

Tapes 8 A/B
9 A/B
10 A
ORIENTATION:
RULES & SCHOOL
HOUSE COMMITTEE ON FINANCE
REVENUE AND SCHOOL FINANCE

JANUARY 18, 1993 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Representative Delna Jones, Chair Representative John Schoon, Vice Chair Representative Tom Brian
Representative Mike Burton

Representative Tony
Federici

Representative Fred Girod

Representative Gail

Shibley

Representative Greg Walden

Representative Jim Whitty

Members Excused: Representative Margaret Carter

Witnesses Present: Ramona Kenady, Chief Clerk

Staff: James Scherzinger, Legislative Revenue Officer Terry Drake,
Legislative Revenue Office

Paula McBride, Committee

Assistant

TAPB 8 SIDE A

001 CHAIR JONES: Calls the meeting to order at 9:05 and conducts committee business.

039 JIM SCHERZINGER, LEGISLATIVE REVENUE: Relays specific changes in the House Committee on Revenue and School Finance rules this session, which were drawn up to be consistent with the House Rules (BXHIBIT A).

-The fourteenth rule is a change from the past. The standard used to waive the deadline for the amendments.

170 CHAIR JONES: Asks Committee if they want to change the rule to include a waiver at the discretion of the Chair.

190 REP. BURTON: Asks what the effect is without the waiver. If it does not really change anything, then it may be unnecessary language.

Committee on

Revenue and School Finance

January 18, 1993 Page 2

200 CHAIR JONES: The purpose for the change is to keep individuals from making last-minute changes to the bills without proper notification to the committees.

207 MOTION: CHAIR JONES: Moves to change Rule 14 to include language regarding a waiver of deadline for submitting amendments at the discretion of the Chair.

VOTE: CHAIR JONES: Hearing no objection, the motion

CARRIES. REP. CARTER is EXCUSED.

208 JIM SCHERZINGER: Continues reading rules.

250 CHAIR JONES: Comments on rule 15, which is another change from last session.

270 REP. BRIAN: Asks for clarification on amendment requests.

-If the majority of the committee wants to change the amendments, does Legislative Counsel need to make a new draft before the bill is passed out of committee?

288 CHAIR JONES: States that Ramona Kenady will be contacted regarding this issue.

301 JIM SCHERZINGER: Presents orientation material on Measure 5. -Measure 5 attempts to reduce property taxes.

-Discusses tables in his exhibit which depicted the actual impact of Measure 5 on Oregon property taxes from 1991 forecasted to 1997. Impact on the "General Fund" were also depicted (EXHIBIT B).

TAPE 9 SIDE A

002 JIM SCHERZINGER: Continues explanation of the effects of Measure 5 in Oregon and speaks to the issue of "Why my taxes have not dropped" that concerns citizens (Exhibit B, page 410).

-Discusses how the 1995-97 statistics are determined and estimated.

-Explanation of what the impact beyond 1995-1997 of Measure 5 would be, and explains the sources of his data (Exhibit B, page 5).

NOTE: Scherzinger and committee members discuss and clarify the data and the projection of revenue fluctuations.

260 CHAIR GOLD: Stresses the importance of the committee considering the population growth and inflation when discussing budgetary/fiscal issues.

Committee on

Revenue and

School Finance

January 18, 1993 Page 3

270 JIM SCHERZINGER: Gives forecast figures for "CPI" for future years.

-If the assumptions of this data are accepted, the figures on of Table 1-15 are valid on the impact of Measure 5 regarding local school resources and the General Fund (Exhibit B, page 5).

-Continues discussing and answering questions on the handout.

TAPE 8, SIDE B

002 JIM SCHERZINGER: Continues with questions and discussion concerning the caveats introduced with Measure 5.

-Explains the data on page 7 (Tax Share of Income), which was based on census data, represents the total tax burden in Oregon (Exhibit B, page 7).

-Reviews the data on the last page entitled "Direct Tax Burden: Total State & Local Taxes," and the "Estimated Initial Impact of Oregon State and Local Taxes on Households and Business: Selected Fiscal Years" (Exhibit B, page 8).

335 CHAIR JONES: Recesses the meeting at 10:25 and reconvenes at 10:46.

341 RAMONA RENADY, CHIEF CLERK OF THE HOUSE: Explains to the members the changes in the committee rules.

-Filing a minority report has a 48 hour or two-day time frame from 5:00 p.m. the day after the work session was held.

-The waiver was left out of the rules so all interested in submitting amendments could do so. The committee can motion to suspend the rules at any time, so there was no need to add the waiver language (Exhibit A, page 2, rule #14).

TAPE 9 BIDE B

002 KENADY: Explains in detail rule #15 (Exhibit A, page 2).

NOTE: The committee clarified issues with the Chief Clerk regarding the rules. no motions were made nor were the rules adopted. The adoption of the rules was predicted to occur January 19, 1993 (the next meeting of the committee).

204 TERRY DRAKE, LEGISLATIVE REVENUE: Presents orientation material on "Oregon's School Finance System." Because of the shortness of time, he began his presentation with a brief historical perspective of school finance in Oregon and policy changes related to school finance. He discusses the problems with making forecasts. He believes that Measure 5 caused the largest single change in school funding ever in Oregon, and that the three major policy questions for the committee were:

Committee on
- Revenue and School Finance
January 18, 1993 Page 4

the distribution formula through K-12, ESD's (regional services), formula
for and distribution of funds to the system of community colleges (EXHIBIT
C).

TAPE 10 SIDE

A

021 DRAKE: Discusses "Oregon School Rankings" in comparison with other
western states. -The category of current expenditures per pupil includes
all expenses except capital expenditures (Exhibit C, page 9 (E6)).

107 CHAIR JONES: Adjourns the meeting at 11:26 a.m.

Submitted by: Reviewed by:
Katy Yetter Kimberly James Taylor
Committee Clerk Office Manager

EXHIBIT LOG:

A - Proposed House Committee Rules for Revenue - 2 pages
B - Measure 5 - J. Scherzinger - 6 pages
C - Oregon's School Finance System - T. Drake - 16 pages