

**HOUSE REVENUE COMMITTEE**  
**MAY 5, 2003 8:30 AM STATE CAPITOL BUILDING**

Members Present: Representative Lane Shetterly, Chair  
Representative Wayne Scott, Vice Chair  
Representative Joanne Verger, Vice Chair  
Representative Phil Barnhart  
Representative Vicki Berger  
Representative Pat Farr  
Representative Mark Hass  
Representative Elaine Hopson

Members Excused: Representative Max Williams

Witness Present: John Marshall, Oregon School Boards Association  
Cindy Robert, Confederated Tribes of the Umatilla Reservation  
Jim Craven, American Electronics Association

Staff Present: Paul Warner, Legislative Revenue Officer  
Lizbeth Martin-Mahar, Legislative Revenue Office  
Steve Meyer, Legislative Revenue Office  
Kathy Tooley, Committee Assistant

**TAPE 155, SIDE A**

004	Chair Shetterly	Calls meeting to order at 9:05 a.m.
012	Lizbeth Martin-Mahar	Provided background and described SB 292, (Exhibit 1); discussed extension of credit and sunset dates.
028	Martin-Mahar	Discussed revenue impact of \$100,000 for 2004-05; \$200,000 2005-07 biennia (Exhibit 2).
033	Chair Shetterly	That's assuming high utilization?
032	Martin-Mahar	Answered affirmatively.
043	Chair Shetterly	Recessed Public Hearing on SB 292

**OPENED PUBLIC HEARING ON SB 807-A**

044	Steve Meyer	Provided background and described SB 807A, (Exhibit 3). Discussed Revenue Impact of SB 807A.
064	Chair Shetterly	What is federal impact aid?
065	Steve Meyer	It is federal dollars that go to school districts that are impacted primarily by military bases or Indian reservations.
066	Chair Shetterly	In Oregon it is limited to Indian reservations because there are no military bases?
067	Steve Meyer	The Warm Springs Confederation would be impacted.

074	Chair Shetterly	Cited no opposition to the bill in the Senate, any testimony in the Senate?
075	Steve Meyer	Described testimony received in the Senate.
083	John Marshall	Because it affected school districts and ability to issue bonds, met with Warm Springs Tribe representatives and discussed pooled bonding programs available. Madras School District contains Warm Springs Reservation; described elementary school where the reservation owns the land, the school district owns and operates the school. The building is in need of repair and the school district does not have any money. Issue is the school district is reluctant to get bond measure because it only benefits students on the reservation.
105	Marshall	Described federal impact aid received by the school for the reservation and possibility of using the aid with other sources of revenue to create a revenue stream to issue bonds.
124	Chair Shetterly	Need state statutory authorization to use federal money as a revenue stream for bonds?
126	Marshall	No. Schools have broad authority to issue bonds or notes to improve school buildings. The issue is the tribe wants to show the school board and community the tribe's interest in allowing federal funds, combined with other revenues, to improve the school.
138	Cindy Robert	This is not necessary, but allows Indians to show support of the school districts. It is a way for tribes to help localities come up with funding.
156	Chair Shetterly	Closed Public Hearing on SB 807-A.

#### OPENED WORK SESSION ON SB 807-A

160	Rep. Verger	<b>MOTION: MOVED SB 807-A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.</b>
162	Rep. Verger	Expressed minor concern the bill might obligate the state to get involved in the impact aid discussion at the federal level.
170	Rep. Scott	Expressed concern regarding the last statement on revenue impact "The amount of any impact aid used to repay bond would not be available for school operating costs".
177	Chair Shetterly	Money from federal government because an Indian school is within a district, where money can only be used for operation of that Indian school?
182	Meyer	Impact aid not dedicated to the particular school, but to the district.
184	Chair Shetterly	It's a dedication of the revenue stream to back the bonds?
185	Meyer	Answered affirmatively. If it is currently being used for operation purposes, they would no longer be available for that.
187	Chair Shetterly	That's a local school district risk that they are taking, it would not affect the state obligation to that district.
191		Discussion about potential impact due to instability of funds.



Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Martin-Mahar, "Staff Measure Summaries SB 292", 2 pages
2. Martin-Mahar, "Revenue Impact Statement SB 292", 1 page
3. Meyer, "Staff Measure Summary SB 807-A", 1 page
4. Meyer, "Revenue Impact Statement SB 807-A", 1 page
5. Craven, "Testimony SB 292", 1 page