

SENATE SPECIAL SESSION COMMITTEE ON
CRIME AND CORRECTIONS

February 1, 1996 Hearing Room A
9:30 A.M.

Tape 1

MEMBERS PRESENT:

Sen. Neil Bryant, Chair
Sen. Shirley Stull, Vice-Chair
Sen. Dick Springer

STAFF PRESENT:

Bill Taylor, Deputy Counsel
Annetta Mullins, Admin. Support
Steve Kosiewicz, Admin. Support

MEASURES HEARD:

Organizational Meeting
Introduction of bills

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 1, A

004 CHAIR BRYANT: Calls meeting to order at 10:07 a.m. for the purpose of adopting rules and introducing bills.

ORGANIZATION

MOTION: SEN. SPRINGER moves that the proposed committee rules (EXHIBIT A) BE ADOPTED.

VOTE: CHAIR BRYANT, hearing no objection, declares the rules ADOPTED.
SEN. STULL is EXCUSED.

WORK SESSION - INTRODUCTION OF BILLS

010 BILL TAYLOR, Deputy Counsel: reviews relating to clauses of bill drafts:

LC -323 (EXHIBIT B)
LC 238 (EXHIBIT C)
LC 173-1 (EXHIBIT D)
LC 241 (EXHIBIT E)
LC 243 (EXHIBIT F)
LC 258 (EXHIBIT G)
LC 262 (EXHIBIT H)
LC 276 (EXHIBIT I)
LC 305 (EXHIBIT J)
LC 208 (EXHIBIT K)
LC 225 (EXHIBIT L)

054 MOTION: SEN. SPRINGER moves that the Legislative Counsel drafts as read by Mr. Taylor (EXHIBITS B-L) BE INTRODUCED AS COMMITTEE BILLS.

055 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED.

Respectfully submitted,

Annetta Mullins
Admin. Support Specialist II

EXHIBIT SUMMARY

A - Committee rules, staff, 1 p
B - LC -323, staff, 2 pp
C - LC 238, staff 3 pp
D - LC 173-1, staff, 8 pp
E - LC 241, staff 2 pp
F - LC 243, staff, 5 pp
G - LC 258, staff, 3 pp
H - LC 262, staff, 5 pp
I - LC 276, staff, 2 pp
J - LC 305, staff, 2 pp
K - LC 208, staff, 3 pp
L - LC 225, staff, 3 pp

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SENATE SPECIAL SESSION COMMITTEE ON
CRIME AND CORRECTIONS
(joined by the House Special Session Committee on Government Affairs)

February 1, 1996 Hearing Room A
11:00 A.M. Senate Tapes 4A, 3B and 5 - 8

SENATE

MEMBERS PRESENT:

Sen. Neil Bryant, Chair
Sen. Shirley Stull, Vice-Chair
Sen. Dick Springer

HOUSE

MEMBERS PRESENT:

(For public hearings)
Rep. Bob Repine, Chair
Rep. Lee Beyer
Rep. Margaret Carter
Rep. Denny Jones
Rep. Bob Montgomery

STAFF PRESENT:

Bill Taylor, Deputy Counsel
Annetta Mullins, Admin. Support
Steve Kosiewicz, Admin. Support

MEASURES HEARD:

(Following Public hearing with
House Special Session Committee
on Crime and Corrections) SB1157, Public Hearing & Work Session

MEASURES HEARD:

(With members of House Special
Session Committee on Government
Affairs)
SB1159, Public Hearing & Work Session
SB1166, Public Hearing & Work Session
SB1158, Public Hearing & Work Session
SB1167, Public Hearing & Work Session
SB1165, Public Hearing & Work Session
SB1164, Public Hearing & Work Session
SB1168, Public Hearing & Work Session
SB1163, Public Hearing & Work Session
SB1160, Public Hearing & Work Session
SB1162, Public Hearing & Work Session

NOTE: WORK SESSIONS WERE HELD ONLY BY THE SENATE COMMITTEE

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FOR PUBLIC HEARINGS ON HB3488 AND HB3489, SEE MINUTES OF HOUSE SPECIAL SESSION COMMITTEE ON CRIME AND CORRECTIONS FOR FEBRUARY 1, 1996 AT 11:00 A.M.

381 CHAIR BRYANT: Reconvenes committee.

SB1157 - PUBLIC HEARING/WORK SESSION

377 PEGGY ARCHER: Explains the legislative fiscal statement (EXHIBIT K).

>Bill does two things: provides the "other funds" expenditure limitation for the Dept. of Corrections for the administrative and finance costs associated with the construction in SB 1145. There is a constitutional prohibition against having operating costs in the same bill as construction costs.

> It establishes a \$2,554,615 other funds expenditure limitation. The breakdown is as follows: \$750,000 for construction management, \$156,080 is administrative personnel costs; \$1,648,538 is in financing costs such as underwriting and bonding fees.

>Refers to staff measure summary (SEE EXHIBIT B OF SENATE SPECIAL SESSION COMMITTEE ON CRIME AND CORRECTIONS MINUTES FOR 9:30 A.M.)

> It creates an account, the Housing for Inmates from Other Jurisdictions Account, within the General Fund. The Dept. of Corrections would receive reimbursement from other jurisdictions for housing their inmates. An expenditure limitation of \$7.8 million for receipt of those funds for the Account.

TAPE 3, SIDE B

024 MOTION: CHAIR BRYANT moves SB1157 to the Senate Floor with a DO recommendation. PASS

VOTE: The motion passes 2-1, SEN. SPRINGER and BRYANT voting AYE, SEN. STULL voting NO.

032 CHAIR BRYANT: Closes work session on SB1157.

>The committee stands at ease while moving to Hearing Room F for a joint meeting with the House Special Session Committee on Government Affairs.

SENATE SPECIAL SESSION COMMITTEE ON CRIME AND CORRECTIONS
(joined by the House Special Session Committee on Government Affairs)

TAPE 5, SIDE A

001 CHAIR BRYANT: Calls the meeting back to order at 2:37 p.m., explains how the committees will operate and opens the public hearing on SB1159.

011 CHAIR REPINE: Calls the House Special Session Committee on Government Affairs back to order and opens the public hearings on the "technical fix" bills (SB1158, SB1159, SB1160, SB 1162, SB1163, SB1164, SB1165, SB 1166, SB1167 and SB1168).

028 CHAIR BRYANT: Further explains that the Senate Committee will act on the bills and the House committee will act when they are referred to the committee on the House side.

SB1159 - PUBLIC HEARING

Witnesses: Greg McMurdo, Oregon Department of Education
Jim Green, Oregon School Boards Association
John Nichols, Oregon Gun Owners
Ron Harder, National Rifle Association
Rep. Chuck Norris

035 GREG MCMURDO, Oregon Department of Education: Testifies in support of SB 1159:
> amends law passed last session dealing with students possessing guns in a school building
> after enactment of law, it became apparent there were some loopholes in it
> the loophole concerned students who did not bring the weapon to school, but came into possession and used the weapon
> the bill adds "possession, concealment or use of the gun"
> definitions of "deadly weapon" has been added to the definition
> after enactment of the law, certain activities involving the possession of firearms were prohibited; one was hunter safety course
> U. S. Department of Education has issued a letter ruling indicating states have the authority to adopt rules to exempt certain activities
> SB1159 provides that schools may authorize possession of weapons for hunter safety purposes and the State Board of Education may authorize other exceptions and those maybe adopted by local school boards; it is a local option
069 > SB1159 includes a provision requested by Chair Bryant dealing with the provision of alternative education to students who have been convicted of a weapons possession charge. The bill would make the provision of alternative education to the student optional with the school board as opposed to being mandatory, as it is under current law

076 JIM GREEN, Oregon School Boards Association: Testifies in support of SB 1159: OSBA put in the language "whether a student brought a weapon to school" and that was to be sufficient grounds for expulsion. That is the mirror of the federal language. An instance has come up where a student did not bring the weapon to school but got it out of another student's backpack. The attorney for the student argued that since the student did not it, the student could not be expelled. The desire is to expand the definition so it includes attempts to use another item.

