

Tapes152-153(A/B) Work Session SB 81SA, HB 2609 HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE

April 11, 1991 8:00 AM Hearing Room A State Capitol Building

Members Present: Representative Delna Jones, Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Member Excused: Representative Carl Hosticka, Vice-Chair Representative Jim Whitty Staff Present: Jim Scherzinger, Legislative Revenue Officer Terry Drake, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Ozzie Rose, Education First Coalition, Confederation of Oregon School Administrators Representative Cedric Hayden, District 38 Representative Ron Sunseri, District 22 TAPE 152 SIDE A 005 CHAIR JONES called the meeting to order at 8:20 and conducted administrative business. WORK SESSION - SB 815A 035 OZZIE ROSE reviewed a revised Coalition Proposal for SB 815 dated April 8, 1991 and Proposed Amendments to SB 815-A9, dated 4/5/91. Exhibits 1, 2 100 Questions and discussion interspersed. 107 OZZIE ROSE reviewed blackboard outline of coalition proposal. Exhibit 3 130 Questions and discussion regarding reasons why the Coalition revised their proposal. 157 OZZIE ROSE wanted to continue work on the second-year school funding. Questions and discussion regarding "borrowing" from second-year.

.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 April 11, 1991 Page 2 199 OZZIE ROSE commented on individual district needs and "cash flow management" ideas from the Coalition. 210 Questions and discussion regarding individual school district decisions relating to "cash flow management". 239 REP. SCHOON was concerned if individual school districts are allowed to use money from the second-year funding for the first year. 254 OZZIE ROSE explained factors which cause a shift from first-year, and second-year calculations. 275 Questions and discussion. 300 Questions and discussion regarding 6% growth factor. 340 CHAIR JONES explained factors affecting SB 815 (short-term school funding) are different than factors affecting SB 814 (long-term school funding). 357 Questions and discussion regarding projected revenue for second-year funding under SB 815. TAPE 153 SIDE A 006 REP. SCHOON believed a school district could be hurt in long-term financing if second-year funds are used in the first year. 022 Questions and discussion regarding assumptions relating to urban renewal savings. 054 CHAIR JONES discussed a balance between known and unknown factors, projections and assumptions. 071 Questions and discussion regarding May elections and effect on safety net districts. 080 CHAIR JONES commented on three areas which will impact individual districts: 1) Increase basic. 2) \$13.8 million to help low spending districts. 3) Additional 6% growth to all districts. 100 Questions and discussion regarding school finance simulations (without elections). 130 Questions and discussion regarding impact on timber communities from Coalition Plan C. 153 JIM SCHERZINGER referred to the most recent simulation for Coalition Plan B. Exhibit 5

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SCHERZINGER reviewed Impact of SB 815 Policy Decisions. Exhibit 4 Questions and discussion interspersed regarding offsets. TAPE 152 SIDE B 001 JIM SCHERZINGER continued review of Impact of SB 815 Policy decisions. Exhibit 4 Questions and discussion interspersed regarding May elections, 6% growth, and urban renewal. 098 CHAIR JONES clarified the issue of school revenue distribution compared to the state's obligation for replacement. 100 Questions and discussion regarding proposed formula not accounting for approved May levies. 202 CHAIR JONES conducted administrative business regarding Revenue committee's schedule. 230 JIM SCHERZINGER explained Proposed Amendments to SB 815-A9 resolves a problem relating to Harney County by aggregating the distribution for Harney County school districts and allowing the State Board of Education to allocate money by rule. 237 Questions and discussion regarding a Harney County problem. 250 CHAIR JONES recessed the meeting at 9:36 and reconvened the meeting at 10:02. WORK SESSION - HB 260 9 281 REP. PARKINSON discussed urban renewal issues reviewed in the Subcommittee on Property Taxation and changes because of Ballot Measure 5. He referred to Proposed Amendments to HB 2609-7, 4/10/91 which reflect a strict notification requirement (not a vote requirement). Exhibits 7, 8 363 REP. HAYDEN requested the committee restore Section 8 which provides for a required vote on an urban renewal plan. He reviewed projects which could be funded under tax increment financing which would be outside the limits of Ballot Measure 5.

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TAPE 153 SIDE B 004 Questions and discussion regarding the salaries of urban renewal project staff. 013 REP. HAYDEN continued with his testimony and emphasized that a local vote is essential. He reviewed testimony received by the Subcommittee on Property Taxation. Questions and discussion interspersed. 096 REP. HAYDEN explained if the committee will not reinstate Section 8 (vote required), then empower the authorized agency to call an election and include strict notification requirements. 106 Questions and discussion regarding Rep. Hayden's "fallback" position. 118 REP. SUNSERI supported a required vote for urban renewal districts and reviewed Gresham's urban renewal charter which contains a vote requirement. 184 Questions and discussion regarding Gresham's urban renewal charter. 275 CHAIR JONES conducted administrative business and adjourned the meeting at 10:31.

Linda Leach, Committee Assistant Kimberly Taylor, Officer Manager  
EXHIBIT SUMMARY 1. Proposed Amendments to SB 815-A9, 4/5/91, Ozzie Rose - SB 815 2. SB 815 Coalition Proposal, 4/8/91 - SB 815 3. Blackboard Illustration, SB 815 - Coalition, LRO, 4/11/91 - SB 815 4. Impact of SB 815 Policy Decisions, LRO, 4/11/91 - SB 815 5. School Finance Simulation, Coalition B (see Exhibit 4 from House Revenue 4/1/91 meeting) SB 815 6. Testimony from Richard Kidd, Forest Grove Chamber of Commerce, 3/14/91 - SB 815 7. Proposed Amendments to HB 2609-7, 4/10/91, LRO - HB 2609 8. Urban Renewal Recommendation HB 2609-7, LRO, 4/10/91 - HB 2609

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