

PUBLIC HEARING AND WORK SESSION:

HB 2716-A, HB 3215-A

WORK SESSION: SB 260

TAPES 141-142, A/B

SENATE REVENUE COMMITTEE

May 16, 2001 — 8:10 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Steve Meyer, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Representative Lane Shetterly, House District 34

Representative Diane Rosenbaum, House District 14

Jeff Tashman, Association of Oregon Redevelopment Agencies

Michelle Deister, League of Oregon Cities

Chuck Sheketoff, Oregon Center for Public Policy

Marcia Kelley, Women's Rights Coalition

Jerry Tippens, Oregon Food Bank Board

Patti Whitney-Wise, Director, Oregon Hunger Relief Task Force

Bob Castagna, Director, Oregon Catholic Conference

TAPE 141, SIDE A

005 Chair Ferrioli Meeting called to order at 8:28 a.m.

OPENED PUBLIC HEARINGS ON HB 2716-A AND HB 3215-A

011 Rep. Lane Shetterly Testified in support of HB 2716-A, a bill that makes refundable the Working Family Child Care Tax Credit. Gave history of this tax credit.

077 Rep Diane Rosenbaum Testified in support HB 2716-A. Stated the bill is one of the most significant opportunities presented this session to provide meaningful help to hard-working Oregonians struggling to escape poverty and trying to feed their families. This bill benefits not only employees with a tax credit but benefits employers as well. For people making minimum wage or barely above that, it is a daily struggle to provide bare necessities for their families and to pay for child care.

117 Chair Ferrioli Commented that there will be a public hearing only on this bill today because of its projected fiscal impact.

Questions and answers followed.

170 Rep. Shetterly Discussed HB 3215-A. Explained that the entire House Revenue Committee sponsors this bill. HB 3215-A restricts the urban renewal division of tax calculation for certain urban renewal

plans.

Detailed questions and answers interspersed.

281 Jeff Tashman Testified in support of HB 3215-A.

Questions and answers interspersed.

348 Michelle Deister Testified in support of HB 3215-A. Exhibit 9.

CLOSED PUBLIC HEARING ON HB 3215-A

OPENED WORK SESSION ON HB 3215-A

373 Vice Chair L. Beyer MOTION:

MOVES HB 3215-A TO THE SENATE
FLOOR WITH A DO PASS
RECOMMENDATION.

378 Sen. Minnis Declared potential conflict of interest because he is a member of the Portland Police and Fire Pension System.

391 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION
PASSES: 7 — 0 — 0

Sen. L. Beyer will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON HB 3215-A

395 Chair Ferrioli As further comments to HB 2716-A, added that this bill should be included in Leadership's agenda for those bills to be considered in the budget re-balance. Believes this discussion will increase the likelihood of the passage of HB 2716-A.

407 Chair Ferrioli Recessed meeting from 8:55 to 9:05 a.m.

CONTINUED PUBLIC HEARING ON HB 2716-A

429 Chuck Sheketoff Testified in support of HB 2716-A. Explained that this bill deals with a subsidy program for child care for working families who have income from working but relatively high child care costs relative to their income. Exhibits 16 and 17.

TAPE 142, SIDE A

017 Sheketoff Continued testimony supporting HB 2716-A.
Questions and answers followed.

075 Marcia Kelley Testified in support of HB 2716-A. Read Exhibit 15.

101 Jerry Tippens Testified in support of HB 2716-A. Read Exhibit 14.

149 Patti Whitney- Wise Testified in support of HB 2716-A. Exhibits 18, 19, and 20.

198 Bob Castagna Testified supporting HB 2716-A and suggested prioritizing the refundable working family child care credit over the refundable state earned income tax credit. Both these programs and policies are necessary to help lift people out of poverty. Believes both these approaches will do that.

CLOSED PUBLIC HEARING ON HB 2716-A

OPENED WORK SESSION ON SB 260

257 Chair Ferrioli Reminded members that this bill was heard on April 24, 2001. At that time the motion made by Sen. George to move the original bill to the Senate Floor was interrupted by adjournment of the meeting. In order to complete the unfinished business, placed Sen. George's motion before the Senate Revenue Committee.

- 262 Sen. George MOTION:

MOVES TO WITHDRAW PREVIOUS
MOTION TO MOVE SB 260 AS
ORIGINALLY DRAFTED.
- 266 Sen. George Added that during the time since his original motion, substantial progress has been made among the interested parties who have agreed to additional amendments, thus causing the withdrawal of the original motion.
- 271 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 280 Chair Ferrioli Recessed meeting from 9:23 a.m. to 9:30 a.m.
- 283 Chair Ferrioli Stated that it is the Chair's intention to present the (-7) amend-ments for discussion.
- 286 Steve Meyer Discussed the (-7) amendments to SB 260 (Exhibit 10) in detail.

Explained that Sections 1 through 8 deal with the phase-in period. Sections 9 and 10 address permanent equalization after the phase-in. Sections 11 to 18 are concerned with administrative and technical changes. Sections 19 to 23 deal with the resolution process at 90%. Sections 24 to 26 address competitive bidding language. Section 27 establishes an interim task force to study ESD services, deficiencies, and availability of those services. Sections 28 to 33 after full equalization phase-in repeals the Grant and Wallowa local equalization process with their component districts.
- 311 Meyer Stated this is a five-year phase-in plan. Went into minute detail of each section of the (-7)

amendments..