089 CHAIR BRYANT: Comments that also in Central Oregon there was a situation where a student did not bring the gun to school, but did come into possession of it later on. The technicality in the law was asserted. Adds that the hunter safety provisions are also at his request because in rural Oregon hunter safety is frequently taught at schools; under the technical reading of the law that would not be permitted. The bill also now covers the extracurricular activities--field trips, athletic events--so school boards can adopt a zero tolerance on deadly weapons that those events also.

099 REP. MONTGOMERY: Asks if someone would get expelled if they get caught going to a football game with a hunting rifle in their rig.

GREEN: Responds no. That is not what this is attempting to get at. Currently most districts in the state have a model policy the Oregon School Boards adopted for them that says as long as the weapon is within the vehicle and the vehicle is locked, they can bring the weapon onto the school grounds in the vehicle and it is not a violation because in parts of the state students may go hunting after school or work in the agricultural

fields.

110 CHAIR BRYANT: Confirms Mr. Green's remarks and adds that there are people in the audience from the National Rifle Association and representatives from Oregon Gun Owners will testify in favor of the bill.

112 REP. CARTER: What will happen to the student who gets expelled for a year?

114 MCMURDO: It would be up to the school district.

119 REP. BEYER: Who funds the education?

120 MCMURDO: The person responsible for providing the education is the resident district of the student in most circumstances. This bill would excuse that district from the responsibility for providing education if it chose to.

CHAIR BRYANT: Adds that is true unless the student had an IEP, which approximately 70 percent of these students do. In that case the education has to be provided. There is another bill that discusses that.

128 MCMURDO: Adds that SB1159 also repeals ORS 166.372, the gun-free zone provision. The U.S. Supreme Court declared the federal counterpart to the statute unconstitutional. Everyone agrees the Oregon statute would not survive a challenge and it is therefore being repealed.

147 JOHN NICHOLS, Oregon Gun Owners: Introduces Shawn Miller and submits and reads a prepared statement in support of SB1159 (EXHIBIT A).

157 ROD HARDER, National Rifle Association: Amendments offered at a previous hearing are in the bill in Section 2. Guns in a pickup are covered in another statute, ORS 166.370. The statute also allows the person in charge of a public building to set the criteria for possession of weapons. The amendment previously offered is on page 2 in line 45 and in lines one through six on page 3.

182 CHAIR BRYANT: Notes Ozzie Rose does not wish to testify but has checked "for the bill" on the sign-up sheet.

184 REP. CHUCK NORRIS, District 57: Believes concern has been addressed. Was originally a reluctant no vote on the original bill in the regular session because youngsters do hunt ducks or other have other activities and may show up at school with a shotgun locked in their vehicle. Asks if this activity would be permitted without facing the mandatory one-year expulsion.

185 CHAIR BRYANT: Believes it would be exempted because of the model policy that has been adopted by the districts. Districts in Central Oregon have gone by the policy that if a gun is in a truck and it is unloaded and the truck is locked, it is not a violation.

202 REP. NORRIS: Comments he did not see an exception to the policy of expulsion if someone brings a weapon onto property owned by the school district. Is there an exception in the bill?

206 CHAIR BRYANT: That conforms with the federal law as it relates to handguns, which does not allow an exception that the school superintendent can make an adjustment if the school superintendent wishes to.

211 REP. NORRIS: Comments he is seeking assurance that the youngster who is on a legitimate hunting mission and who has locked a shotgun in a car are not kicked out of school for a year.

213 CHAIR BRYANT: "Rep. Montgomery and I would agree with that concern, coming from the areas we represent." Suggests Mr. McMurdo and Mr. Green would be helpful in going through the bill with Rep. Norris.

220 CHAIR BRYANT: Closes the public hearing on SB1159 and the Senate Committee opens the work session on SB 1159.

SB1159 - WORK SESSION

226 MOTION: SEN. STULL: Moves SB1159 be sent to the floor with a DO PASS recommendation.

227 VOTE: CHAIR BRYANT, noting OBJECTION BY SEN. SPRINGER, declares the motion PASSED. All members are present.

223 CHAIR BRYANT: Opens the public hearing on SB1166.

SB1166 - PUBLIC HEARING

Witnesses: Sen. Bill Kennemer

The Legislative Fiscal Analysis is hereby made a part of these minutes (EXHIBIT B).

247 SEN. BILL KENNEMER, District 12: Explains SB1166 comes before the body to correct an error that was made in SB771. When SB771 got to the House during the last moments of the process there was an effort to attach an amendment with regard to neonatal nurses. The group and the committee came up with an amendments. Section 3 was to have been deleted and Section 4 was to have been kept in. Through drafting and enrollment errors both sections were kept in which weakened the standards for becoming a nurse practitioner. This is a technical correction. Legislative Counsel has concurred and reviewed the tapes. Has checked with the concerned parties, Chuck Adams, Brian Delashmutt, Tim Martinez and John Gervais and they agree this was the agreement.

270 CHAIR BRYANT: Closes the public hearing on SB1166 and opens the Senate work session on SB1166.

273 MOTION: SEN. STULL moves that SB1166 be sent to the Floor with a DO PASS recommendation.

275 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

272 CHAIR BRYANT: Opens the public hearing on SB1158.

SB1158 - PUBLIC HEARING

Witnesses: Rep. Cynthia Wooten
Rep. Lisa Naito
Mike Dewey, Multnomah Greyhound Park
Paul Romain, Oregon Greyhound Association

The Legislative Revenue Impact statement is hereby made a part of these minutes (EXHIBIT C).

289 REP. CYNTHIA WOOTEN, District 41: Testifies in opposition to SB1158.

> opposes bill because there is a varied and broad diversity of people who are surprised the bill has made its way back for Special Session consideration

> the original bill, HB3411, had a timely death; the attorney general's office has ruled that the expansion of video poker to dog or race tracks would constitute a casino and thereby be in violation of the Oregon Constitution

> the same people are back again asking for a special tax break; the dog track and horse track owners are asking for a special tax of \$1.358 million in fiscal year 1997-99. In the current biennium the tax break will constitute \$830,000.

> not considering other special interest tax break legislation in the Special Session

> it is money that is symbolically insulting to the public when we are reducing class sizes, cutting services, don't have enough money for corrections, juvenile justice, prevention and treatment

> the tax break is not deserving when so many services, programs and people are going without the very basic services they need; it is fundamentally wrong

355 > suggests the committee look at the revenue impact statement (EXHIBIT C)

366 REP. REPINE: Comments he has been told (without the bill) a facility could close and cost approximately 60 to 80 full time jobs.

