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Public Hearing SB 333
Invited Testimony on School Finance

House Committee on
State and School Finance
March 15, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 15, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer (unexcused 8:44 am late arrival)
Rep. Tony Federici, Vice Chair (unexcused 8:47 late arrival)
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: Sherry Dudrey, Portland
Lisa Cohn, Portland
Scott Montgomery, Portland
Stephen Wasserberger, Portland
Susan Hagmeier, Portland
Linda Caradine, Portland
Karen George, Portland
Marilyn Couch, Portland
Gary Carlson, Associated Oregon Industries
Ed Patterson, Oregon Association of Hospitals
Dave Nelson, Tree Fruit Growers
John McCulley, Tree Fruit Growers
Phil Ward, Oregon Department of Agriculture
Jean Chandler, Portland
Bob Nesler, Portland
Ann Kendellen, Portland
Ray Lewis, Oregon Ed-Net Director
Curt Pederson, Oregon Ed-Net
Katie Cannon, Oregon State Fair
Mike Grainey, Department of Energy
Jerry Bieberle, Oregon Fryer Commission

Staff: James Scherzinger, Legislative Revenue Officer
Rhonda Wehler, Committee Assistant
Dick Yates, Legislative Revenue Office

TAPE 113 SIDE A

004 Chair Schoon -calls the meeting to order at 8:30 am and conducts administrative business
013 Chair Schoon -OPENS INVITED TESTIMONY ON SCHOOL FINANCE
023 Jean Chandler -urges legislature to keep corporate and personal kickers to fund schools
-[kicker defined: "the 2% surplus kicker gives taxpayers an income tax credit if actual revenue comes in more than 2% higher than it was forecast at the time the budget was adopted." (Research Report, 1/90, May 17, 1990)]
058 Bob Nesler -urges legislature to hold Portland and Enterprise harmless, institute 3 year phase-in, provide inflation allotment for high funded schools, and keep corporate kickers
097 Steve Wasserberger -urges retention of corporate and personal kickers
159 Sherry Dudrey -says Talented And Gifted (TAG) programs and counseling for

special ed have been eliminated

-phasing-in and equity makes sense
211 Lisa Cohn -says well-funded schools draw businesses
-stresses keeping corporate kickers for school funding
252 Scott Montgomery-says education cannot continue to take brunt of budget cuts

-keeping corporate and private kickers for school finance would generate \$273 million

TAPE 114 SIDE A

005 Susan Hagmeier -encourages retaining kickers
 033 Karen George -encourages enhancing programs for TAG students
 080 Linda Carradine -discusses support of retaining corporate kickers
 116 Marilyn Couch -discusses need for more funding
 150 Ann Kendellen -says her property taxes have not decreased, but would pay more to help schools

226 Chair Schoon -recesses meeting at 9:25 am
 227 -reconvenes meeting at 9:40 am
 -OPENS PUBLIC HEARING ON SB 333

232 Dick Yates -summarizes SB 333 A engrossed
 -agency fees may not be increased after 1/1/95
 -no fee increases unless explicit statute includes fee
 -for fees increased between 1/1/94 -1/1/95, fees rolled back to fee before the increase

283 Katie Cannon -refers to written testimony, Exhibit B
 -all State Fair fees are user fees, hence customer establishes fee scale
 Cannon -says SB 333 will seriously impact State Fair's ability to meet statutory/financial obligations
 -discusses problems, doesn't know two years ahead of time what State Fair fees will be, since she doesn't know what events will be
 -big name entertainment costs escalate
 -proposes exempting State Fair from SB 333, Amendment, page 5, Exhibit B

TAPE 113 SIDE B

004 Chair Schoon -says Senate Chair Phillips agreed to exempting State Fair
 033 Cannon -says to consider entertainers as investment
 062 Phil Ward -says Department of Agriculture laboratory fees cannot comply with SB 333 due to being market driven, based on cost to agency of performing analytical functions
 -proposes exempting Oregon Department of Agriculture laboratory fees
 109 -emphasizes not discussing licensing fees, but test analysis and consulting functions based on those results only

119 Vice Chair Federici -asks how laboratory is different from other state agencies

123 Ward -says they respond to market need which is outside of state government

134 Dave Nelson -says commodity commissions should be exempted
 152 John McCulley -refers to Exhibit C, Proposed Amendment
 178 Yates -explains definition of state agency in bill, that is subject to ORS provisions requiring legislative review
 -agricultural commodities do not undergo legislative review
 -original bill began with exclusion of agricultural commodity commissions and all other agencies which do not require legislative review

209 McCulley-clarifies amendment includes all agricultural commodities
 256 Yates -explains Oregon Forest Products Commission is not a state agency by SB 333 definition
 259 McCulley-desires clarification of language to comply with intent of bill

drafters

281 Rep Strobeck -asks if Senate was asked to make same change
 287 McCulley-answers was not necessary for original bill, it included intent

to exempt commodities

316 Jerry Bieberle -refers to Exhibit D, Written Testimony
 -supports amendment proposed by Jerry McCulley

357 Curt Pederson -refers to Exhibit E, Written Testimony

TAPE 114 SIDE B

004 Ray Lewis -clarifies fees based on cost of services, leased from private providers, fees changes often

080 Bieberle-desires clarification for exclusion from SB 333
 087 All -questions and discussion
 146 Pederson-says will work with staff to draft exemption amendment
 179 Mike Grainey -refers to Exhibit F, Written Testimony, requesting clarification and exemption for two assessments on energy suppliers

283 Gary Carlson -refers to Exhibit G, Written Testimony, supporting SB 333
 366 Rep Lokan -refers to high fees associated with Department of Environmental Quality (DEQ)

TAPE 115 SIDE A

015 Rep Welsh -cites another example of exorbitant DEQ fee
 046 Vice Chair Federici CLOSES PUBLIC HEARING ON SB 333
 074 Vice Chair Federici -adjourns meeting at 10:50 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

- A. HB 2275, Kendellen, Written Testimony, 3/14/95
- B. SB 333, Cannon, Written Testimony, 3/15/95
- C. SB 333, McCulley, Written Testimony, 3/15/95
- D. SB 333, Bieberle, Written Testimony, 3/15/95
- E. SB 333, Pederson, Written Testimony, 3/15/95
- F. SB 333, Grainey, Written Testimony, 3/14/95
- G. SB 333, Carlson, Written Testimony, 3/15/95