

Tapes 250 (A/B), 251 (A), 252 (A), 253 (A) Public Hearing: HJR 68 Work Session: SB 814A HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE June 17, 1991 1:00 PM Hearing Room E State Capitol Building Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty Members Excused: Representative Kelly Clark Staff Present: Steve Bender, Legislative Revenue Office Terry Drake, Legislative Revenue Office Betty Shuholm, Committee Assistant Witnesses Present: Bob Cantine, Assoc. Oregon Counties B. J. Smith, League of Oregon Cities Walter Kosher, Dept. of Education John Marshall, Oregon School Boards Assoc. Ozzie Rose, Conf. of Oregon School Administrators TAPE 250 SIDE A Due to a faulty sound system, portions of this tape do not contain a recording. 005 CHAIR DELNA JONES called the meeting to order at 1:16 p.m. PUBLIC HEARING - HJR 68 010 CHAIR DELNA JONES discussed the background to the bill. 030 BOB CANTINE testified in support of HJR 68, stating the counties and cities want to work in cooperation with the State legislature in providing public services. His organization would work together toward common goals. 076 B. J. SMITH stated that HJR 68 presented the forum of a joint goal for tax reform. SMITH gave a report of the fiscal effects and the funding trends in California since the passage of Measure 13. Time was needed to consider consolidation of services and different ways of delivering services. Then it would be possible to compile the list of revenues needed and how they will be accumulated over the long term.

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 June 17, 1991 Page 2 149 CHAIR JONES discussed administrative details and then appointed Representatives Mike Burton and Bev Clarno to a subcommittee on HJR 68. WORK SESSION - SB 814 A 206 CHAIR JONES acknowledged Nina Wooster and William Lenon from Sandy, Oregon and stated their letters were to be part of the record regarding SB 814 . Exhibits 1, 2 230 TERRY DRAKE presented his drafts covering proposed funding of SB 814. Exhibit 3 259 Questions and discussion followed. 302 TERRY DRAKE reported that there was a \$31 million change due to the change in the poverty weight and further explained the calculations for the simulations. The rate would be about \$10.50 for the district without the ESD and the community colleges. 329 CHAIR JONES clarified that in Run No. 21 the assumption was made that the districts were at the maximum for Measure 5 for the 1992-93 biennium. 339 TERRY DRAKE stated calculation was made for the average but not an individual limit for each individual district. 347 TERRY DRAKE discussed the inclusion of the tax base or levy in the simulations. 368 REP. WHITTY asked how much money was needed to move the maximum from minus 5 to minus 2. 395 TERRY DRAKE replied that the net amount of money to move from minus 5 to minus 2 was approximately \$37 million. DRAKE explained the effect of changing the weighting factors and the effect of distribution to the districts. TAPE 251. SIDE A 006 TERRY DRAKE discussed the funding made through local effort and the effect made by the percentage of poverty children. 019 Questions and discussion followed regarding the effect of the changes on school districts. 036 CHAIR JONES clarified that the adjustment made for poverty and the local effort, was reflected in the 5th column.

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words. For complete context of proceedings, please refer to the tape recording. House Committee on Revenue and School Finance June 17, 1991 Page 3 098 REP. WHITTY observed that if each school district was brought to hold-harmless, then some districts would be brought down; others would not be affected. 115 Discussion followed. 136 TERRY DRAKE referred to Runs 17 and 21, explaining the application to the Jewell School District. See Exhibit 17, 611-91. 202 REP. WHITTY reviewed requests of funding made by school districts. 300 TERRY DRAKE stated there would be continual updates of information until October. The computer simulation would show trends but was not a budget document. The Education Dept. would develop administrative rules, and more accurate information from different sources would be available. 340 CHAIR JONES called a recess at 2:08 p.m. and reconvened at 2:19 p.m. (The tape was not used beyond this reading on this side.) TAPE 250, SIDE B 022 WALTER KOSHER testified that some oil and gas resource dollars were shown in school district budgets and audits as a resource and not as an offset. 033 TERRY DRAKE confirmed that SB 814A did not take oil and gas dollars as a resource into account. 035 REP. PARKINSON suggested that a program could be crafted for these particular districts. 054 CHAIR JONES referred to Title I funding, and whether they were used as a resource. 064 WALTER KOSHER replied that those revenues were resources to the school districts. 076 TERRY DRAKE further confirmed that any bonded indebtedness would not be shown in any of the figures. 090 Discussion followed regarding the 70% figure for transportation costs. 133 CHAIR JONES recessed the meeting at 2:37 p.m. due to a faulty sound system. The meeting reconvened in Hearing Room D at 2:45 p.m. (No further transmissions are on this tape.)

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TAPE 252, SIDE A 006 TERRY DRAKE continued explanation of the data basis for the level of transportation support and development of a model reflecting these costs. 025 REP. SCHOON stated that if the State contributed 70% and the districts 30%, extra funding would not be included for transportation or other activities that would not be prudent. 039 CHAIR JONES observed that the information needed to be in a form that could be used during the next session and gave further direction to staff. 174 CHAIR JONES reported the Ways and Means chairs expressed concern about how the money flowed through this formula, and therefore information was needed regarding distribution. 187 Discussion followed regarding the cost per student after the change. 254 CHAIR JONES suggested that the figures in the new runs would not be reflective of total resources, but would only be the State and local property taxes. 267 REP BURTON stated Run #21 reflected current operating expenditures per student. 273 TERRY DRAKE reported that oil and gas receipts from the tax on oil and gas were constitutionally dedicated to the common school fund. Common school funds were taken into account in the formula. There were some local governments that actually own the oil and gas rights, which would be received as a resource. 278 REP. HOSTICKA explained the historical background to the local governments receiving the royalties from the oil and tax receipts. 289 JOHN MARSHALL clarified that counties were allowed 10% of the royalty receipts for administration and the balance was distributed to all taxing districts in the county according to the percent schedule of distribution. 304 Discussion followed regarding the Chapter I monies and the funds for the disadvantaged and migrants. 333 Discussion then

occurred regarding the rates for the union high school districts. TAPE 253, SIDE A

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 ~ Revenue and School Finance June 17, 1991 Pages 010 TERRY DRAKE described the procedure used in arriving at the simulations. 023 REP. WHITTY observed that the whole system did not deal with the type of assessed value where there were absentee homeowners, not making themselves available to the school system. 032 TERRY DRAKE further explained the method which dealt with absentee homeowners. 050 CHAIR JONES discussed administrative matters. 169 CHAIR JONES adjourned the meeting at 3:22 p.m.

Betty Shuholm, Committee Assistant Kimberly Taylor, Office Manager  
Exhibit Summary: 1. Letter from Nina Wooster - SB 814A 2. Letter from William Lenon - SB 814 3. School Finance Simulation #21, 6-17-91

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