277 REP. WOOTEN: Responds she appreciates the concern about the loss of full-time permanent jobs at the race tracks, but according to the analysis of HB3411 there is no real evidence those jobs will be lost or that the industry is going to fail without a special interest tax break. Seasonal jobs may be reduced if the clientele does not continue to go to the race tracks in the numbers currently and use their discretionary gambling money on video poker or at the casinos rather than at the greyhound race tracks. No sure what role it is of government to subsidize the race track owners versus supporting education, higher education, the Oregon Health Plan, community corrections, juvenile justice or even treatment programs.

400 REP. LISA NAITO, District 15: Testifies in opposition to SB1158.

> this is a Special Session and believes it is not a good idea to bring in other bills

> it is inappropriate to move forward with this bill because earlier today hundreds of school children were here and will probably go away empty handed

> children in Portland Public Schools are looking at severe cuts and the message they may receive at the end of this day is that a tax break was given to one industry and yet the schools came away empty handed; that is not a good message to send to the kids

426 CHAIR BRYANT: Comments the schools won't go away empty handed in that \$48 million of the \$78 million short fall lottery that is primarily for K-12 will be restored.

TAPE 6, SIDE A

008 MIKE DEWEY, Multnomah Greyhound Park: Submits a prepared statement and speaks in support of SB1158 (EXHIBIT D).

> considers SB1158 a technical fix; it is HB3411. HB3411 contained three

aspects: one was an agreed upon decrease in the greyhound gross receipts tax. Page 3 of HB3411 spoke to the video lottery side. The Governor vetoed the bill because the AG said the bill was unconstitutional. The next part deals with funding for county fairs and race meets and a modification of the simulcast policy. More than five video terminals are not allowed at a race track, they can't raise the money to fund the racing at county fairs. The only things left from HB3411 is the tax decrease from three percent to 1.6 percent.

- > the horses pay one percent, greyhounds pay three percent
- > for simulcasting horses, Multnomah Greyhound Park pays three percent
- > when the horse track simulcasts and brings in greyhounds, they pay one percent

- > there was no competition in 1933; today there is video lottery, state lottery which pays no taxes on receipts, and the Indian gaming facilities pay no taxes

043 >SB1158 makes sense from the public policy standpoint, from a jobs standpoint and from the point it is a technical fix

048 > the money that would accrue is already accounted for.

- > if SB1158 passes, Multnomah will not be able to utilize the tax break until the next racing year, April 1996; the benefits are one-half

- > the income side will not be as substantial because the handle continues to go down due to competition

- > the industry employs a lot of people

065 PAUL ROMAIN, Oregon Greyhound Association: Advises the committee he has been authorized by Charlie Williamson to speak for the Oregon Greyhound Breeders Association and testifies in support of SB1158.

- > in favor of tax break because the breeders and association want the track to exist and run; they are not making money because the competition is tremendous

- > gives example of a simulcast dog race between May and October they pay three percent tax; if the same race is simulcast between October and May, the tax is one percent

- > explains the disparity is because the horse track people requested a tax break when they were in bad financial shape; the greyhounds at that time were in good financial shape and did not ask for a tax break

092 CHAIR BRYANT: Closes the public hearing and opens the work session on SB 1158.

SB1158 - WORK SESSION

094 MOTION: SEN. STULL moves that SB1158 be sent to the Floor with a DO PASS recommendation.

095 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

SB1167 - PUBLIC HEARING

Witnesses: Rep. Kevin Mannix
Sen. Gene Derfler
Maury Miller, Workers Compensation Division
Susie Jordan, Workers Compensation Division
Robert C.A. Moore, Oregon Workers Compensation Attorneys

105 REP. KEVIN MANNIX, District 32: Testifies in support of SB1167.

- > SB1167 is a technical fix
- > explains it is a technical fix because an error came out of a conference committee

- > the date of injury usually applies to establish the level of permanent disability benefits the person gets on a workers

compensation claim; that has been a tradition and the tradition has been maintained in the laws

> a glitch in SB369 said if somebody had an injury before January 1, 1992 and their claim was not closed yet, or their claim had been reopened, in effect they would get a higher level of permanent disability benefits than for anyone whose claim had already been closed

> SB329 was an attempt to increase the level of permanent disability benefits for injuries occurring on or after the effective dates of the bill

> as of January 1, 1996, permanent disability benefits have increased about 12 percent, but there was never any discussion or intent that for one small class of injuries that we would go back and increase the permanent disability awards

134 > out of concern someone might argue that those sunset clauses also will someday be interpreted to say that it reopened the door on other claims; there is a provision that says until all the sunsets go away January 1, 1001, we are sticking with the date of injury as to how you establish the permanent disability rate for a claim

141 SEN. GENE DERFLER, District 16: Testifies in support of SB1167.

> gives analogy of receiving incorrect change of \$20 for a \$10 bill; the question is whether you would have the right to keep the extra money

> it was an error that occurred and needs to be corrected

154 > the Department has said it will cost about \$10 million; SAIF estimates it will be \$15 million

156 CHAIR BRYANT: Over what period of time?

SEN. DERFLER: The time to open claims is about five years; it will go away over a period of time. Most of it will disappear in the next four to five years.

160 CHAIR REPINE: Have any claims been readjusted to this current rate?

163 REP. MANNIX: Explains that if an order has been entered and it became final so the award had to be paid, it is water under the bridge. If the claim is still open, then it can still be adjusted. If someone is overpaid, you don't take it back, it is on his account for future benefits.

179 MAURY MILLER, Interim Administrator, Workers Compensation Division: introduces SUSIE JORDAN, Manager, Benefits Sections and Acting Manager of the Dispute Resolution Section.

184 MILLER: Comments it is the Governor's position it is not necessary to deal with this issue during special session; it would be more appropriate to deal with it in regular session. I do represent the department to answer any questions about the bill and the issue in general.

189 CHAIR BRYANT: Do you support the bill?

189 MILLER: I cannot comment on that.

187 REP. MANNIX: Suggests the committee ask the department representatives if they recognize it was a technical error and it wasn't recognized during the session and nobody recognized it until everyone was gone.

197 MILLER: "It is our position that this was a scribbler's; it was an unintended error that was created by the retroactive clause that did not mesh with other language in the bill. The rate in

effect at the time of injury has always been the way in which benefits have been determined and this is the only group under SB 369 that does not have the date of injury as the determinant of what rate will be used.

202 ROBERT C.A. MOORE, Oregon Workers Compensation Attorneys: Rep. Mannix may be in error. Many in the lobby were aware of this part of the bill and some brought it to the attention of the Governor's people. I think some of the people who were negotiating on the other side assumed this was going to be a benefit. If this is a technical repair and I were cynical, I would say the hurry and legislative procedure under which SB369 was crafted guaranteed technical errors. I submit if this is a technical glitch, it is only one of a number. There are a number of unintended results of SB369 that negatively impacts injured workers; yet the only glitch that is going to be repaired, if it is repaired in this session, is one that impacts insurance companies.

239 The joint committee heard that the cost of these glitches is somewhere between \$10 million and \$20 million and yet no numbers, to my knowledge--in fact during the joint committee hearings the original estimate from SAIF was \$20 million but they were talked down to \$15 million. The numbers that would support what the damage is by this so-called technical glitch have not been plumbed. Perhaps we are looking at another example of a repair that is not properly done, you are being asked to repair something incorrectly, or you are being asked to repair something that does not need to be repaired.

