

## SENATE COMMITTEE ON PUBLIC AFFAIRS

July 20, 1999 Hearing Room B

9:00 a.m. Tape 108

**MEMBERS PRESENT:** Sen. Charles Chair Starr, Chair

Sen. Joan Sen. Dukes, Vice-Chair

Sen. Marylin Sen. Shannon

Sen. Veral Sen. Tarno

Sen. Thomas Sen. Wilde

**STAFF PRESENT:** Brian Smith, Administrator

Patrick Brennan, Administrative Support

**MEASURES HEARD:** HB 2566-A Work Session

HB 2648-B Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
<b>TAPE 108, A</b>		
003	Chair Starr	Calls the meeting to order at 9:10 a.m. Opens a work session on HB 2648-B.
<b><u>HB 2648-B WORK SESSION</u></b>		
011	Brian Smith	Committee Administrator. Indicates that the ñB12 amendments ( <b>EXHIBIT A</b> ) have been submitted but that they must be conceptually amended by deleting sections 1 and 2.
022	Sen. Dukes	Requests an explanation of section 4.

024	Smith	Explains that section 4 refers to HB 2938, which also deals with bridge assistance for small counties.
026	Chair Starr	Comments that HB 2938 eliminates bridge assistance for small counties.
030	Sen. Dukes	Asks if section 4 will be made moot by passage of HB 2938.
031	Smith	Replies affirmatively.
036	Chair Starr	Clarifies that the bill would restore bridge assistance to small counties.
037	Sen. Dukes	Replies that the amendments address rural bridge assistance but that section 4 of the bill does not.
044	Chair Starr	Declares the meeting to be in recess at 9:15 a.m.
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045	Chair Starr	Reconvenes the meeting at 9:25 a.m.
047	Smith	Explains that section 4 of the ñB12 amendments references HB 2938 by adopting the bridge assistance provisions, while repealing the other sections.
<b>063</b>	<b>Sen. Tarno</b>	<b>MOTION: Moves to AMEND HB 2648 ñB12 amendments on page 1, in line 2, after "ORS," delete "182.090 and" and by deleting sections 1 and 2.</b>
073	Sen. Dukes	Requests clarification whether sections 1 and 2 of the bill will be retained.
082	Smith	Clarifies that they are deleted by the conceptual amendment.
085	Sen. Dukes	Expresses support for limiting government lobbying. Asks whether the sections could be retained.
090	Chair Starr	Replies that his decision is to leave the issue open by eliminating the two sections to help insure passage of the bill.
098	Sen. Dukes	Suggests that the bill should be debated on the floor.
<b>109</b>		<b>VOTE: 5-0</b>

	Chair Starr	Hearing no objection, declares the motion CARRIED.
112	Sen. Tarno	<b>MOTION: Moves to ADOPT HB 2648-B12 amendments dated 7/17/99.</b>
115	Sen. Dukes	Indicates she will "stand on principle" and oppose the amendments.
119		<b>VOTE: 4-1</b> <b>AYE: 4 - Shannon, Tarno, Wilde, Starr</b> <b>NAY: 1 - Dukes</b>
	Chair Starr	The motion CARRIES.
124	Sen. Tarno	<b>MOTION: Moves HB 2648-B to the floor with a DO PASS AS AMENDED recommendation.</b>
125		<b>VOTE: 4-1</b> <b>AYE: 4 - Dukes, Shannon, Tarno, Starr</b> <b>NAY: 1 - Wilde</b>
	Chair Starr	The motion CARRIES.  <b>SEN. STARR will lead discussion on the floor.</b>
134	Chair Starr	Closes the work session on HB 2648-B and opens a work session on HB 2566-A.
<b><u>HB 2566-A WORK SESSION</u></b>		
135	Sen. Dukes	Comments that the legislature has spent a great deal of time working on school funding during the 1999 Session.
140	Chair Starr	States that the House has invested a great deal of time and effort in reworking HB 2566-A. Suggests that the bill is acceptable to the majority in its current form.
150	Sen. Wilde	Suggests that the bill be considered by the Senate Revenue Committee.

