

Senate Government Operations March 25, 1991 Page These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

March 25, 1991Hearing Room "B" 3:00 p.m. Tapes 49-50

MEMBERS PRESENT:Sen. Glenn Otto, Chair Sen. Jane Cease, Vice-Chair  
Sen. Jim Bunn Sen. Ron Grensky Sen. Tricia Smith Sen. Dick Springer

MEMBERS EXCUSED:Sen. John Kitzhaber

STAFF PRESENT: Gail Ryder, Senior Committee Administrator Jayne  
Hamilton, Committee Assistant

MEASURES CONSIDERED: SB #304 - Relating to county  
financial administration, PH/WS SB #306 - Relating to education service  
districts, PH/WS SB #307 - Relating to counties, PH/WS

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TAPE 49, SIDE A

005 CHAIR OTTO: Called the meeting to order at 3:11.

(TAPE 49, SIDE A)

PUBLIC HEARING

SB 304 RELATING TO FINANCIAL ADMINISTRATION

Witnesses: Bob Cantine, Assoc. of Oregon Counties John Marshall, Oregon  
School Board Association

007 BOB CANTINE, ASSOC. OF OREGON COUNTIES: Summarized SB 304.  
Reviewed written amendments, Exhibit A. One addition to be made to the  
amendments is, in items number one and three, there also needs to be  
said "and restore the deleted population."

071 SPRINGER: Has anyone done a legislative history on why we created  
all of these "give me's" in the first place?

074 OTTO: Curry County was created by coming before the legislature and  
saying "We have too much money for our road fund and we'd like to share  
it with the schools." We were agreeable to their proposal.

090 CEASE: Each of these has a clause in it that talks about not  
reducing the district apportionment from the Basic School Support Fund.  
Considering what's going on with distribution, and with rewriting the  
Basic Principle Fund, have the counties thought about any of those other  
things that need to happen with this before the end of session?

105 CANTINE: We have not. I understand the impact on the Basic School  
Fund, where this would not be counted as a local resource.

113 CEASE: If there is an amendment offered that would allow all  
counties to do this, what would the AOC's position be?

116 CANTINE: We would oppose it.

117 CEASE: Why would you do that?

118 CANTINE: It has not been requested by those counties. This has  
come about historically based on a request by those counties to have the  
legislature grant that authority. The other counties have not come to  
ask for it. The issue of what happens on the distribution of federal  
forest receipts, is a battle that is going to start in the House, where

we have a bill that specifically addresses that issue. We would prefer to deal with that, as an issue when it is raised in the context.

130 SPRINGER: How many counties have chosen to raise funds for their road program through a county collected gasoline tax?

136 CANTINE: One that I know of, being Multnomah.

138 SPRINGER: The schools can't levy a gasoline tax to support their schools. I'd like to hear that the counties are using their imagination in dealing with these problems, rather than socking it to the schools as legislation has allowed them to do. I hope the revenue committee will address those issues too.

146 JOHN MARSHALL, OREGON SCHOOL BOARD ASSOCIATION: Reviewed proposed amendments, exhibit B. Referred to county population chart, exhibit C. The first option in dealing with SB 304 would be to do nothing. This is not one of those situations where it's necessary to update based on the new information that will come in on the 1990 census. As you can see the provisions in section 4 for example, relate specifically to the 1980 federal census. The second option is the one that Mr. Cantine suggested. The third option is our proposed amendments. In the years in which I have represented schools before this assembly, I can recall at least four different occasions where a county has come in and requested a change. It seems to me that if there are counties out there that do have excess road funds and wish to distribute them to schools, they ought to be able to do so prior to any kind of legislative action. I'm urging to allow local control to occur, short of any kind of special legislation.

201 OTTO: If we leave it the way it is, or if we adopt the amendments proposed by the Association of Oregon Counties, (AOC), things will go on pretty much the same. If we adopt your amendments, I can see the schools after the counties to share that road fund. It would be a lot of pressure on a county commission.

210 MARSHALL: If our amendments were adopted, it would create an opportunity for those requests to be made. I see nothing wrong with that debate.

220 OTTO: I can see the schools mounting a strong force against the County Board of Commissioners.

228 MARSHALL: I'm flattered that you would assume that we have so much political power locally. I would argue with the fact that I see nothing wrong with that debate.

245 CEASE: We're looking at the school distribution formula. One of the factors that is already partly in the current one, and one that we are looking at in the new one is, a districts ability to raise funds locally, so that other revenue that comes locally might wind up being considered part of local wealth, so to speak. Both in the current law and in your amendments it says that, whatever anybody gets out of this won't be considered a receipt that would reduce their apportionment from the Basic School Support Fund.