253 SB1197 and SB369 included a number of revisions of injured worker benefits which have already been paid for by employers' premiums. The benefits taken from injured workers has gone to the insurance companies, not back to the employer. I have as good numbers as anyone that would suggest the number of dollars that have been taken in that way and to the benefit of the

insurance companies more than offsets this paltry \$10 million or \$15 million offered this afternoon.

268 CHAIR BRYANT: Closes the public hearing and opens the work session on SB 1167.

SB1167 - WORK SESSION

270 MOTION: SEN. STULL moves that SB1167 be sent to the Floor with a DO
PASS recommendation.

272 VOTE: CHAIR BRYANT, noting OBJECTION BY SEN. SPRINGER, declares the
motion
PASSED. All members are present.

276 CHAIR BRYANT: Opens the public hearing on SB1165.

SB1165 - PUBLIC HEARING

Witnesses: Frank Brawner, Oregon Bankers Association

284 CHAIR BRYANT: Explains that SB1165 deals with conservator and guardianships. SB61 was passed during the regular session, but this bill did not address how the law would affect guardianships that were already in existence.

291 FRANK BRAWNER, Oregon Bankers Association: Testifies in support of SB 1165. SB61 repealed the old law,

which left those conservatorships and guardianships that were in existence prior to January 1, 1996 without any statute. SB1165 will take care of this.

303 CHAIR BRYANT: Closes public hearing and opens the work session on SB 1165.

SB1165 - WORK SESSION

306 MOTION: SEN. STULL moves that SB1165 be sent to the Floor with a DO PASS recommendation.

307 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

310 CHAIR BRYANT: Opens the public hearing on SB1164.

SB1164 - PUBLIC HEARING

Witnesses: Greg McMurdo, Oregon Department of Education
Jim Green, Oregon School Boards Association
Ozzie Rose, Confederation of Oregon School Administrators

316 GREG MCMURDO, Oregon Department of Education: Testifies in support of SB 1164. SB1164 deals with and assigns responsibility for provision and funding of education for Measure 11

juveniles. The bill delegates responsibility to the district where the juvenile is incarcerated. These kids will not be counted in the 11% cap for special education purposes. Suggests that the committee include a sunset clause of June 30, 1997 in the bill.

356 CHAIR BRYANT: Asks if this will involve adding a new section 4.

357 MCMURDO: Yes.

367 JIM GREEN, Oregon School Boards Association: Explains the difference between the three types of students this bill affects. Supports the addition of a sunset clause.

389 CHAIR BRYANT: Explains the situation this bill will address.

394 OZZIE ROSE, Confederation of Oregon School Administrators: Testifies in support of SB1164. The Portland School District would be one of the biggest hit. For the interim, this will work. Long-term we need to address the equity question.

409 CHAIR BRYANT: Even though there are some things that need to be worked out, this is better than doing nothing.

414 REP. JONES: Using the city of Burns as an example, asks if this could end up affecting one school district in certain areas.

426 MCMURDO: Once the students are adjudicated, their education becomes the responsibility of the Department of Education.

TAPE 5, SIDE B

001 CHAIR BRYANT: Closes the public hearing and opens the work session on SB 1164.

SB1164 - WORK SESSION

003 MOTION: SEN. STULL moves a conceptual amendment creating a new section 4, for the purpose of establishing a sunset date of June 30, 1997.

006 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

007 MOTION: SEN. STULL moves SB1164, AS AMENDED, to the Floor with a DO PASS recommendation.

009 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

010 CHAIR BRYANT: Opens the public hearing on SB1168.

SB1168 - PUBLIC HEARING

Witnesses: Jim Green, Oregon School Boards Association
Greg McMurdo, Oregon Department of Education
Ed Edwards, Oregon School Employees

012 JIM GREEN, Oregon School Boards Association: States that this is truly a technical correction bill. A subparagraph was inadvertently left out of the legislation requiring criminal records checks of all school employees, which was passed during the regular session. SB1168 allows a school district, if they choose, to recover the cost of the background check on current employees from the employee. Referencing the end of line 12 on page 1 of the bill, suggests inserting "or (f)", which would allow the employee to request that the school district take the money out of their paycheck.

033 CHAIR BRYANT: Verifies the changes Mr. Green is suggesting for line 12.

036 GREG MCMURDO, Oregon Department of Education: Indicates the Department's support for this bill. Describes the Department's involvement with the issue following both the 1993 and 1995 regular sessions. The Department does have a financial stake in this issue because it is considered a school district in regard to MacLaren, Hillcrest, the juvenile camps, and the Schools for the Blind and Deaf.

045 CHAIR BRYANT: Informs the other committee members that these background checks have a cost of \$2-\$4 million dollars to the school districts. Some school districts will pay for it, others negotiate and pay a portion of it, some require the unclassifieds to pay for it.

051 SEN. STULL: Comments on the work she had done during the regular session as a member of the committee which addressed this issue. Is glad to see this technical fix taken care of now.

059 ED EDWARDS, Director of Government Relations, Oregon School Employees Association: Testifies in opposition to SB1168. This is not an issue this committee needs to take up at this time. Comments on the retroactivity of the bill passed out of the regular session. This was something which other legislation passed in 1993 promised not to do. Long-term educators are now having to prove their worthiness. These educators object to being charged for the background check.

127 CHAIR BRYANT: Closes the public hearing and opens the work session on SB

1168.

SB1168 - WORK SESSION

131 MOTION: SEN. STULL moves a conceptual amendment to SB1168, adding the words "or (f)" at the end of line 12 on page 1.

135 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

136 MOTION: SEN. STULL moves SB1168, AS AMENDED, to the Floor with a DO PASS recommendation.

138 VOTE: CHAIR BRYANT, noting OBJECTION BY SEN. SPRINGER, declares the motion PASSED. All members are present.

141 CHAIR BRYANT: Reopens work session on SB1164.

SB1164 - WORK SESSION

142 CHAIR BRYANT: Explains that the word "school" was left off on line 8 between the words "the" and "district".

147 MOTION: SEN. SPRINGER moves that the vote by which SB1164 passed, BE RECONSIDERED.

149 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

150 MOTION: SEN. STULL moves that the bill be amended on line 8 to include the word "school" between the words "the" and "district".

154 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

155 MOTION: SEN. STULL moves SB1164, AS AMENDED, to the Floor with a DO PASS recommendation.

156 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

157 CHAIR BRYANT: Opens public hearing on SB1163.

SB1163 - PUBLIC HEARING

Witnesses: Jennifer Ball, Oregon Winegrowers Association
Steve McCoy, Oregon Grocery Industry Association

The Legislative Fiscal Analysis is hereby made a part of these minutes (EXHIBIT E).

161 JENNIFER BALL, Oregon Winegrowers Association: Testifies in support of SB1163. This is a technical fix on SB15 from the regular session. The goal of SB15 was to consolidate two different liquor licenses to allow sample tastings of wine and beer under the privileges of a package store license. A drafting error occurred after amendments

were added to the bill on the House side. SB1163 will correct this error.

179 STEVE MCCOY, Oregon Grocery Industry Association: Testifies in support of SB1163. The Association represents 300 corporate retail members which operate over 1,000 stores all over the state. All of them are package store licensees and the error in SB15 affects them.

