

Tapes 61-62 A/B
Public Hearing SB 13A
SB 276
SB 304

SENATE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
MARCH 1, 1993 1:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair Senator Brady Adams Senator
Ron Cease Senator Rod Johnson Senator Peg Jolin (arrival 2:25) Senator Paul
Phillips Senator Tricia Smith (arrival 2:25)

Witnesses Present: Michael Graine, Department of Energy Susan Schnieder,
City of Portland Denise McPhail, Portland General Electric Tom O'Connor,
Eugene Water & Electric Board Dick Briggs, Eugene Resident Scott O'Donnell,
Senator Dwyer's Aide

Staff: James Scherzinger, Legislative Revenue Officer
Terry Drake, Legislative Revenue Office
Richard Yates, Legislative Revenue Office
Jennifer Belkle, Committee Assistant

TAPE 61 SIDE A

009 CHAIR GOLD called the meeting to order at 1:55 p.m.

013 TERRY DRAKE gave testimony regarding the first computer generated
statistical runs regarding the reduction in dollars to school systems,
district by district (school district runs). He explained the process that
generates these numbers. Exhibit 1.

Questions and discussion.

080 TERRY DRAKE explained the difference between the proportional and
unconstrained formulas and their respective impact upon the numbers
generated.

Questions and discussion.

115 TERRY DRAKE spoke of the time frame legally upheld for the equalization
process.

140 TERRY DRAKE walked through an explanation of the numbers given, using
Clackamas County as an example.

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These minutes paraphrase and/or summarize statements made during this
meeting. Text enclosed in quotation marks reports the speakers exact words.
For complete context of proceedings, please refer to the tape recording.

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170 JIM SCHERZINGER explained in more detail how the reductions in school
districts are affected by growth of students in the district and other
factors.

Questions and discussion interspersed.

225 JIM SCHERZINGER pointed out that this information does not indicate the
amount, if any, of district carryover funds.

233 TERRY DRAKE continued his discussion on the school district runs.

Questions and discussion interspersed.

TAPE 62 SIDE A

001 Questions and discussion continued on the school district runs.

020 TERRY DRAKE confirmed that there has been concern expressed on the alleged "nonrepresentative" committee that studies the school distribution formula.

Questions and discussion.

055 CHAIR GOLD opened the public hearing on SB 13A.

056 DICK YATES introduced SB 13A with a brief history and explanation. Exhibit 2.

100 MICHAEL GRAINEY testified regarding the Department of Energy's position regarding SB 13A, which is to lower the tax credit for alternative energy devices. Exhibit 3.

Questions and discussion interspersed.

280 SUSAN SCHNIEDER testified in support of SB 13A. Exhibit 4.

311 DENISE MCPHAIL testified regarding SB 13A. She asserted that these programs are vital and urged the Committee not to reduce the tax credit currently offered.

344 TOM O'CONNOR testified regarding SB 13A. He expressed his opinion that these programs are an important aspect of energy conservation.

373 CHAIR GOLD opened the public hearing on SB 276.

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380 DICK YATES introduced SB 276 which allows credit against state income tax liability equal to 50% of earned income credit allowed for federal income tax. Exhibit 5.

TAPE 61 SIDE B

001 DICK YATES continued his introduction of SB 276.

025 DICK YATES outlined some current problems in this bill. He indicated that this bill has a revenue impact of approximately \$20 million dollars.

075 CHAIR GOLD opened the public hearing on SB 304.

080 DICK YATES introduced and explained SB 304 which modifies the retirement income credit. He directed members' attention to a table that shows the maximum pension credit under current law. Exhibit 6.

Questions and discussion.

145 DICK BRIGGS testified in support of SB 304. He expressed his concern of the plight of those elderly in lower income brackets that are on the brink of becoming dependent upon the state, and felt that this bill would help maintain their dignity and independence.

225 SCOTT O' DONNELL testified on behalf of Senator Dwyer on the genesis of SB 304. Exhibit 7.

232 CHAIR GOLD adjourned the meeting at 3:05 p.m.

Jennifer Belkle, Committee Assistant

Kimberly Taylor, Office Manager

Exhibit Summary

1. Drake, Proportional Reduction School District Runs
2. Fiscal Impact Statement for SB 13A
3. Graine, Testimony for March 1, 1993 on SB 13A -
4. Schnieder, Testimony for March 1, 1993 on SB 13A
5. Yates, Graph on Federal Earned Income Credit, 3-93
6. Yates, Table on Maximum Pension Credit

7. O'Donnell, Testimony from Senator Bill Dwyer on SB 304, 3-1-93
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