Rep. Flores	Testifies in support of HB 2950. Reads from written testimony verbatim from Angland for HB 2950. (Exhibit 1). Testifies in support of HB 2951 because it allows businesses to provide family-friendly benefits such as child care for employees. Submits written testimony from various individuals (Exhibits 2-7).
086	Tina Kotek	Submits written testimony in support of HB 2950 and 2951 (Exhibit 8). Comments that both bills would give an incentive to businesses to provide child care.
107	Chair Butler	Refers to the HB 2951 Staff Measure Summary (Exhibit 9) background information regarding 24 corporations that claimed an average of \$71,184 in 2002. Comments that these must be fairly substantial companies. Asks Kotek for more specific information.
118	Kotek	Responds that she will get that information to Chair Butler. Comments that it is her understanding that the credits are claimed by a range of businesses, some with as few as 10 employees to several hundred.
125	Chair Butler	Asks for more information regarding the programs themselves.
127	Kotek	Responds that the Nike representative might be able to provide more program information. Kotek describes a variety of credits that can be used depending on the employer's needs. Comments that the Coalition would like to see more employers take advantage of the tax credit, and there is a need to provide more "carrots" to encourage private investment.

144	Komp	Asks whether data is available regarding Kotek's statement that on-site child care helps employees become more productive.
152	Kotek	Responds that there is some national research available on this, and she will provide that information to Rep. Komp.
164	Julia Brim-Edwards	Testifies in support of HB 2951 because "finding high-quality child care is a significant issue for working parents," and any assistance that employers can provide is a valuable benefit. Reads from written testimony (Exhibit 10). Discusses child-care facilities at Nike's office complex. Discusses benefits of on-site child care to Nike employees, commenting that it improves the parent's focus and productivity.
242	Rep. Komp	Asks if there is a separate facility or room available for nursing mothers.
244	Brim-Edwards	Responds yes, and offers a tour of the Paterno child-care facility to committee members.
254	Rep. Riley	Asks about benefits to employers with having on-site child care centers.
256	Brim-Edwards	Responds with comments on the benefits to employees.
270	Rep. Riley	Asks about the "dollar" benefits to employers. Chair Butler follows up with a clarifying question on the same issue.

272	Brim-Edwards	Responds that Nike sees an intangible benefit. Comments that Nike hasn't quantified the data, but feedback from employees is positive.
299	Chair Butler	Asks if there is demographic data on the age of Nike employees.
301	Brim-Edwards	Comments that Nike has a young workforce due to the nature of the company. Adds that Nike helps people return to work by providing infant care and cites a workplace example.
331	Chair Butler	Questions and discussion interspersed with Brim-Edwards.
354	Rep. Berger	Comments that child care is an ongoing issue, especially with the rising cost of living. Comments on Chemeketa Community College's child care program for employees and staff.
378	Rep. Boquist	Asks about Nike child-care facilities in other states and the corresponding tax benefits.
380	Brim-Edwards	Responds that there is a Nike child-care facility in Tennessee, but she is not familiar with the Tennessee tax code. She will provide that information to Rep. Boquist.

400 Tamara Brickman Testifies about the Dept. of Employment's concerns about tax issues and unemployment wages. The Dept. is waiting for more information from the Dept. of Labor. Comments that there may be a need to amend the Dept. of Employment's definition of "wages."

TAPE 98, SIDE A

025	Lizbeth Martin- Mahar	Discusses revenue impact of HB 2951 (Exhibit 11) and HB 2950 (Exhibit 12). HB 2950 needs clarification from the Dept. of Employment whether the federal government allows dependent care assistance payments to be made outside of wages, and whether to disconnect from the federal tax code.
049	Chair Butler	General comments on both bills.
056	Rep. Riley	Comments that he supports both bills because he supports workplace child care, but is uncomfortable on eliminating sunset dates on any tax credits.
062	Chair Butler	Comments about numerous sunset extensions to HB 2951. In looking to the future, would these tax credits be considered detrimental to society and to the overall tax system.

CLOSES PUBLIC HEARING FOR HOUSE BILLS 2950 AND 2951

OPENS PUBLIC HEARING FOR HOUSE BILL 3110

080	Mary Ayala	Gives overview of HB 3110 (Exhibit 13). The bill creates a low- income rental assistance program for qualified persons under 58 years old. Discusses revenue impact (Exhibit 14).
134	Rep. Debbie Farr	Testifies in support of HB 3110. Discusses anecdote to illustrate the instability of housing for poverty-level families.
159	Rep. Dave Hunt	Testifies in support of HB 3110, not as THE solution, but as one critical piece of the solution. Paraphrases written testimony (Exhibit 15). Discusses the cost of rent and the need for rent assistance.
231	Mark Nelson	Testifies in support of HB 3110 because the Housing Alliance believes that low-income families should be able to afford housing and have money left over for food and other necessities.
259	Ellen Lowe	Testifies in support of HB 3110. Refers to information in packet submitted (Exhibit 16). Comments that a tax credit needs to be enacted for renters in order to seek some kind of fairness. Adds that stability in secure housing affects stability in schools, churches, and transportation. Discusses HJR 65 included in packet (Exhibit 16).

Testifies in support of HB 3110. Reads from written testimony (Exhibit 17).