157	Sen. Dukes	Concurs with Sen. Wilde. Asserts that such bills are usually referred to the Revenue Committee. Says that quick passage of the bill does not offer the public sufficient time for comment.
170	Sen. Shannon	Expresses concern regarding the effect the bill will have on her district.
178	Cindy Hunt	Legislative Counsel Office. Explains that the bill divides state funds for school districts and educational service districts (ESD). Refers to prepared materials <b>(EXHIBIT B)</b> .
183	Steve Meyer	Legislative Revenue Office. Provides an overview of the materials presented.
194	Hunt	<p>Describes the provisions of the bill:</p> <ul style="list-style-type: none"> <li>• Creates a distribution mechanism for ESDs</li> <li>• Creates an interim task force to study ESD finance issues</li> <li>• Provides facility grants of 6 percent for school districts that have built a new school during the past biennium</li> <li>• Authorizes \$100 million in lottery bonds, to be distributed to school districts on an average daily membership basis</li> <li>• Transfers funds from the state school fund to the out-of-state disabilities placement fund</li> <li>• Addresses possible revenue shortfalls by allowing adjustments to the state school fund to be distributed between school districts</li> <li>• Allows advance payments from one fiscal year to the next</li> <li>• Provides a grant for high-growth school districts of up to \$500,000, which are defined as districts receiving at least 175 additional students over a three-year period</li> <li>• Extends "remote weight" provisions to some small high schools, to be phased in over a six-year period</li> <li>• Provides an urban enhancement grant to the Portland School District</li> <li>• Allows transfer from the state school fund for distribution to the Oregon Public Education Network</li> </ul>
239	Sen. Shannon	Notes that the Portland School District will receive an additional \$232 per student, while the Molalla River School District will receive only \$192. Wonders why Portland is receiving additional money per student.
255	Chair Starr	Comments that the issue has been ongoing for the last four legislative sessions.
259	Sen. Shannon	Expresses willingness to allow Portland the local option, but adds that she opposes taking money from Molalla and giving it to Portland. Inquires whether the Governor can exercise a line item veto.
265	Sen. Dukes	Indicates that the Governor will likely veto the entire bill.
284	Sen. Tarno	<b>MOTION: Moves HB 2566-A to the floor with a DO PASS recommendation.</b>

294	Chair Starr	States that the House put a great deal of effort into insuring that the bill would work properly.
299	Sen. Dukes	Argues that the bill will create problems if it becomes law.
303	Chair Starr	Mentions that additional legislation would be moved through if the Governor signs the bill.
306	Sen. Shannon	Expresses hope that the additional legislation referred to by the chair would address her concerns with the bill.
<b>314</b>		<b>VOTE: 3-2</b>  <b>AYE: 3 - Shannon, Tarno, Starr</b>  <b>NAY: 2 - Dukes, Wilde</b>
	<b>Chair Starr</b>	<b>The motion CARRIES.</b>  <b>SEN. STARR will lead discussion on the floor.</b>
309	Chair Starr	Closes the work session on HB 2566-A and adjourns the meeting at 9:45 a.m.

Submitted By, Reviewed By,

Patrick Brennan, Brian Smith,

Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ HB 2648, -B12 amendments, staff, 4 pp.**

**B ñ HB 2566, informational materials, Steve Meyer, 22 pp.**



## SENATE COMMITTEE ON PUBLIC AFFAIRS

July 20, 1999 Hearing Room B

4:00 p.m. Tape 109

**MEMBERS PRESENT:** Sen. Charles Starr, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Marilyn Shannon

Sen. Veral Tarno

Sen. Thomas Wilde

**MEMBER EXCUSED:**

**STAFF PRESENT:** Brian Smith, Administrator

Patrick Brennan, Administrative Support

**MEASURE/ISSUES HEARD:** HB 2753-A Work Session

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TAPE/#	Speaker	Comments
<b>TAPE 109, A</b>		
004	Chair Starr	Calls the meeting to order at 4:08 p.m. Opens a work session on HB 2753-A.
<b><u>HB 2753-A WORK SESSION</u></b>		
007	Paul Warner	Legislative Revenue Officer. Indicates that HB 2753-A makes available the funds that exist in the "gap" in property tax revenue available between the limits proscribed by Ballot Measures 5 and 50. Says the bill exempts 10 percent of a school district's budget from being counted as revenue for purposes of calculating the school fund formula. Asserts that the provision gives schools an incentive to raise revenue. Estimates that the gap will grow over time, as

		property value growth exceeds Ballot Measure 50 limits. Adds that the measure will require either a double majority or ballot election to take effect.
042	Steve Meyer	Legislative Revenue Office. Provides informational materials to the committee <b>(EXHIBIT A)</b> . Mentions that the limits referred to are applied to the 1999-2000 biennium rather than 2001-2002, as estimates for the latter have not been made. States that the estimated statewide gap is \$218 million, or \$350 per student. Says the limit imposed by the 10 percent cap represents \$305 million, or \$489 per student. Reiterates that most school districts would grow into the 10 percent limit over time.
065	Chair Starr	Expresses surprise that there are so many school districts with gaps.
069	Warner	Comments that the average tax rate is approximately 4 percent, leaving most districts with room to grow.
081	Sen. Wilde	Indicates that he has concerns with the bill and will not support it on the floor.
084	Sen. Tarno	Indicates that he may not support the bill on the floor, either.
<b>090</b>	<b>Sen. Tarno</b>	<b>MOTION: Moves HB 2753-A to the floor with a DO PASS recommendation.</b>
<b>095</b>		<b>VOTE: 3-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 - Dukes, Shannon</b>
	<b>Chair Starr</b>	<b>The motion CARRIES.</b>  <b>SEN. STARR will lead discussion on the floor.</b>
102	Chair Starr	Closes the work session on HB 2753-A and adjourns the meeting at 4:20 p.m.

Submitted By, Reviewed By,

Patrick Brennan, Brian Smith,



Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 2753-A, informational materials, Steve Meyer, 7 pp.**