TAPE 141, SIDE B

- 013 Meyer Continued minute detail of each section of the (-7) amendments.
- Questions and answers followed.
- 148 Sen. Castillo Asked if Ozzie Rose could be allowed to testify on what he thinks about the (-7) amendments.
- 151 Chair Ferrioli Stated the Chair's intention was not to listen to additional testimony, amendments, runs, or debate. Senate Revenue has been hearing this bill since January. The Chair intends to move the (-7) amendments into the bill. The Chair believes the (-7)s incorporate most of the work done by the ESD task force and offers the best balance for rural and urban ESDs at this time. Feels this should be presented before a different committee and then brought to a conference committee for final agreement. Concerned that if another amendment and another set of runs is presented today, affected ESDs will either be happy or unhappy, and cause yet another set of amendments and runs to be generated. It would never end. Believes the (-7)s are the best compromise.
- 210 Sen. Castillo Stated this is a significant piece of legislation that will have a tremendous effect on children in Oregon. It was her understanding that Ozzie Rose had been directed to produce a proposal everyone could agree on. Further declared Mr. Rose has done that, but is frustrated that the Chair will not allow Mr. Rose to present it to the committee. Because Mr. Rose has a proposal representing all ESDs with agreement on a final proposal, feels he should at least be able to make a comment about why the (-7)s do not meet the test of full agreement from all the ESDs.

- 224 Chair Ferrioli Stated he appreciated Sen. Castillo's comment, but found it ironic. Sen. George's motion on April 24 was to move SB 260 as drafted (with no amendments) to the floor with do pass recommendation. Had that occurred, it is likely it would have passed and moved to the House chamber as drafted. At any time from January through May 100% closure could have been reached, but that has not happened. The Chair has held onto this bill to try to get it to closure far longer than most other Chairs would have done. At this point has lost confidence in the ability of people to deliver what they say they can deliver. It's time to move this bill.
- Added that the Chair has observed disheartening self-interest displayed in this process, (i.e. people motivated to protect their own jurisdictions and constituents) and understands that action, but in this case has seen it used as a club against moving SB 260. Is not very pleased. Has lost confidence in the ability of people to come riding over the hill waiving the ultimate solution to the problem at the 11th hour.
- 275 Vice Chair L. Beyer Stated he understands there is a proposal having the support of all but one of the ESDs. If SB 260 moves to the House side and gathers support there, asked if it was the Chair's intent to concur.
- 282 Chair Ferrioli Agreed it would be the Chair's intent to be sure there was equity and fairness in how the dollars would be distributed. Pointed out, however, there were not huge differences between the (-7) amendments discussed today and other amendments purported to exist. Still intends to move SB 260 out today because it is a major step forward to achieving equalization.
- 313 Sen. Corcoran Commented regarding his feelings about how the process has transpired regarding SB 260 and the (-7) amendments.

- 354 Sen. Starr MOTION:

MOVES THE CORRECTED SECTION 7 TO
THE (-7) AMENDMENTS BE ADOPTED.
- 368 Sen. Minnis Asked for explanation of what the corrections
in fact correct.
- 370 Meyer Explained the primary change is regarding
balancing the total amount the formula allocates
to the ESDs to the available revenue. Since that
may or may not be the case because of the
percentages in the bill, this correction refers to a
final adjustment to both ESD state school fund
and local revenue such that the amount
allocated equals what is available.
- 389 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO
ORDERED.
- 390 Sen. Starr MOTION:

MOVES (-7) AMENDMENTS AS AMENDED
TO SB 260 BE

ADOPTED.
- 395 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO
ORDERED.
- 396 Sen. Starr MOTION:

MOVES SB 260 AS AMENDED TO THE
SENATE FLOOR WITH A DO PASS
RECOMMENDATION.

412 Chair Ferrioli ORDER:

ROLL CALL VOTE; MOTION PASSES: 4 —
3 — 0

SENATORS VOTING AYE: GEORGE,
MINNIS, STARR, FERRIOLI

SENATORS VOTING NO: CASTILLO,
CORCORAN, L. BEYER.

Sen. Ferrioli will carry the bill on the Senate
Floor.

413 Chair Ferrioli Stated passage of this bill could have been a lot
easier on everyone, and closure could have been
achieved weeks ago...if not months ago.
Believes if there is broad agreement on a further
amendment, it can go to the House side.

428 Chair Ferrioli Adjourned meeting at 9:58 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2716-A, Waters, Staff Measure Summary, 1 pp.
2. HB 2716-A, Waters, Revenue Impact Statement, 1 pp.
3. HB 2716, Waters, Fiscal Impact Statement, 1 pp.
4. HB 2716, Rep. Rosenbaum, Written testimony dated May 16, 2001, 1 pp.
5. HB 3215-A, Martin-Mahar, Staff Measure Summary, 1 pp.
6. HB 3215-A, Martin-Mahar, Revenue Impact Statement, 1 pp.
7. HB 3215-A, Martin-Mahar, Fiscal Impact Statement, 1 pp.
8. HB 3215-A, Martin-Mahar, Urban Renewal (UR) Basics, 2 pp.
9. HB 3215-A, Deister, Written testimony undated, 1 pp.
10. SB 260, Meyer, (-7) amendments (CH/ps) 5/15/01, 27 pp.
11. SB 260, Meyer, Corrected Section 7 to (-7) amendments, 2 pp.
12. SB 260, Meyer, Revenue Impact Statement, 1 pp.

13. SB 260, Meyer, 2001-02 ESD Revenue Estimates (Simulation 10-1), 2 pp.
14. HB 2716, Tippens, Written testimony dated May 16, 2001, 1 pp.
15. HB 2716, Kelley, Written testimony dated May 16, 2001, 1 pp.
16. HB 2716-A, Sheketoff, Written testimony dated May 16, 2001, 4 pp.
17. HB 2716-A, Sheketoff, Written testimony undated, 11 pp.
18. HB 2716, Whitney-Wise, Written testimony undated, 6 pp.
19. HB 2716, Whitney-Wise, Written testimony undated, 1 pp.
20. HB 2716, Whitney-Wise, Written testimony undated, 1 pp.