TAPE 97, SIDE B

043	Clyde Doctor	Testifies in support of HB 3110. Reads verbatim from written testimony (Exhibits 18 and 19).
069	John Blatt	Testifies in support of HB 3110. Comments that adding this tax credit on top of what the Assn. of OR Community Development can do will increase the availability of affordable housing.
091	Kotek	Testifies in support of HB 3110. Comments that HB 3110 is a cost- effective way to provide assistance to working families and will reduce financial instability for families.
120	Rep. Riley	Asks if HB 3110 is a tax credit.
122	Ayala	Responds that this is a subsidy program, not a tax credit.
124	Chair Butler	Adds further information on the mechanics of HB 3110.
145	Julie Massa	Testifies in support of HB 3110. Refers to information in packet submitted by Ellen Lowe (Exhibit 16). Discusses housing

		affordability issues. Comments that HB 3110 is the "gateway" to home ownership opportunities for low-income people.
199	Channah Pastorius	Testifies in support of HB 3110. Comments that she needs the housing assistance provided in this bill in order to meet her day-to-day expenses. Discusses her monthly personal expenses.
241	Phillip Kennedy- Wong	Testifies in support of HB 3110 because it is a pro-family bill. Reads verbatim from written testimony (Exhibit 20).
328	Patty Whitney-Wise	Testifies in support of HB 3110 and submits written testimony (Exhibit 21). Discusses the background of "poverty level" standards.
374	Paul Rainey	Testifies in support of HB 3110 and submits written testimony (Exhibit 22). Comments that families must choose between housing and food, and adds that HB 3110 will help meet the state's affordable housing need.
<u>TAPE 98, SIDE B</u>		
012	Sabina Riggi	Testifies in support of HB 3110 because the bill would provide financial relief for low-income grandparents who are supporting their grandchildren.
033	Rep. Riley	Expresses concern about federal cuts in spending on social programs and that these costs are being passed down to the states.

048	Chair Butler	Asks Whitney-Wise about the administration of the program regarding:
		 Students living in dorms or shared housing Shared rents between adult child and parents Utility costs paid by tenant Assisted Living facilities Household asset allocation Is the assistance considered taxable Insurance or settlement awards
		Also asks for more information on: 1) the costs associated with the current senior rental assistance program; 2) the difference in percentages used for housing costs for seniors (30%) versus the 20% rate for persons under 58 as stated in HB 3110.
064	Whitney-Wise	Responds that she will provide the requested information to the committee. Comments that seniors over age 58 will not be affected by HB 3110; this bill expands the rental assistance program to those under 58.
150	Rep. Hass	Concurs with Chair Butler about various points raised about the administration of the program.
183	Bob Castagna	Testifies in support of HB 3110. Asks the committee members to keep in mind the moral principle of "preferential option for the poor."
213	Chair Butler	Discusses various tax credits that have been presented to the revenue committee during this legislative session. Asks Rep. Hass to form an ad-hoc committee to determine "the best of the best" of

the tax credits proposed so far. Expresses concerns about administrative costs of HB 3110.

CLOSES PUBLIC HEARING FOR HOUSE BILL 3110

259 Chair Butler

Adjourns meeting at 2:47 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee Coordinator

Exhibit Summary:

- 1. HB 2950, Testimony, Angland, 2 pp., 03/24/05
- 2. HB 2951, Testimony, Angland, 1 pg., 03/24/05
- 3. HB 2951, Testimony, Schnell, 1 pg., 04/02/05
- 4. HB 2951, Testimony, Blackwell, 1 pg., 04/04/05
- 5. HB 2951, Testimony, Peterson, 1 pg., 04/02/05
- 6. HB 2951, Testimony, Coehlo, 1 pg., 04/04/05
- 7. HB 2951, Testimony, Martinez, 1 pg., 04/04/05
- 8. HB 2950, HB 2951, Testimony, Kotek, 1 pg., 04/04/05
- 9. HB 2951, Staff Measure Summary, Martin-Mahar, 1 pg., 04/01/05
- 10. HB 2951, Testimony, Brim-Edwards, 2 pp., 04/04/05
- 11. HB 2951, Revenue Impact Statement, Martin-Mahar, 1 pg., 04/01/05
- 12. HB 2950, Staff Measure Summary, Martin-Mahar, 1 pg., 04/04/05
- 13. HB 2950, Testimony, Moore, 1 pg., 03/23/05

- 14. HB 3110, Staff Measure Summary, Ayala, 1 pg., 04/04/05
- 15. HB 3110, Revenue Impact Statement, Ayala, 1 pg., 04/04/05
- 16. HB 3110, Testimony, Rep. Hunt, 2 pp., 04/04/05
- 17. HB 3110, Handouts, Lowe, 67 pp., 04/04/05
- 18. HB 3110, Testimony, Anderson, 4 pp., 04/04/05
- 19. HB 3110, Testimony, Doctor, 1 pg., 04/04/05
- 20. HB 3110, Booklet, Doctor, 123 pp., 04/04/05
- 21. HB 3110, Testimony, Kennedy-Wong, 6 pp., 04/04/05
- 22. HB 3110, Testimony, Whitney-Wise, 2 pp., 04/04/05
- 23. HB 3110, Handout: Section 8 Housing Assistance Shortfalls, Rainey, 2 pp., 04/04/05
- 24. HB 3110, Testimony, Goplen, 1 pg., 04/04/05