196 CHAIR BRYANT: Close the public hearing and opens the work session on SB 1163.

SB1163 - WORK SESSION

198 MOTION: SEN. STULL moves SB1163 to the Floor with a DO PASS recommendation.

199 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

201 CHAIR BRYANT: Opens the public hearing on SB1160.

SB1160 - PUBLIC HEARING

Witnesses: Kelly Ross, Oregon Association of Realtors
Fred VanNatta, Oregon State Homebuilders Association
Frank Brawner, Oregon Bankers Association
B. J. Smith, League of Oregon Cities
Heidi Stutzman, City of Salem
Alice Schlenker, League of Oregon Cities
Ken Hector, City of Silverton
Bob Cantine, Association of Oregon Counties

The Legislative Revenue Impact is hereby made a part of these minutes (EXHIBIT F).

212 CHAIR BRYANT: Explains that SB1157 has already been handled by the Senate Special Session Committee on Crime & Corrections.

222 KELLY ROSS, Oregon Association of Realtors: Testifies in support of SB 1160. The bill places a temporary moratorium on the ability of local governments and taxing districts to levy transfer fees on the transfer of real property (i.e. sales taxes on real estate). Concerned about the impact these fees have on the cost of housing. Asks committee to amend the date in SB1160 so that the moratorium runs parallel to the sunset date of a state-wide transfer tax on real property that was enacted in 1989.

249 FRED VANNATTA, Oregon State Homebuilders Association: Testifies in support of SB1160. The imposition of a real estate transfer tax by local jurisdictions across the state would complicate real estate transactions in the state. The date should run simultaneously with the tax that is in affect today.

260 FRANK BRAWNER, Oregon Bankers Association: Testifies in support of SB 1160. The \$20 tax that exists now is a filing of instrument tax, but sometimes this \$20 tax turns out to be \$120 or more. To date, only Washington County has a real estate transfer tax. We could have 36 counties with a real estate transfer tax, and cities across the state adopting their own. This could result in problems, especially if a piece of property lies in more than one jurisdiction.

306 CHAIR BRYANT: Explains his role in coining the term "technical fix". He and Rep. Baum reviewed the veto messages of the 52 bills that were vetoed to decide which ones could be adjusted in some way that would be acceptable to the Governor.

322 REP. REPINE: In response to Mr. Brawner's earlier comments that his industry may not oppose another form of a transfer tax, asks if there is a group of people looking at this possibility now.

328 BRAWNER: That is correct. Our concern is with uniformity and the need for funds for the Housing Trust Fund and for infrastructure. These needs are not being met.

335 REP. REPINE: Asks if the discussion taking place is a continuing discussion.

342 BRAWNER: We're serious about these discussions. However, these discussions will end if you get six or seven real estate transfer taxes out there.

346 REP. REPINE: Asks if passing this bill will help promote discussion.

350 BRAWNER: Yes.

351 CHAIR BRYANT: Explains that Washington County will not be affected by this bill.

356 REP. MONTGOMERY: Comments that the bill will be another state mandate to local governments.

368 SEN. SPRINGER: Asks if the bill will apply to all classes of property.

374 BRAWNER: It could be selective on a local level. Normally a real estate transfer tax deals with just that-the transfer of property.

385 REP. JONES: Asks if this bill will be retroactive to the one county that does have a transfer tax.

386 CHAIR BRYANT: No. It is grandfathered in.

388 REP. REPINE: Asks if Washington County's tax was in place prior to the state one.

389 BRAWNER: It was in place prior to the state one.

391 SEN. STULL: Comments on how challenging it is to make housing affordable.

427 B. J. SMITH, League of Oregon Cities: Presents written testimony in opposition to SB1160 (EXHIBIT G).

TAPE 6, SIDE B

003 Objects to the bill because it is a state preemption of a local authority that does exist. The bill also undermines the partnerships the cities and counties need to create to solve their problems by

taking away from the local community the ability for its citizens to decide whether or not this funding mechanism something they want to use to solve some of their local problems.

023 The decision making should rest with the citizens of the local

communities. The state-wide tax that was enacted in 1989 included a four-year preemption of local cities' and counties' authority to enact further real estate transfer taxes.

031 What was requested, and given, was a four-year, temporary preemption. Since 1993, there has been a bill in each legislative session that has attempted to impose an additional moratorium. At this time there is no preemption. Comments on how well Washington County has used the real estate transfer tax.

059 HEIDI STUTZMAN, Legislative Liaison, City of Salem: Testifies in opposition to SB1160. Back in 1980, the City of Salem referred a real estate transfer tax to the citizens to help pay for growth that was occurring in the city during that time.

067 Comments on difficulty in referring a tax measure to citizens. Salem's real estate transfer tax measure failed, but at least it was up to the community to make the final decision. Doesn't understand where the technical problem is with the bill.

086 ALICE SCHLENKER, President, League of Oregon Cities: Testifies in opposition to SB1160. We're going to be seeing more responsibilities coming to the state and being passed down to the local jurisdictions. We need to be able to preserve this option as one way to manage these new responsibilities.

110 SEN. SPRINGER: Thanks Ms. Schlenker for coming to testify.

118 CHAIR BRYANT: Announces that the House and Senate may be subject to a call.

121 KEN HECTOR, Mayor, City of Silverton: Testifies in opposition to SB 1160. This bill takes away the local option. The cities should decide at the local level what works in their communities.

137 BOB CANTINE, Association of Oregon Counties: Testifies in opposition to SB1160. Comments on protecting a little sovereignty for the local community.

158 You have to have some trust in the citizens and the governing bodies of these local communities. If the counties can be trusted to handle a big issue like SB1145, they should be trusted to handle this issue.

169 Regarding the issue of uniformity, if you carry this to its logical extreme, there is nothing that ought to be levied at the local level. Oregon has been known for having unique communities.

179 CHAIR BRYANT: Announces that there is a call of the House. The members of the House Special Session Committee on Government Affairs are excused for business on the Floor.

191 CHAIR BRYANT: Closes the public hearing and opens the work session on SB 1160.

SB1160 - WORK SESSION

193 MOTION: SEN. STULL moves a conceptual amendment changing the date in
line 16 to July 1,
1998.

200 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED.
All members are
present.

201 MOTION: SEN. STULL moves SB1160, AS AMENDED, to the Floor with a DO
PASS,
recommendation.

203 VOTE: CHAIR BRYANT, noting OBJECTION BY SEN. SPRINGER, declares the
motion
PASSED. All members are present.

205 CHAIR BRYANT: Introduces LC 330, which is being proposed by Rep.
Prozanski.

212 MOTION: CHAIR BRYANT moves the committee introduce LC 330.

214 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED.
All members are
present.

218 CHAIR BRYANT: Opens the public hearing on SB1162.

SB1162 - PUBLIC HEARING

Witnesses: Paul Romain, Linn County School District #124
Linda Duman, Linn County School District #124
John Lighty, Agness School District #4
Carolyn Ortman, Hillsboro Elementary School District Board of Directors
David Beeson, Marion ESD Board and Butte Creek School Board
Ozzie Rose, Confederation of Oregon School Administrators
Chris Dudley, Oregon School Boards Association
Greg McMurdo, Oregon Department of Education
Greg Brown, North Plains School District #70
Terry Drake, Legislative Revenue Office
Betsy Biller, Hillsboro High School and Hillsboro Elementary Districts

232 PAUL ROMAIN, Linn County School District #124: introduces LINDA DUMAN,
Linn County School District
#124.

237 JOHN LIGHTY, Agness School District #4: Introduces himself for the
record.

238 ROMAIN: Submits proposed SB1162-2 amendments (EXHIBIT H). Explains that
the bill which was introduced is
not the bill that was requested. The bill currently just delays the problem
for four years, and the amendments resolve the
problem. The problem is the forced mergers of all districts in the state.
The solution is a more selective merger process.

