

SENATE REVENUE COMMITTEE
March 26, 2003 1:00 PM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Ted Ferrioli, Vice Chair
Senator Tony Corcoran
Senator Lenn Hannon
Senator Charlie Ringo
Senator Bruce Starr

Witnesses Present: Senator Richard Devlin, District 19
Cindy Hunt, Legislative Counsel
John Marshall, Oregon School Board Association
Mike McArthur, Sherman County Judge
Paul Snider, Association of Oregon Counties
Hasina Squires, Association of Public Safety Communications Officials
Senator Roger Beyer, District 9
Tom Potiowsky, Office of Economic Analysis

Staff Present: Dick Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Paul Warner, Legislative Revenue Office
Tara Lantz, Committee Assistant

TAPE 72, SIDE A

005 Chair Deckert Calls meeting to order at 1:11pm.
085 Sen. Devlin Explains SB 819 which adjusts the formula for the local option. Discusses the history of the local option and equalization and gives example of school district that passed a local option.

OPENS WORK SESSION ON SB 819

123 Sen. Corcoran Explains SB 819-1 amendments, which withholds economic impact from two small schools that merge for the next four years. Exhibit 1.
152 Cindy Hunt Reiterates the description of the SB 819-1 amendments.
163 John Marshall Testifies in support of SB 819-1 amendments because this would create incentives for several small schools that he is aware of considering merging.
174 Sen. Ringo States that he thinks the concept is good and would have supported it on its own merits.
188 Sen. Hannon Asks if there is a revenue or fiscal impact on the amendment.
191 Steve Meyer Responds that he just received the amendment but he doesn't see a great impact until a merger happens.
200 Sen. Starr MOTION: MOVES SB 819-1 AMENDMENTS DATED 3/26/03 BE ADOPTED.
207 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-2-0

SENATORS ANSWERING AYE: CORCORAN, RINGO, STARR, DECKERT.
SENATORS ANSWERING NO: FERRIOLI, HANNON

- 218 Sen. Ringo MOTION: MOVES SB 819 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 220 Sen. Ferrioli Contends that he has seen no commitment from the Chair on finding solutions for rural communities and will not support any local option until he sees some commitment.
- 230 Sen. Hannon Agrees with Sen. Ferrioli and declares that it is unfortunate that the committee has decided to drive a wedge between urban and rural communities rather than bringing them together.
- 241 Sen. Corcoran States that he doesn't support a local option, but that the local option has already passed and this is just an adjustment to it. Agrees that federal timber money should be used to help rural communities, but doesn't see SB 819 as the vehicle for that and doesn't believe passing SB 819 would prevent the committee from moving forward on other issues.
- 270 Sen. Starr Asserts that there are a lot of school revenue bills on the table and that SB 819 won't do anything to preclude ongoing discussion.
- 299 Sen. Ringo Disagrees that SB 819 exacerbates the urban/rural divide and that until the state can come up with an overarching solution, local communities should be given the option to do something.
- 318 Sen. Ferrioli Responds that SB 819 is a modest change and has a good purpose. Agrees that local communities should be given the opportunity to help schools lacking an overall state solution, but feels that the committee has not shown good faith in coming up with a compromise on a solution that would help all communities in doing this. Asserts that he will not be supporting the bill, that his continued participation on the committee is in question, and that he is withdrawing from the meeting.
- 367 Sen. Deckert Responds that SB 819 was being held because there was a request to hold the bill off until then.
- 374 Sen. Ferrioli Asks if there has been an active solicitation of the committee to find vehicles to use as a compromise.
- 379 Sen. Deckert Responds affirmatively.
- 380 Sen. Ferrioli States that Sen. Deckert's response is inconsistent with things he has said before.
- 385 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-0-2.
SENATORS ANSWERING AYE: CORCORAN, RINGO, STARR, DECKERT.
SENATORS EXCUSED: FERRIOLI, HANNON.
Sen. Devlin will carry the bill on the Senate Floor.

OPENS PUBLIC HEARING ON SB 639

- 409 Richard Yates Explains SB 639 which increases the minimum quarterly distribution to counties from the Emergency Communications Account to \$360,000. Discusses problem with the bill. Exhibit 2.

TAPE 73, SIDE A

- 047 Sen. Corcoran Suggests there be a side by side comparison of different Public Safety

Answering Points (PSAP) and how this bill would affect them.

- 054 Mike McArthur Testifies in support of SB 639 because it would provide 9-1-1 services in Sherman, Gilliam, and Wheeler counties and provide a basic minimum for the operation of PSAP's. States that it might be premature to act on SB 639 until a study is done on what it takes to provide services statewide.
- 116 Paul Snider Supports a continued level of funding for each county until a study is done on what the appropriate cost is to provide a seamless 9-1-1 service across the state.
- 124 Sen. Corcoran Asks if there is currently a study being done.
- 126 Hasina Squires Responds that there is no study underway but the Association of Public Safety Communications Officials (APSCO) is encouraging one.
- 156 Sen. Corcoran States that if a redistribution of funds is necessary to provide services across the state then they should do that, but that SB 639 appears to be a blanket solution without looking in depth at what funds are needed.
- 167 Squires Responds that they are looking at doing a study but are focusing right now on maintaining the existing tax and making sure they receive full revenue expenditure limitation authority.
- 178 Sen. Corcoran Explains his personal interest with the bill.
- 196 Sen. Deckert Asks if APSCO should study what is in the best interest for all of Oregon before they pass a bill redistributing funds.
- 201 Squires Responds affirmatively. Discusses history of the guaranteed minimum distribution to counties and the effects of SB 639 on different counties. Exhibit 5.
- Discussion follows.
- 242 McArthur Responds that the intent of the bill was not to limit a flat fee statewide but rather provide a floor.

OPENS PUBLIC HEARING ON SB 601

- 287 Sen. Beyer Explains SB 601, which creates a four member revenue forecast board and discusses identical bill in the house. Discusses his reasoning behind the bill and states that they modeled the bill after Washington's forecasting process. Discusses SB 601-1 amendments and SJR 26, a companion bill to SB 601.

TAPE 72, SIDE B

- 053 Sen. Deckert Asks how SB 639 compares to the bill in the house.
- 052 Paul Warner Responds that the bills are identical and discusses the differences in the amendments. Exhibits 6-8.
- 086 Sen. Deckert Expresses concern in bringing the legislature into the forecasting process because it could politicize it.
- 091 Sen. Beyer Responds that he had the same concerns, but that in talking to legislators in Washington, he found that the board takes politics out of it.
- 124 Tom Potiowsky Testifies that they are in agreement with the direction of SB 601 and that the

Office of Economic Analysis is looking for any ways to make the process more accurate. Discusses concerns from the Governor's office of politicizing the process and with the role of the Council of Economic Advisors.

Discussion follows.

CLOSES PUBLIC HEARING ON SB 601

194 Sen. Deckert Adjourns meeting at 2:22pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. SB 819, Sen. Corcoran, Proposed SB 819-1 Amendments, 4pp.
2. SB 639, Richard Yates, Staff Measure Summary, 3pp.
3. SB 639, Richard Yates, 2003-2005 Emergency Communications Account, 1p.
4. SB 639, Mike McArthur, Written Testimony, 1p.
5. SB 639, Hasina Squires, Written Testimony, 5pp.
6. SB 601, Paul Warner, Staff Measure Summary, 1p.
7. SB 601, Paul Warner, Description of the Economic & Revenue Forecast Council, 2pp.
8. SB 601, Paul Warner, Proposed SB 601-2 Amendments, 4pp.