264 MARSHALL: Under the basic old school support formula that existed prior to 1989, federal forest receipts and receipts from the Common School Fund were used as an off-set against a school districts equalization apportionment. Special language was put in to this section of statute, so that a one time shot of additional road money to the school fund would not be used as an off-set. Primarily because of the reimbursement nature of the formula.

281 CEASE: I realize we can't predict federal forest receipts, perhaps not much better that we can predict value growth. I just wanted to point out to both of you that I believe that this old part of the statute is up for reconsideration.

285 MARSHALL: We have no problem with that. As we move into a rate based system, where every school district in the state is going to have the same rate applied, and then the dollars raised varying, depending on a particular school districts wealth.

WORK SESSION

309 CEASE: I question if we need to change anything if we're just defining those counties and how they're changed in the law. The 1970 figure has been in there for this long, and the 1980 figure is in there because they were used after 1980.

316 OTTO: You're saying that if we want to continue conditions the way they are, we don't have to change anything?

318 CEASE: That's a description of those counties as they were at that point in time, it doesn't change.

323 MARSHALL: There's been an opinion developed by at least one of our attorneys that it would constitute special legislation. By leaving it referenced to a specific census you begin to run the risk of having it be called special legislation and invalidating the law. It's best to change it, so that as you're doing that, you're changing the reference to the census years that are involved, rather than holding to a census year forever.

338 CEASE: Have we been advised by our Legislative Counsel?

341 RYDER: During the interim we asked Joe Barkofski to comment on Mr. Rydell's legislative opinion, and they were very similar. I don't believe there's been an opinion on bringing them all up to 1990. We were approaching it from whether we could freeze them using 1970, 1980 and 1990 perhaps, or maybe they should all come out and be a figure that you upgrade every ten years.

389 SMITH: Wouldn't the population figures in 1990 also narrow it down to specific counties? Whether or not you are using figures from 1970 or 1990 you are still specifically putting figures in there that are going to identify a set list of counties.

398 MARSHALL: That's correct. My understanding is that as you do that you are at least recognizing the current population figures and the current census, rather than depending on the 1970 census, which is not updated, and locks you into those specific counties identified at that time.

408 SMITH: Are they different?

409 MARSHALL: No. The alternative is, as your committee staff has indicated, to leave the census date alone, and change the population figures.

417 RYDER: What the committee was looking at was to remove any identification with any specific census. What you would have is a specific population ratio for each classification, with no linkage to any particular census.

429 SMITH: So does that mean that in 10 years if the population of one of the counties in this list changes and falls out of that population group, then that county would fall out?

433 RYDER: Yes.

464 CEASE: If we want to do the bill as Gail just said, we should delete the references to any census, correct?

470 RYDER: That's correct.

TAPE 50, SIDE A

041 MOTION: SEN. SPRINGER MOVED TO ADOPT THE OSB A AMENDMENTS TO THE BILL.

049 VOTE: MOTION FAILED, 3-3. VOTING NO SEN. BUNN, SEN. GRENSKY AND SEN. OTTO. (EXCUSED SEN. KITZHABER).

059 MOTION: SEN. BUNN MOVED TO ADOPT THE AOC AMENDMENT TO THE BILL.

061 SMITH: Are you including the reference to the 1990 census?

064 BUNN: I'm trying to maintain the status quo.

065 SMITH: There seems to be some disagreement between LC and AOC's attorneys whether or not it's advisable to include the reference to that specific census in the law, and I'm wondering if you're including the 1990 reference?

069 BUNN: As I understand the AOC amendments they do include the reference and I am including that reference in the amendments.

075 CEASE: I believe they said they needed an addition to theirs on page 1 line 17 to retain the 9,000 and the 6,500.

083 BUNN: I accept that as a friendly amendment.

084 MARSHALL: There's another on page 2 line 9, the 6,500.

086 RYDER: The amendment would be on page one, line 16, to delete the brackets, line 17 to delete the first and second blank, off of line 16 delete the brackets around 6,500, delete 1980 and insert 1990, on line 26, fill the blank with 58,000, the second with 55,000, delete 1980 and insert 1990, on page two line 9, you would delete the brackets around 6,500 and delete the blank, delete 1980 and insert 1990, on line 18 fill the blank with 19,500 and remove the brackets from around 6,500 and delete the blank, delete 1970 and insert 199 0.