252 These amendments allow a school district to submit a request to the
State Board of Education for a waiver of the merger
requirements. The bill basically states that a school district shouldn't
have to merge if it won't improve the cost factor
and the quality factor.

268 Explains that the Governor's reason for vetoing the bill was because it
didn't have standards to decide who should be
merged and who shouldn't. These standards will be in SB1162 once it is
amended.

282 DUMAN: Gives background statistics on Linn County School District #124.

293 JOHN LIGHTY, Agness School District #4: Testifies in support of SB1162.
Explains that the Agness School
District is in a special situation because Gold Beach, the district they
would have to merge with, is 34 miles away. The
community feels this is too far to transport grade school kids.

307 Agness is the only school district that is farther than 15 miles from its unifying high school, and it was not included in HB2701 which was passed during the regular session.

309 CHAIR BRYANT: Asks if this was because of the definition of a unified elementary school.

311 LIGHTY: Yes.

312 We think this would be a fair fix. The school is the center of the community. Expresses fear that as dollars become scarce, the school in Gold Beach may decide Agness is too expensive and close it.

337 SEN. STULL: Asks how many students are in the school.

340 LIGHTY: At the present time we have eight.

341 DUMAN: Adds that Linn County School District #124's audited cost per student is \$3,500. The state-wide average is \$4,200.

360 CAROLYN ORTMAN, Hillsboro Elementary School District Board of Directors: Testifies in opposition to SB 1162. Explains that it hurts to put this off because there are problems with overcrowding.

384 Hillsboro Elementary and Reedville need new facilities to ease overcrowding. Currently there are enough portables in the elementary areas to fill two schools. The law and the areas dealing with taxation do not permit us to let the two districts out to merge with the rest of the districts that want in.

397 It matters to others than just the two sides of this issue as to whether or not they unify. Presents a resolution passed by the Hillsboro Chamber of Commerce (EXHIBIT I). Economic development is an issue. The Chamber of Commerce would like to promote quality school/business partnerships.

418 Addresses the question of what's wrong with waiting for mandatory merger. When the stakeholders-the parents, the community members, and staff-build a plan to incorporate the best of all of their districts, they expect that plan to be implemented.

TAPE 7, SIDE A

003 If we don't go with a voluntary unification now, we are left to deal with it for a minimum of one year under a mandatory unification. We have worked on this issue for four years and we don't need any more time. Let us move forward and concentrate on the agenda of educating our students in our communities.

018 DAVID BEESON, Member, Marion ESD Board and Butte Creek School Board: Testifies in opposition to SB 1162. Butte Creek has been unified with Silverton School District for the past three years. Initially the Butte Creek School Board opposed unification, but the experience has been very different than what they expected.

029 Unification has provided new opportunities for the students, and we have seen no diminishment in community involvement.

040 Despite all of their fears, unification has been a success. Our school board would probably support efforts to move forward as quickly as possible. Time delays will add to the uncertainty.

051 CHAIR BRYANT: Explains that the SB1162-2 amendments are a "gut and stuff" of the original bill. The time frame delay is not what we're talking about now. In your situation, unless your school board wanted to oppose the merger, you would continue with the unification.

058 BEESON: Our understanding is that districts are not allowed to unify piecemeal. That is why we have been operating under intergovernmental agreement. It is either all or nothing under the current law.

065 CHAIR BRYANT: Asks for clarification from Mr. Romain on his proposed amendments.

070 OZZIE ROSE, Confederation of Oregon School Administrators: Testifies in opposition to SB1162. Our association has promoted the unification and the establishment of a K-12 program in all school districts since the 1970s.

083 The law was passed in 1991, and since this time 86 districts have complied with it. 34 still need to, and 14 of these have voted to go ahead with it. Most of these districts will tell you that the law has been very successful. Gives statistics on the equitable distribution of resources using various school districts as examples.

102 The unification process was setup to increase and improve the program articulation within school districts, to more equitably arrange for the distribution of resources to kids, and to more equitably distribute the taxpayers burden. This ought to continue.

116 Unification has to happen to help resolve the equity question-equal distribution of resources to all kids. The elementary districts that remain have more to spend than the high schools, and the high school programs are more costly. It doesn't make sense to not continue what has been started.

130 CHRIS DUDLEY, Executive Director, Oregon School Boards Association: Testifies in opposition to SB1162. Submits written testimony on OSBA's process for policy-making, and a history of their policy towards unification (EXHIBIT J).

140 Reviews the history and the changes in their policy towards the issue of unification.

166 SEN. SPRINGER: Asks the witnesses to distinguish the Agness School District situation as a technical fix, as opposed to the balance of the proposed amendments.

169 GREG MCMURDO, Oregon Department of Education: It's not technical in the sense that it was overlooked. Senator Timms, who proposed HB2701, knew Agness was not covered and did not intend to cover it.

174 SEN. SPRINGER: Asks if Mr. McMurdo has any further comments.

175 MCMURDO: The only other component elementary districts that were exempt in HB2701 were the entire group of component elementary districts of a union high school district. In the Agness situation it would be one component district that would be exempt from unification within the Gold Beach union high school district. This law would

characterize it as a unified elementary district.

184 Comments on earlier remarks made by Mr. Lighty about the assumption that Agness would be closed. Unification does not close school districts. If unification did occur, Gold Beach couldn't afford to close Agness-they qualify for the small school correction. There would be a sense of loss of community because there would not be a local school board.

202 Commenting on the bill itself, this is not new language. This was language we saw last session. The State Board of Education doesn't want this bill any more than the Superintendent of Public Instruction wanted it. It is an ill-conceived bill.

220 The effect of the language on page 2, lines 24-30 is not understood. It is not known who this language intends to affect. This bill is no different than the bill last session.

228 DUDLEY: In response to Sen. Springer's earlier question, the OSBA Board of Directors did look at the Agness situation. It was not unanimous that we take the position that there be no changes. Agness was closer to meeting the criteria that was approved last time than any other component district. The issue of Agness becoming a unified elementary district and having the responsibility of paying for the cost of the high school education has to be looked at.

249 MCMURDO: Reminds the committee that under the law that was passed in 1991, where you have a merger occurring under SB917, unless all the districts agree to merge, the merger fails.

266 CHAIR BRYANT: To go forward with this, the burden of proof should be on the school district to show that there is no significant financial savings, and this is unclear. The amendments don't define words "substantial" and "significant". Asks for clarification on section 3, subsection 4.

293 PAUL ROMAIN, Linn County School District #124: Section 3, subsection 4 addresses the Agness School District situation.

301 GREG BROWN, North Plains School District #70: Subsection 4 was part of the original SB467 which was reviewed by the Attorney General prior to the Governor's veto. The Attorney General didn't raise any concerns about that section and taxation at the time.

314 CHAIR BRYANT: Asks what Mr. Brown's understanding of what would happen with the taxes is.

315 BROWN: I am not an attorney. I've been relying on the Attorney General's review of this to know that it is all right. I would assume that Agness would end up being a unified elementary district, and that there would be an agreement that outstanding debt shall continue as it currently is.

