

**HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE
COMMITTEE**

JANUARY 12, 2001 – 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
Representative Janet Carlson, Vice Chair
Representative Deborah Kafoury, Vice Chair
Representative Alan Bates
Representative Alan Brown
Representative Mark Hass
Representative Max Williams
Representative Bill Witt

Members Excused: Representative Chris Beck

Invited Senate Members: Senator Lee Beyer
Senator Susan Castillo
Senator Tony Corcoran
Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer
Joan Green, Committee Assistant

Witnesses: Tom Potiowsky, Office of Economic Analysis
Cora Parker, Office of Economic Analysis
William B. Conerly, Conerly Consultants

TAPE 5, SIDE A

005 Chair Shetterly Meeting called to order at 1:35 a.m.

INFORMATIONAL MEETING

019 Tom Potiowsky Presentation on Oregon's Economic and Revenue Outlook.
(EXHIBIT 1)

038 Potiowsky Continued with presentation, beginning with "The Fed raises rates
six times since June 1999", (Page 3, Exhibit 1).

Questions and discussion interspersed.

052 Potiowsky Continued with presentation, beginning with "Investments to Boost
Productivity", (Page 2, Exhibit 1).

082 Potiowsky Continued with presentation, beginning with "Oregon's Economic

Review and Forecast”, (Page 4, Exhibit 1).

Questions and discussion interspersed.

- 114 Potiowsky Continued with presentation, beginning with “Growth in Gross State Product”, (Page 6, Exhibit 1).
- Rep. Williams and Rep. Witt Arrived 1:44 p.m.
- 142 Potiowsky Continued with presentation, beginning with “Population Change and Net Migration”, (Page 9, Exhibit 1).
- 188 Potiowsky Continued with presentation, beginning with “Looking ahead”, (Page 11, Exhibit 1).
- Questions and discussion interspersed.
- 313 Potiowsky Continued with presentation, beginning with “Risk Factors to the Forecast 2001-2005”, (Page 12, Exhibit 1).
- Questions and discussion interspersed.
- 415 Potiowsky Summarized Economic Forecast. (EXHIBIT 1)

TAPE 6, SIDE A

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- 268 Cora Parker Presented “Revenue Forecast”, (Page 13, Exhibit 1)
- 313 Parker Continued with presentation, beginning with “General Fund Resources”, (Page 14, Exhibit 1).
- 359 Parker Continued with presentation, beginning with “General Fund Revenues”, (Page 16, Exhibit 1).

TAPE 5, SIDE B

- 020 Parker Continued with presentation, beginning with “2 Percent Surplus Kicker”, (Page 18, Exhibit 1).
- Questions and discussion interspersed.
- 098 Parker Continued with discussion on “2 Percent Surplus Kicker”, (Page 18, Exhibit 1).
- 130 William Conerly Discussed “Risks to the Oregon Economy”. (EXHIBIT 2)
- 203 Conerly Continued with presentation, beginning with “Oregon Job Growth and Oregon Personal Income”, (Page 2, Exhibit 2).
- 230 Conerly Continued with presentation and discussed the volatility of the high tech sector, (Page 3, Exhibit 2).

Questions and discussion interspersed.

351 Conerly Continued with presentation and discussed the volatility of the construction industry, (Page 4, Exhibit 2).

Questions and discussion interspersed.

TAPE 6, SIDE B

056 Paul Warner Reviewed recession scenarios. (EXHIBIT 4)

140 Warner Continued with presentation and discussion of “Scenario B”, (Page 3, Exhibit 4).

178 Warner Continued with presentation and discussion of “Scenario C”, (Page 4, Exhibit 4).

Questions and discussion interspersed.

LRO Staff Distributed informational material from Tom Potiowsky titled “The Look of Recessions “. (EXHIBIT 3)

331 Chair Shetterly Meeting adjourned at 3:01 p.m.

Submitted by,

Reviewed by,

Joan Green
Committee Assistant

Kim Taylor James
Revenue Office Manager

Exhibit Summary:

1. Informational, Economic and Revenue Outlook, Potiowsky, 19 pages
2. Informational, Risks to the Oregon Economy, Conerly, 4 pages
3. Informational, The Look of Recessions, Potiowsky, 3 pages
4. Informational, Recession Scenarios, Warner, 4 pages