100 OTTO: That was your amendment right Sen. Bunn?

101 BUNN: Yes.

104 VOTE: MOTION CARRIED: 5-1. VOTING NO, SEN. SPRINGER. (EXCUSED, SEN. KITZHABER).

110 MOTION: SEN. BUNN MOVED SB 304 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION

113 VOTE: MOTION CARRIED: 5-1. VOTING NO, SEN. SPRINGER. (EXCUSED SEN. KITZHABER). SEN BUNN WILL CARRY THE BILL.

(TAPE 50, SIDE A)

PUBLIC HEARING

SB 306 RELATING TO EDUCATION SERVICE DISTRICTS

Witnesses:Allan Thede, Multnomah Education Service Disrtict (E.S.D.)  
John Marshall, Oregon School Boards Association

128 ALLAN THEDE, MULTNOMAH E.S.D.: Read written testimony, Exhibit C.

152 OTTO: When I read the bill I questioned the need for the bill. The only county that I would see other than a new county would be Washington County.

156 THEDE: That's correct. I understand that for the first time with the new census, Washington County would come under this, as would Washington E.S.D.. I can't speak for those folks that's why I've identified myself as speaking for Multnomah E.S.D. only.

197 CEASE: My understanding was that this bill was intended to maintain the status quo by putting 500,000 in the blank which would continue to have Washington County operate the way it's doing and Multnomah the way it's doing.

203 SMITH: Because their population has increased they would fall under these provisions and we're trying to decide whether these should be specific to Multnomah County or include other counties that reach 300,000 in population. I find it curious that the counties that could be affected by our decision aren't here.

209 THEDE: I want to make it clear that the bill you have in front of you applies only to Education Service Districts not to counties.

217 JOHN MARSHALL, OREGON SCHOOL BOARDS ASSOCIATION: At a meeting last week Dr. Thede and the superintendent from the Washington E.S.D. were present and we discussed this issue. I asked Washington County if they had any problem with raising this to 500 ,000 and they said no. I suppose I'm here speaking for them.

226 OTTO: If it were to remain the same they would have problems?

227 MARSHALL: I believe they would.

WORK SESSION

234 MOTION: SEN. CEASE MOVED TO FILL IN THE BLANKS WITH \$500.000.00.

236 CEASE: That's not what I really want to do, but for this bill that's what I'll propose.

239 BUNN: I guess I'll vote for it, although I'm not sure why Washington County needs a different criteria than Multnomah in dealing with that. If they believe that we're dealing with 500 ,000 and they're supportive of that, then I don't see a problem with it.

245 VOTE: MOTION CARRIED: 5-0. (EXCUSED, SEN. SPRINGER AND SEN. KITZHABER).

251 MOTION: SEN. CEASE MOVED SB 306 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

255 VOTE: MOTION CARRIED: 5-0. (EXCUSED, SEN. SPRINGER AND SEN. KITZHABER).

(TAPE 50, SIDE A)

PUBLIC HEARING

SB 307 RELATING TO COUNTIES

Witnesses: Paul Sneider, Association of Oregon Counties:

300 RYDER: Reviewed the bill for the committee.

312 SMITH: If the committee wants to hold this over to see if anyone cares enough to come testify that's okay with me, but it seems to me that if it's important to someone they would be here.

317 OTTO: I agree with you.

318 RYDER: During the interim committee, we did a sort of minor study to look at all the statutes that would fall within this. We talked to the counties and their then director Jerry Orick. He prioritized about 4 or 5 statutes that he felt needed to be changed. He has since moved on to a new position. This was the last one. The reason it was separated out was because they thought they might have additional statutes, and they wanted additional time to study the statutes to see if there would be more that they wanted to tag on. They didn't find any more, so it does seem insignificant being in and of itself in one statute.

329 SMITH: I don't know whether this is insignificant or very significant. My concern is the counties have a lot of lobbyist running around this building, and it seems to me that if this were important they'd be here to tell us what they think about it.

337 PAUL SNEIDER, ASSOCIATION OF OREGON COUNTIES: My understanding is that this bill, in its current form, is significant to Multnomah County. The purpose is to use SB 307 as a possible vehicle for additional changes in the laws. We sent copies of the statutes that may be effected to the Metropolitan counties.

358 CEASE: I don't understand why neither one of these bills are of the least bit of interest to Multnomah County. Nothing changes with leaving the 300,000. Where is Washington County?

WORK SESSION

375 MOTION: SEN. BUNN MOVED TO TABLE SB 307.

380 VOTE: MOTION CARRIED, 5-1. VOTING NO, SEN. SPRINGER. (EXCUSED, SEN. KITZHABER).

Meeting adjourned at 4:07.

Submitted By:

Jayne Hamilton  
Assistant

Reviewed By:

Joan Green  
Assistant

EXHIBIT LOG

A - Written testimony on SB 304, Bob Cantine 2 pages B - Proposed amendments on SB 304, John Marshall, 1 page C- Written testimony on SB 304, John Marshall, 1 page D - Written testimony on SB 306, Allan Thede, 1 page