325 MCMURDO: Informally, we explored a different possibility on Agness at the request of Sen. Brecke. The issue of Agness being a unified elementary district was not looked at by the Attorney General after the last session. The questions were raised about what is the effect of becoming a unified elementary district as far as taxing authority, and this is a question the Attorney General has not answered.

349 CHAIR BRYANT: The proponents of the bill risk another veto unless this question is answered.

352 ROMAIN: There are two separate problems that are being addressed in this bill--the school districts that Mr. Brown and Linn County School District #124 represents, and the Agness situation. In subsection 4 we are trying to help Agness.

363 JOHN LIGHTY, Agness School District #4: The taxing issue has to be solved before any merger can take place.

373 ROSE: Regarding the Agness situation, there is a procedure that will set the tax authority for the vote-down concept of the union high becoming a unified school district. Regarding the issue of breaking out a current component which only has taxing authority for its elementary school and saying it is separate, and trying to give that district taxing authority beyond what it currently has, I don't know how that works. If it doesn't work, do they have enough taxing authority to pay their bills and the bill to send their kids to school in Gold Beach?

391 Regarding the Hillsboro issue, four of the current component districts are contracting with the union high to provide their transportation because it's cost effective to do so. The equitable distribution of resources in the community of Hillsboro is what we're talking about.

422 BROWN: The arguments that are being made, and the unique figures about Hillsboro that are being thrown out, are the same ones that were thrown out last Spring.

TAPE 8, SIDE A

001 Comments on presentation Hillsboro High School gave on unification at North Plains. The whole point of the presentation was where should Hillsboro make their cuts. The overall point behind this presentation was that unification is going to cut over \$1 million per year.

010 CHAIR BRYANT: Asks for clarification on the tax issue and how to resolve it.

012 BROWN: We just did. They don't owe anything on their buildings.

016 CHAIR BRYANT: Asks about future funding on the taxes.

017 UNIDENTIFIED PERSON IN THE AUDIENCE, Agness School District: We pay taxes to the district and we pay tuition for the seventh and eighth grade students who go to school in Gold Beach. The Gold Beach union high school district is the taxing district, and Agness residents pay their taxes separately to that district. Therefore we are a component school district, not an elementary school district. We take no direct responsibility for paying tuition for high school students.

025 CHAIR BRYANT: Comments about funding in the future, taking into consideration that Agness doesn't owe anything on its buildings.

032 ROMAIN: You're not changing anything from the way the school district is going to operate. We're saying don't change--don't force us to do these things.

035 CHAIR BRYANT: Asks if there is a dispute or the possibility of a dispute over the real property tax dollars.

038 MCMURDO: Currently patrons in the Agness School District are not taxed

by the District for the high school portion of the education. This bill would change the character of this district from a component elementary district to a unified elementary district, and would result in a boundary change. The question Mr. Rose is asking is how are they going to pay for the high school kids--do they have enough taxing authority to tax for this. The bill doesn't give them this authority.

047 CHAIR BRYANT: Asks how Agness would get the money to pay for their students.

048 ROSE: Under Measure 5, etc.

049 ROMAIN: Comments on the confusion surrounding this issue. All you're doing is making Agness the same thing you have right now in Linn County School District #124, which is an elementary school district.

054 LINDA DUMAN, Linn County School District #124: Explains how the funding occurs.

062 ROSE: Linn County School District #124 is an existing unified elementary district that has the taxing authority. You're breaking up the taxing authority of Gold Beach union high school district and creating another unified elementary district. Can this be done, and are there adequate tax resources to pay the bill?

068 DUMAN: Clarifies her previous comments.

078 ROMAIN: Upon the merger of the union high school district, the component school district not required to merge may become a unified elementary school district. This authority exists today. You're not creating anything new.

087 SEN. SPRINGER: Asks for Mr. Drake to comment on the situation.

090 TERRY DRAKE, Legislative Revenue Office: Gold Beach is now taxing in the Agness area for purposes of the high school program. If the merger doesn't take place, than Gold Beach's boundaries would be pulled back to not include Agness, they won't collect as much taxes as they had been. State school formula is going to come in and replace this, and the whole state school system will have less money because Gold Beach is collecting less money. Agness, as a unified elementary district, is only taxing for their elementary program, unless Agness gets taxing authority to fund their high school program that they're going to have to pay for now. There is no counterbalance replacement of the loss to the whole system.

125 ROMAIN: Agness currently has two separate taxing districts--one is elementary school and one is high school. They already have the authority and they already tax for the high school.

132 CHAIR BRYANT: Asks for clarification on whether to use the term "substantial" or "significant". States that the burden of proof should be on the district making the request.

137 ROMAIN: Suggests changing the word "unless" to "if" on page 1, line 15.

143 CHAIR BRYANT: Asks for clarification on the use of the word "and" instead of "or" at the end of line 19 on page 1.

145 ROMAIN: We would like to see both of those in there.

160 MCMURDO: Suggests wording change to clarify burden of proof. Asks what district would be affected by Section 5.

172 GREG BROWN, North Plains School District #70: Section 5 does two things. Subsection 1 makes it clear that if a merger is final, and it has taken affect, this bill doesn't touch it. Subsection 2 is aimed at districts that have signed a merger resolution, but have not reached the effective date, and the merger is not final. Explains reason for subsection 2.

192 CHAIR BRYANT: Asks how many school districts this would affect.

193 BROWN: The only ones that I'm aware of would be in the Silverton area.

195 MCMURDO: I'm not certain about the Sublimity situation. I'm assuming that the reference to ORS 330.103 is the filing of the maps with the Department of Revenue. I don't know where Sublimity is in that process.

203 BROWN: Explains that Mr. McMurdo is referring to the Sublimity Elementary Board's withdrawal of their merger resolution. The local boundary board has ignored that withdrawal.

207 CHAIR BRYANT: Asks for clarification that section 5, subsection 2 will only affect two school mergers.

210 BROWN: To the best of my knowledge. Lebanon/Versailles was final last May.

213 CHAIR BRYANT: Asks if those school districts have approached Mr. Brown and asked to be included in this bill.

214 BROWN: Yes.

215 CHAIR BRYANT: Asks if both Sublimity and Stayton have.

216 BROWN: Stayton per say-I'd have to go back and look at our notes. I know Sublimity has been involved.

219 MCMURDO: Clarifies that the original language in SB467 was intended for a different district.

223 ROMAIN: There is a problem with the fact that all of these mergers take place by September. The longer you wait the fewer districts there are that are affected by this bill.

226 BROWN: The existing merger law makes it real simple to merge. If Hillsboro thinks merger is a good idea, it takes action of the affected board or a petition with 100 signatures.

239 ROMAIN: The bottom line with this bill is that we are not stopping anybody from merging. All we're saying is if you don't want to merge, and if you can meet the criteria, than you don't have to be forced to merge.

244 CHAIR BRYANT: Explains why he has been asking questions. Asks the committee members if they have further questions on the tax issue.

254 SEN. SPRINGER: States he is not real clear on the tax issue.

258 BROWN: Suggests adding language to clarify the taxation issue.

269 ROSE: Comments on the fundamental issue of funding schools. Hillsboro will lose some funding if this bill goes through.

288 CHAIR BRYANT: Asks for Mr. Rose's and Mr. McMurdo's opinions on Mr. Brown's suggested language addition for clarifying the taxation issue.

