

Tapes 98-99 (A/B) Tape 100 (A) Work Session: SB 550A Overview: SB 815A  
HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE . March 4, 1991 8:00 AM  
Hearing Room A State Capitol Building

Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty Staff Present: Steve Meyer, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: John Marshall, Oregon School Boards Association (OSB A) Randy Franke, Marion County Commissioner Gil Riddell, Association of Oregon Counties (AOC) BJ Smith, League of Oregon Cities Jeri Schenell, City Administrator, Sweet Home Ramona Kenady, House Chief Clerk TAPE 98 SIDE A 005 CHAIR JONES called the meeting to order at 8:11 and conducted administrative business. WORK SESSION - SB 550A 030 REP. HOSTICKA referred to Proposed Amendments SB 550-A4 which impose a moratorium on property tax elections in May for purposes of operating tax bases. Elections other than property taxes and bond elections outside of the limit would be allowed in May. Reference was made to the 1991 Local Elections Calendar and the June election date was addressed. Exhibits 1, 2 062 CHAIR JONES clarified that SB 550-A4 amendments refer to local governments and schools which are affected by Measure 5. 072 REP. WHITTY was concerned with tighter restrictions placed on safety net districts.

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Page 2

086 JOHN MARSHALL noted his first priority was to maintain status quo as far as the election dates are concerned. If a limit must be placed on elections, then he would support SB 550-A4 amendments. 163 Questions and discussion regarding election dates. 258 REP. BURTON questioned the pros and cons of SB 550-A4. 260 JOHN MARSHALL responded the school districts lose an opportunity for a levy election prior to the beginning of the fiscal year on July 1. 268 REP. HOSTICKA explained proposed amendments SB 550-A4 will provide an opportunity to review the issue of elections in detail. 318 Questions and discussion regarding effects on safety net districts from proposed amendments SB 550-A4. 375 Questions and discussion regarding compression for school districts. 393 REP. WHITTY commented on Section 5 in Ballot Measure 5 which addresses Constitutional limits and the effect on safety net districts. TAPE 99 SIDE A 007 Questions and discussion regarding a loss incurred if school districts are successful in authorizing a levy over the \$15 cap. 034 REP. WHITTY commented on the unfairness to safety net districts regarding replacement revenues. 047 JOHN MARSHALL responded that districts are encouraged to seek approval of an automatic levy authority. 053 CHAIR JONES referred to a document depicting the calculation for the minimum state replacement in 1991-92 for schools. Exhibit 3 070 Discussion follows regarding the state's obligation to schools. 113 Questions and discussion regarding reductions in state replacement revenues. 131 RANDY FRANKE discussed eight counties which would be impacted if May elections were not allowed. He described a situation involving Crook County. 196 GIL RIDDELL explained that all local nonschool governments in Crook County were given levy authority and are at the limit.

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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. House Committee on Revenue and School Finance March 4, 1991 Page 4 142 REP. HOSTICKA commented on testimony that local governments need repeated attempts in order to pass a levy. He predicted a voter reaction in May which will make it more difficult to come up with a restructuring plan which Oregonians will support. 160 CHAIR JONES was concerned with the committee's prior decision on the issue of a May election moratorium without testimony from those who would be impacted. 175 VOTE In a roll call vote, the motion failed. (1-8) AYES: Rep. Hosticka. NAYS: Representatives Clarno, Nelson, Parkinson, Schoon, Whitty, Burton, Clark, Jones. 180 Questions and discussion regarding House Rules and voting procedures. 182 CHAIR JONES recessed the meeting at 9:17 and reconvened the meeting at 9:40 as a subcommittee until a quorum was reached at 9:41. 204 MOTION REP. HOSTICKA moved SB 550A as amended (SB 550A-2) to the floor with a do pass recommendation. 210 DISCUSSION 230 VOTE \* In a roll call vote, the motion was adopted. (8-0) AYES: Representatives Parkinson, Schoon, Whitty, Burton, Clark, Clarno, Hosticka, Jones. 259 CHAIR JONES asked for clarification of the committee's action to reconsider a motion to amend a measure that has already been voted on. 263 RAMONA KENADY explained that a measure is open to amendments as long as the measure is in the committee's possession and under a work session. 289 Questions and discussion regarding House rules. SB 815A OVERVIEW (SHORT TERM SCHOOL DISTRIBUTION) 360 CHAIR JONES requested an update on SB 815. 399 JIM SCHERZINGER reviewed Senate Bill 815 Major Policy Summary. Exhibit 4 TAPE 99 SIDE B 021 Discussion and questions follow regarding a special equalization

account of SB 815. 054 REP. WHITTY questioned using per student cost instead of addressing other issues.

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. House Committee on Revenue and School Finance March 4, 1991 Page 5 065 JIM SCHERZINGER explained SB 815 is a one-year formula and other factors will be dealt with in a long term formula (a separate bill). 073 Discussion follows regarding factors used in determining distribution. 094 CHAIR JONES asked for an explanation between the old Basic School Support formula and the frozen formula. 100 JIM SCHERZINGER explained the old formula was comprised of three parts: 1) Transportation off the top. 2) 30 percent of the balance ~for equalization. 3) 70 percent for basic. Questions are interspersed. 130 JIM SCHERZINGER described how the 1989 Legislature froze the formula making allowances for inflation and changing student enrollment. Hold harmless was addressed. 179 REP. WHITTY discussed a school district's use of transportation funds. 192 REP. HOSTICKA voiced his concern regarding distribution of school funds. 205 REP. SCHOON voiced his concern regarding a solution for school distribution. 225 Questions and discussion regarding SB 814 (long term distribution formula). 269 JIM SCHERZINGER continued his review of SB 815 Major Policy Summary with reference to K-12 replacement. Exhibit 4 330 Questions and discussion regarding state replacement requirement. 390 JIM SCHERZINGER referred to HB 5063 which deals with replacement appropriations. TAPE 100 SIDE A 004 Questions and discussion regarding Senate Revenue Committee work on SB 815 and SB 814. 011 REP. HOSTICKA questioned impact from a \$30 million equalization fund. 020 JIM SCHERZINGER reviewed appropriations in HB 5063 and uncertainties affecting replacement revenue. 037 Questions and discussion regarding new construction impact on the tax rolls. . . 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. House Committee on Revenue and School Finance March 4, 1991 Page 6

050 Discussion and questions follow regarding estimates and evaluating value growth across the state. 075 MOTION REP. PARKINSON moved to allow Rep. Nelson cast his vote on SB 550 . 079 ORDER There being no objection, CHAIR JONES so ordered. 075 VOTE \* REP. NELSON voted aye. Final vote 9-0. 077 JIM SCHERZINGER continued his review of SB 815 Major Policy Summary referring to Community College Replacement. Exhibit 4 083 CHAIR JONES conducted administrative business and adjourned the meeting at 10:29.

Linda Leach, Committee Assistant

Kimberly Taylor , Office Manager EXHIBIT SUMMARY 1. Proposed Amendments to A-Engrossed Senate Bill 550, SB 550-A4, Rep. Hosticka, 3/1/91 - SB 550 2. 1991 Local Elections Calendar, LRO, 3/4/91 - SB 550 3. Proposed Amendments to A-Engrossed Senate Bill 550, SB 550-A2, 2/26/91 (see Exhibit 5 from 2/27/91 House Revenue Meeting) SB 550 4. Senate Bill 815 Major Policy Summary, LRO, 3/4/91 - SB 815 5. Fiscal Analysis SB 550A, LFO, 3/1/91 - SB 550

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