

HOUSE COMMITTEE ON EDUCATION

February 16, 1993 Hearing Room E 1:30 p.m. Tapes 14 - 15

MEMBERS PRESENT: Rep. Carolyn Oakley, Chair Rep. Jim Whitty, Vice-Chair
Rep. Patti Milne Rep. John Schoon Rep. Larry Sowa Rep. Sharon Wylie

MEMBER EXCUSED: Rep. John Meek

STAFF PRESENT: Linda Sample Brown, Committee Administrator
Carolynn Gillson, Committee Assistant

MEASURES CONSIDERED: HB 2797 - Authorizes school districts to
market bonds with other school districts, PUB HB 2065 - Secretary of
State jurisdiction over school elections, PUB HB 2773 -
Prohibits incarcerated persons from receiving loans, grants or
scholarships, PUB

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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. [--- Unable To Translate Graphic
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TAPE 14, SIDE A

004 REP. CAROLYN OAKLEY, chair: Calls meeting to order at 1:35 p.m.

Public Hearing on HB 2797 Witnesses: Rep. John Schoon Chuck Smith,
Oregon State Treasury Tim Adsit, Perrydale School District John
Marshall, Oregon School Boards Association (OSB A)

009 REP. JOHN SCHOON: Gives the committee background information
on the bill which allows two or more school districts to join
together in their bond issues.

029 CHUCK SMITH, manager of the Debt Management Division, Oregon
State Treasury: Provides an outline concerning school bonds and
local government bonds (EXHIBIT A). > Bulk of bonds for school
purposes in Oregon are general obligation bonds which are backed by
property taxes. These bonds are for capital construction and
improvements and require voter approval before issuance. > School bonds
are exempt from federal income taxes and Oregon state income taxes. >
Both small and large issues have been well received in the market place.
> Talks about small issue bank deductions. > \$802 million school
district obligation bonds outstanding last year. > \$279 million new
school district bonds were issued in 1992. Many were issued to
refinance older higher interest rate bonds as a mechanism for saving
money for school districts. > School districts second largest issuer of
bonds in the state. > Talks about two school bond pool programs for
short-term issuance through the Oregon School Boards Association (OSB
A).

117 SMITH: Explains why a small-term bond program would be of value
to school districts.

143 REP. PATTI MILNE: Would the association through which the
bonds would be marketed be a new organization?

REP. JOHN SCHOON: No, I don't believe it will be a new organization. I am confident the OSB A would be that organization.

170 REP. LARRY SOWA: Does a small school district have the same bond rating or could two smaller school districts go together in order to get a more favorable bond rating?

SMITH: The obligations are solely of the school district. Therefore, the ratings would be individual for each one of the districts. Ratings are expensive and may not be worthwhile for school districts to purchase.

201 TIM ADSIT, superintendent, Perrydale School District: Speaks in favor of the bill. > Talks about their bond levy before the voters on March 23. > Explains the positive side of sharing costs of processing bonds with another school district. It is a way to cut expenditures.

231 JOHN MARSHALL, OSB A: Talks about their pool short-term borrowing program and the Flex Fund through U.S. Bank. Both programs were successful because everyone was ready to go at once. > OSB A plans to work with the bond underwriters to accomplish the intent of this bill.

Public Hearing on HB 2065 Witnesses: Colleen Sealock, Elections Division Greg McMurdo, Department of Education (DOE) John Marshall, Oregon School Boards Association (OSB A)

280 COLLEEN SEALOCK, director of Elections Division, Secretary of State's office: Reviews what the bill accomplishes regarding the Division's authority in school district elections. > This bill also establishes a beginning timeline for remonstrance petitions, and boundary change and merger petitions. > Talks about HB 2276 which will allow the Division to enforce election statutes on prospective initiatives, recalls, referendums, remonstrances and petitions for mergers. > Reviews the problems addressed by the bill. > Refers to the HB 2065-1 amendments.

343 GREG McMURDO, deputy superintendent, DOE: This bill does not include a petition that would propose lengthening a course of study in a union high school district. It is not something that happens under ORS Chapter 330 . The petition is filed under ORS 335.495. > Suggests including on page 2, line 3 and elsewhere the words "or lengthening the course of study by a union high school district."

383 JOHN MARSHALL, OSB A: Zoning petitions should also be included as a possible petition. > Why would the county clerk act as the district election authority rather than the district boundary board? The issue of who is responsible for school district elections needs to be resolved.

TAPE 15, SIDE A

Public Hearing on HB 2773 Witnesses: Mary DeLateur, Department of Corrections (DOC)

002 MARY DeLATEUR, Education Division Administrator, DOC: Talks about the Department's college programs offered through community colleges and WOSC. > The only grant inmates are asked to apply for is the federal PELL grant which averages about \$75,000 a year. The rest of the dollars are from our Inmate Welfare Fund. > Not aware of any

inmates who have applied for or received grants, loans or scholarships through state programs. > No way of monitoring what inmates apply for state grants, loans or scholarships on their own. > Would not like to see legislation passed that would prevent an inmate from continuing his education upon leaving corrections.

CHAIR OAKLEY: You don't feel there is currently a problem this legislation can address.

DeLATEUR: That is the way I see it.

048 REP. SOWA: Have inmates who cannot afford these courses been turned away?

DeLATEUR: In the institution, no. Their own money, the Inmate Welfare Fund is being used to support the program.

REP. SOWA: Is this Inmate Welfare Fund capable of providing an education for an increasing number of inmates?

DeLATEUR: The college piece is the only one funded through the Inmate Welfare Fund. Professional, technical and basic education are funded through the general fund. The Inmate Welfare Fund is large enough to support the college program even if it grows.

081 REP. SHARON WYLIE: It costs so much more to incarcerate somebody than it does to educate them. I can't see any reason to support this legislation.

098 CHAIR OAKLEY: Announces Rep. Meek is excused and adjourns the meeting at 2:15 p.m.

Reviewed and submitted by:

Carolynn Gillson Assistant

EXHIBIT LOG: A - Testimony on HB 2797 - Oregon State Treasury - 1 page
B - HB 2065-1 amendment - Elections Division - 1 page