292 MCMURDO: I don't know. The committee should also consider what happens if the voters don't approve the taxing authority.

301 CHAIR BRYANT: Explains that there will be a hearing at 5:30 on LC 330, which was passed earlier in today's meeting as a committee bill.

309 ROSE: Asks if North Plains wants to get a waiver, does this mean that North Plains pulls out and the rest of the district still proceeds with the unification, or does this stop the unification.

316 MCMURDO: Unless the committee further amends the bill, this stops the unification. This is the issue that has the other people upset. To take care of North Plains, you would have to do the same thing you've done for Agness in section 3, subsection 4.

320 BROWN: Comments that their legal advice differs markedly from what Mr. McMurdo just said.

328 BETSY BILLER, Hillsboro High School and Hillsboro Elementary Districts: Expresses concern about the February 20 deadline for the voluntary merger in Hillsboro. Hillsboro could be getting themselves into a fix that no one will be able to get out of. Asks committee to consider that by giving North Plains the same status as Agness, they're reducing the taxing authority of the Hillsboro union high school district.

350 Believes the committee is bringing up more legal questions than they can answer with this situation. Some of these gentlemen at the table have very vested interests in the issue. They are being asked if this will work and if it can be done, but they are not the ones to decide.

360 BROWN: Exactly. The State Board of Education should decide if it is cost effective. These are cost issues, and if there are problems, the school boards will be aware of them.

371 CHAIR BRYANT: Asks if "affected areas" is defined in the law.

374 MCMURDO: Yes it is. It is any district whose territory would be affected.

391 CHAIR BRYANT: Closes the public hearing and opens the work session on SB 1162. Explains that the decision as to whether or not this bill will be heard on the Senate floor has not been made. Moves -2 amendments to SB1162, along with additional conceptual amendments.

SB1162 - WORK SESSION

404 MOTION: CHAIR BRYANT moves conceptual amendments to the SB1162-2 amendments, changing the word "unless" on page 1, line 15 to "if", and on line 16 deleting the phrase "or significant".

430 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED. All members are present.

431 CHAIR BRYANT: Asks for clarification as to whether or not the word "and" at the end of line 19 on page 1 should be kept. Asks for feedback from the committee about section 5,

subsection 2.

TAPE 7, SIDE B

009 SEN. STULL: We're talking, in reality, only about one other school.

010 CHAIR BRYANT: Possibly two--Stayton and Sublimity.

024 The committee will not be making any further amendments, but there are still some concerns surrounding the bill.

Asks for clarification from staff what the motion should be.

031 MOTION: SEN. STULL moves to amend SB1162 with the SB1162-2 amendments,

AS

AMENDED, and that the bill, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

034 VOTE: CHAIR BRYANT, noting OBJECTION BY SEN. SPRINGER, declares the

motion

PASSED. All members are present.

038 CHAIR BRYANT: Adjourns the meeting at 5:30 p.m.

Submitted by,

Submitted by,

Annetta Mullins
Admin. Support

Steve Kosiewicz
Admin. Support

EXHIBIT SUMMARY:

- A - SB1159, prepared statement, John Nichols, 1 p
- B - SB1166, Legislative Fiscal Analysis, staff, 1 p
- C - SB1158, Legislative Revenue statement, staff, 1 p
- D - SB1158, prepared statement, Mike Dewey, 1 p
- E - SB1163, Legislative Fiscal Analysis, Staff, 1 p
- F - SB1160, Legislative Revenue Impact, Staff, 1 p
- G - SB1160, Written testimony, B. J. Smith, 1 p
- H - SB1162, SB1162-2 amendments, Paul Romain, 4 pp
- I - SB1162, Hillsboro Chamber of Commerce resolution, Carolyn Ortman, 1 p
- J - SB1162, Written testimony, Chris Dudley, 3 pp
- K - SB1157, Budget Report and Measure Summary, staff, 2 pp

SENATE SPECIAL SESSION COMMITTEE
ON
CRIME AND CORRECTIONS

February 1, 1996
11:00 A.M.

Hearing Room A
Tapes 1-4

MEMBERS PRESENT:

Sen. Neil Bryant, Chair
Sen. Shirley Stull, Vice-Chair
Sen. Dick Springer

STAFF PRESENT:

Bill Taylor, Deputy Counsel
Annetta Mullins, Admin. Support
Steve Kosiewicz, Admin. Support

MEASURES HEARD:

HB3488 - Public Hearing
HB3489 - Public Hearing

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

The Committee met jointly with the House Special Session Committee on Crime and Corrections to hear public testimony on HB3488 and HB3489.

PLEASE REFER TO THE MINUTES FROM THE HOUSE SPECIAL SESSION COMMITTEE ON CRIME AND CORRECTIONS FOR FEBRUARY 1, 1996, AT 11:00 A.M.

Submitted by,

Annetta Mullins
Admin. Support Specialist 2

SENATE SPECIAL SESSION COMMITTEE ON CRIME AND CORRECTIONS
(joined by the House Special Session Committee on Crime and Corrections)

February 1, 1996 Hearing Room A
05:30 P.M. Tape 9

SENATE MEMBERS PRESENT:

Sen. Neil Bryant, Chair
Sen. Shirley Stull, Vice-Chair
Sen. Dick Springer

HOUSE MEMBERS PRESENT:

Rep. Kevin Mannix
Rep. Veral Tarno

HOUSE MEMBER EXCUSED:

Rep. Ray Baum, Chair
Rep. Peter Courtney
Rep. Bob Tiernan

STAFF PRESENT:

Bill Taylor, Deputy Counsel
Jan McComb, Researcher
Steve Kosiewicz, Admin. Support
Annetta Mullins, Admin. Support

MEASURES HEARD:

SB1169 - Public Hearing and Work Session

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 9, A

004 CHAIR BRYANT: Calls the joint meeting of the Senate Special Session Committee on Crime and Corrections and the House Special Session Committee on Crime and Corrections to order at 5:32 p.m. and opens the public hearing on SB1169.

SB1169 - Public Hearing

011 REP. FLOYD PROZANSKI: Explains the House Interim Task Force on Corrections has recommended SB1169, and intended to have it folded into the 1145 bill but because of the relating clause SB1169 could not be included and because of miscommunication did not get printed as early as requested by the task force. SB1169 will require the

Governor to come before the 69th legislative assembly with a funding proposal to deal with youth crime prevention as well as early intervention programs. It is only a mechanism to require the legislature and the Governor not to have just lip service about wanting to do something for the kids, but to have some kind of funding mechanism available. The 1997 legislature will be able to authorize whatever it deems appropriate in allocation of funds for at-risk kids and intervention programs for our youth.

033 REP. MANNIX: Commends Rep. Prozanski for emphasizing this; and comments that "funding" is the key word in the bill.

034 CHAIR BRYANT: Closes the public hearing and opens the work session on SB1169.

SB1169 WORK SESSION

035 MOTION: SEN. STULL moves that SB1169 be sent to the Floor with a DO PASS recommendation.

036 VOTE: CHAIR BRYANT, hearing no objection, declares the motion PASSED.
All members are present.

036 CHAIR BRYANT: Declares the meeting adjourned at approximately 5:36 p.m.

Submitted by,

Annetta Mullins
Administrative Support Specialist

EXHIBIT SUMMARY:

NONE