

Tapes 80-81 A/B  
Public Hearing SB 540  
SENATE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE  
MARCH 15, 1993 1:00 AM HEARING ROOM A STATE CAPITOL  
BUILDING

Members Present: Senator Shirley Gold, Chair  
Senator Paul Phillips, Vice-Chair (departure  
1:00)

Senator Brady Adams  
Senator Ron Cease (departure 3:00)  
Senator Rod Johnson

Members Excused: Senator Tricia Smith

Witnesses Present: Greg McKenzie, Member,  
West Linn - Wilsonville  
School Board

Chris Castaldi, Resident, West Linn  
Jeffrey Chicoine, Resident, West Linn  
D. Cox, Superintendent of Schools, West Linn  
Gary Conkling, Beaverton School District  
Yvonne Katz, Superintendent, Beaverton School  
District

Bill Korach, Lake Oswego School District  
Bill Hill, Superintendent, Sherwood School  
District

Fred VanNatta, Oregon State Homebuilders  
Association

Beverly Burke, Resident, West Linn  
Joe Krumm, North Clackamas School District  
Margaret Nichols, Eugene Public Schools  
Russ Joki, Tigard-Tualatin School District  
Alan T. Jones, Resident, Tigard  
Bruce Anderson, Oregon State Homebuilders  
Association

Staff: Steve Meyer, Legislative Revenue Office  
Jennifer Belkle, Committee Assistant

TAPE 80 SIDE A

005 CHAIR GOLD called the meeting to order at 1:30 p.m.

008 CHAIR GOLD opened the Public Hearing on SB 540.

010 SEN. JOYCE COHEN testified in support of SB 540 regarding equity fees  
for schools. She explained the theory behind the bill. She stated that it  
is necessary to find some ways to encourage the recouping of funds for  
capital new development.

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.  
Senate Committee

on

Revenue and School Finance March 15, 1993 Page 2

056 GREG MCKENZIE testified regarding the problems affecting the West Linn  
school district. He outlined the school district growth over the last ten  
years of time. He summarized bond levies authorized to build capital  
facilities to accommodate the growth. He stated that these bond levies are  
becoming less popular, and the community is tiring of funding these bonds.  
He informed the Committee that communities want developers, who are

profiting from the growth, to help offset the cost of the development of capital facilities. He stated that similar measures are used for infrastructure of the community, and schools are no less important.

130 CHRIS CASTALDI testified regarding SB 540. She stated that there needs to be a fair formula to offset the costs to the community.

147 JEFFREY CHICOINE testified to the need of a fair and progressive system to offset the costs of capital developments in the school district.

Question and discussion.

188 GREG MCKENZIE stated that the school district does not currently have the authority to levy for system development charges.

210 GREG MCKENZIE stated that local government can levy charges only on streets, water, and sewers.

216 D. COX testified to the difference between this bill and system development fees issues. He stated that under the current system, the growth of a community dilutes the capital assets of a district and the entire community must subsidize the capital developments.

258 D. COX testified regarding his solution to this difficulty.

Questions and discussion.

350 GARY CONKLING gave a brief background regarding the Beaverton School District's approach to growth related issues in this session and previous sessions. He spoke of current legislation for a statewide school construction fund and better coordination for school facility planning as a part of city/county comprehensive planning .

380 YVONNE KATZ testified in support of SB 540.

Exhibit 1.

She stressed that the school district can no longer afford to pay the entire cost to accommodate this growth. She underscored the necessity of financial tools to accommodate student enrollment growth.

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Senate Committee

on

Revenue and School Finance March 15, 1993 Page 3

TAPE 81 SIDE A

001 YVONNE KATZ continued her testimony regarding SB 540.

040 YVONNE KATZ directed members' attention to a chart of potential systems development charges per new housing unit. Exhibit 2.

Questions and discussion.

074 SEN. COHEN testified that SE 540 does not limit the districts in terms of the percentage of the costs that could be recouped.

Questions and

discussion

115 BILL KORACH testified in support of SB 540. He stated that there needs to be an equitable manner to share the cost of development. Exhibit 3.

188 BEVERLY BURKE testified in support of SB 540.

255 BILL HILL testified in support of SB 540. He stated that although his district is smaller than many of the districts testifying today, his district is experiencing similar difficulties. Exhibit 4.

285 FRED VAN NATTA testified regarding SB 540. He stated that the Oregon State Homebuilders Association is concerned about the responsibility placed on developers to finance school district growth. He discussed the political and economic ramifications of putting this responsibility on developers/new construction. He expanded on difficulties presented by this bill.

TAPE 80 SIDE B

001 FRED VAN NATTA continued testimony on SB 540.

Questions and discussion.

135 FRED VAN NATTA stated that he believed that by adding to the costs of

new homes, many problems emerge.

190 FRED VAN NATTA pointed out the differences between this bill and a systems development charges bill.

250 JOE KRUMM testified in support of SB 540. He echoed earlier sentiments of the burden placed on local school districts to finance capital developments resulting from explosive development.

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Senate Committee

on

Revenue and School Finance March 15, 1993 Page 4

320 MARGARET NICHOLS testified in support of SB 540. Exhibit 5. She asserted that as the school systems in this state begin to decline, the public will lose interest in funding them. She stated that this bill requires new home buyers/builders to "buy into" the equity of the school district.

TAPE 81 SIDE B

001 MARGARET NICHOLS continued her testimony in regards to SB 540.

020 RUSS JOKI stated his support for SB 540.

025 ALAN JONES testified regarding the growth of his school district and its impact. He stated that education is as important as other infrastructure concerns. He believed it is equitable for developers to help finance the resulting burden placed upon the local school district.

091 RUSS JOKI echoed the concerns expressed by other school districts.

100 SEN. ADAMS inquired of the necessity of moratoriums to combat the current situation in the school districts if this bill is not passed.

105 BRUCE ANDERSON testified in response to the questions regarding how to deal with the growth in the school districts.

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

Jennifer Belkle Committee Assistant

Kimberly Taylor, Office Manager

Exhibit Summary

1. Katz, Testimony on SB 540, 3-15-93

2. Katz, Chart of Potential Systems Development Charges Fees Per New Housing Unit

3. Korach, Lake Oswego School District Packet

4. Hill, Testimony on SB 540 from Sherwood School District, 3-15-93

5. Nichols, Testimony regarding SB 540 Eugene 4J School District

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