

Tapes 266-267 (A/B) Public Hearing: SB 95A, SB 828A, SB 857B Work
Session: SB 95A, SB 828A, SB 857B, SB 814B HOUSE COMMITTEE ON REVENUE
AND SCHOOL FINANCE

June 25, 1991 2:00 PM 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: Jim Scherzinger, Legislative Revenue Officer Steve
Bender, Legislative Revenue Office Dick Yates, Legislative Revenue
Office Linda Leach, Committee Assistant

Witnesses Present: Mike Grainey, Department of Energy Terrie Heer,
Oregon Heat Commission Representative Larry Sowa, District 26
Representative Ron Cease, District 19 Representative Tom Novick,
District 16 Jim Brown, Department of Revenue David Nebel, Oregon Legal
Services Frank Brawner, Oregon Banking Association Ozzie Rose,
Confederation of Oregon School Administrators Wes Smith, Newberg
Superintendent TAPE 266 SIDE A

005 CHAIR JONES called the meeting to order at 2:07 and conducted
administrative business.

PUBLIC HEARING - SB 95A

015 MIKE GRAINEY testified in support of SB 95A and summarized his
prepared testimony. Exhibit 1

028 TERRIE HEER testified in support of SB 95A and read her prepared
testimony. Exhibit 2

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 June25,1991
Page 2 040 Questions and discussion interspersed. 054 DICK YATES
reviewed a change made by the Senate Revenue Committee which removed the
current refundable nature of the tax credit. WORK SESSION - SB 95A 060
MOTION REP. PARKINSON moved SB 95A to the floor with a do pass
recommendation. 065 VOTEIn a roll call vote, the motion was adopted
(6-0). AYES: Reps. Whitty, Clarno, Nelson, Parkinson, Hosticka, Jones.
EXCUSED: Burton, Clark, Schoon. PUBLIC HEARING - SB 828A 088 REP.
HOSTICKA referred to testimony from Rep. John Minnis in support of SB
828A. Exhibit 6 090 REP. SOWA testified in support of SB 828A and
explained a health hazard sewer annex situation in Oregon City and other
areas in Oregon. 114 REP. NOVICK supported SB 828A and emphasized the
increased tax credit from a current \$150 per year to \$200. He addressed
the sewer hook-up project in Multnomah County and a current five year
tax credit to help offset the cost of the sewer hook up. SB 828A
increases the current \$750 tax credit (over five years) to \$1000. He
reviewed the number of homes under a sewer mandate. 136 REP. CEASE
testified in support of SB 828A and gave examples of people who need the
tax credit because of the hardship created by the sewer hook-up mandate.
178 REP. PARKINSON was concerned with other areas which did not receive
a tax credit for previous sewer hook-ups. 163 Questions and discussion
regarding a retroactive portion in SB 828A. 186 Questions and

discussion regarding the amount of the tax credit. 195 CHAIR JONES noted her concern that the original revenue impact of \$75,000 has grown considerably. She questioned the original version of SB 828 compared to SB 828A. Exhibit 7 213 DICK YATES explained that SB 828 did not increase the total tax credit from \$750 to \$1000 (over five year period). SB 828 backdated the tax credit to January 1, 1988 and did not have sunset (there is a cap in SB 828A). The Senate Revenue Committee added Section 2 which provides for a retroactive payment of the increased tax credit.

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Reps. Clarno, Nelson, Whitty, Hosticka, Jones. NAYS: Rep. Parkinson.
EXCUSED: Reps. Schoon, Burton, Clark. PUBLIC HEARING - SB 857B 209
DAVID NEBEL supported SB 857B which would improve on a tax credit passed
during the 1989 Legislative Session and would encourage people to
rehabilitate and develop farm labor housing. 268 FRANK BRAWNER
supported SB 857B and agreed with testimony from David Nebel. 281 DAVID
NEBEL pointed out that the current tax credit has not been used
extensively. 307 DICK YATES reviewed Revenue Analysis for SB 857B.
Exhibit 10

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WORK SESSION - SB 857B 310 CHAIR JONES summarized why the current tax
credit was unworkable and how SB 857B will make the tax credit more
functional. 329 MOTION REP. BURTON moved SB 857B to the floor with a
do pass recommendation. 330 VOTE In a roll call vote, the motion was
adopted (6-0). AYES: Reps. Nelson, Parkinson, Burton, Clarno, Hosticka,
Jones. EXCUSED: Reps. Schoon, Whitty, Clark. 343 CHAIR JONES conducted
administrative business and recessed the meeting at 3:00. She reconvened
the meeting at 6:47. WORK SESSION - SB 814B 382 CHAIR JONES referred to
Proposed Amendments SB 814-B38. Exhibit 14 TAPE 266 SIDE B 002 OZZIE
ROSE reviewed Proposed Amendments SB 814-B38 and pointed out the
Targeted Grant formula (Section 4, subsection 3). He reviewed factors
with value and those without value. He explained an interim review of
factors and possible weighting factors. 049 Questions and discussion
interspersed (review of factors and timing of review). 075 REP. BURTON
questioned a section relating to high growth enrollment. 085 OZZIE ROSE
referred to language of extraordinary enrollment on page 3, line 16.
Exhibit 14 090 Questions and discussion regarding mechanics of
adjustments. 109 REP. WHITTY was concerned with Section 4, subsection 7
(c) of Proposed Amendments SB 814-B38 relating to extraordinary
enrollment change. Exhibit 14 130 OZZIE ROSE noted that the formula is
driven by the number of kids and is an imbursement formula. If there is
a decline in enrollment the formula allows for a one year lag. He
provided examples. 144 REP. WHITTY questioned the cost of education
adjustment and related factors. He questioned if the intention to
determine cost of education will be by area or by school district.

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recording. House Committee on Revenue and School Finance June 25, 1991
Page 6 158 OZZIE ROSE explained an objective to determine the cost of
education on a district basis to the extent which modification is
required by regional issues. 173 Questions and discussion regarding
factors for determining cost of education (administration costs,
enrollment). CHAIR JONES explained the Revenue Committee will have input
into areas of concern relating to the proposed interim study. 190 REP.
WHITTY was concerned with the setting of priorities and noted
uncertainty relating to his support of Proposed Amendments SB 814-B38.
204 REP. PARKINSON was concerned with the secondary school alternative
factor and schools which do not have the ability to offer secondary
school alternative programs (and therefore not receive weights). 223
Questions and discussion regarding eligibility for secondary program

factor. 227 OZZIE ROSE explained the secondary program factor is suggested to be on a imbursement basis rather than reimbursement (which would allow more flexibility for those schools wanting to start a secondary alternative program). 246 Questions and discussion. 280 REP. BURTON pointed out that if the Committee adopts Proposed Amendments SB 814-B38, that the Legislature is not locked into a definition of cost of education or extraordinary enrollment. The amendments request the Department of Education to work on definitions and suggested weighting. 325 REP. BURTON supported a separation of cost of education and cost of facilities. . 330 OZZIE ROSE believed the Legislature (at some point) will need to review capital expenditures and needs. 344 REP. CLARNO was concerned for schools districts which cannot offer secondary programs (and would not qualify for secondary alternative factor). 362 CHAIR JONES clarified that the secondary program factor would be an imburseable factor. 378 Questions and discussion.

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with a do pass recommendation. 234 REP. BURTON noted his frustration with dealing with a "perception" issue. 245 REP. WHITTY explained why he voted "no" on proposed amendments and noted his support of SB 814B. 263 REP. HOSTICKA believed the issue was more than "perception" and addressed a "burden of proof" issue. 271 CHAIR JONES noted her frustrations relating to SB 814. 285 VOTE In a roll call vote, the motion was adopted (9-0). AYES: Reps. Schoon, Whitty, Burton, Clark, Clarno, Nelson, Parkinson, Hosticka, Jones. 290 CHAIR JONES adjourned the meeting at 7:36. Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Testimony from Mike Grainey, 6/25/91 - SB 95 2. Testimony from Terrie Herr, 6/25/91 - SB 95 3. Revenue Analysis SB 95A, 6/11/91, LRO - SB 95 4. Staff Measure Summary SB 95A, LRO, 6/25/91 - SB 95 5. Fiscal Analysis SB 95A, LFO, 6/14/91 - SB 95 6. Testimony from Rep. John Minnis, 6/25/91 - SB 828 7. Revenue Analysis SB 828A, LRO, 6/13/91 - SB 828 8. Fiscal Analysis SB 828A, LFO, 6/18/91 - SB 828 9. Staff Measure Summary SB 828A, LRO, 6/25/91 - SB 828 10. Revenue Analysis SB 857B, LRO, 6/15/91 - SB 857 11. Staff Measure Summary SB 857B, LRO, 6/25/91 - SB 857 12. Fiscal Imp[act SB 857B, LFO, 6/20/91 - SB 857 13. Staff Measure Summary SB 857, Senate Business, Housing and Finance Committee, 6/25/91 - SB 857 14. Proposed Amendments SB 814-B38, 6/25/91, LRO - SB 814 15. Testimony from Michael Getty, 4/23/91 - SB 717, HB 2349 16. Testimony from Mr. and Mrs. A. Bodin, 5/10/91 - HB 2136 17. Testimony from Dan Vizzini, 6/3/91 - HB 2424 18. Reading Material, June 1991 - Miscellaneous 19. Testimony from Franklin Schenck, 4/27/91 - HB 2319 20. Testimony from Franklin Schenck, 5/6/91 - HB 2950 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