



April 19, 2013

House to vote on revenue package

The House Revenue Committee this week approved a tax measure estimated to raise the necessary \$275 million to balance this biennium's budget and provide schools with a \$6.55 billion State School Fund appropriation.

House Bill 2456 was approved by the committee on a straight partisan vote, with Democrats in support and Republicans opposing the plan. Rep. Phil Barnhart (D-Eugene) spoke in favor of the plan, stating, "Ever since the passage of Measure 5, our funding for education in Oregon has, by in large, year after year, in terms of outcomes, in terms of the number of teachers we have, in terms of classroom size, in terms of quality, declined. We must turn it around."

The bill raises the necessary revenue in several ways. First, it would phase out deductions on higher income households: \$125,000 for single taxpayers and \$250,000 for joint taxpayers. Originally, the bill would have also limited the amount these taxpayers could deduct for their charitable deductions. Representatives from charities across Oregon testified in opposition to this provision, indicating it would impact their fundraising capabilities. The committee deleted that provision of the original bill. HB 2456 also eliminates the personal exemption credit of \$183 for these "higher income households". Finally, the bill increases income taxes on certain corporations and would require businesses headquartered in overseas "tax havens" to report income from those other countries on their Oregon tax return.

The bill now heads to the House for consideration. Under the Oregon Constitution, since it is a revenue-raising measure, the bill needs a three-fifths majority vote in order to pass. With Democrats in control, this means that some Republicans will need to support the measure for it to pass the House.

OSBA Deputy Executive Director Jim Green stated, "We support the idea of providing the revenue necessary to fund schools in Oregon and this measure will do that for the next biennium. However, we are also very concerned about future years and how we fund our schools and other vital services for Oregonians. We know the costs of operating our schools will increase in the future and we know we must have the sustainable revenue to meet these costs. We had hoped for a sustainable, comprehensive, balanced revenue restructuring plan that would provide schools with a long-term solution to our school funding problem."

It appears HB 2456 will be sent to the House floor on the same day the House will consider reforms to the Public Employees Retirement System (PERS) under SB 822. Since the session began in January, these two proposals – reforming and reducing costs in PERS and revenue reform – have been somewhat linked in the session's political process. "Unfortunately, the politics of a legislative session can link ideas together. We see these two issues as separate and distinct. Yes, we need to reform PERS and reign in its unsustainable costs - and we support legislative efforts to do that. However, the bigger elephant in the room is our revenue system that supports funding our schools and other services. It is structurally broken and needs to be addressed to provide long-term stable and adequate funding for schools," Green commented. Contact Jim Green at jgreen@osba.org for more information.

View HB 2456:

<http://www.leg.state.or.us/13reg/asures/hb2400.dir/hb2456.intro.html>

Senate committee approves gun bill

The Senate Judiciary Committee this week approved a measure that would allow school districts to adopt a policy to prohibit individuals from bringing their concealed weapons onto school grounds.

Senate Bill 347 as originally crafted would have created a statewide ban on the ability of individuals with concealed firearm licenses to bring the firearms onto school grounds. School districts could have "opted-out" of that ban by adopting a policy allowing individuals to bring their concealed weapons onto school grounds. The bill originally created a felony crime for anyone who violated the law. However, SB 347 was amended by the committee to change the "opt-out" provision to an "opt-in" provision for school districts, and lower the offense from a felony to a misdemeanor.

Under the amended bill, school boards may adopt a policy that:

- Prohibits a person licensed to carry a concealed firearm from possessing the firearm in or on school grounds; or
- Requires a person licensed to carry a concealed firearm to store the firearm in a locked metal safe or vault provided by the district while the individual is in or on school grounds.

If a school district adopts such a policy, the school district cannot prohibit a person licensed to carry a concealed firearm from possessing a firearm on the school grounds if the person is a parent of a student at the school and the person, for purposes of accompanying the student to or from school, enters onto the school grounds but does not enter a school building.

In earlier testimony, several school board members testified in support of SB 347, stating that this was not an issue of gun control, but an issue of local control. They testified that school boards should have the ability to make these decisions on a case-by-case, community-by-community basis and these decisions will reflect the nature and make-up of their local communities.

OSBA supports SB 347, even with the modification from an “opt-out” to an “opt-in” decision by local school boards. “This still leaves the decision point with the local school board and it allows for a discussion at the local level on what a community and school district want to do on this issue,” said OSBA Deputy Executive Director Jim Green.

SB 347 passed out of the committee a party line vote with the Democrats in support and the Republicans opposed. The bill now heads to the full Senate for its consideration.

Contact Jim Green at jgreen@osba.org for more information.

View SB 347:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=347&c=50&key=SB%2003470&ptadd=:%20SB%200347%20Details>

OSBA proposals move forward: mandate relief and adding board member to OEIB

On April 17, the House Education Committee voted 9-0 to send **House Bill 2640** to a full vote of the chamber. The final version of the bill combined two proposals: House Bill 2538 – sponsored by Hood River County School Board member and State Representative Mark Johnson (R-Hood River) – which added one board position to the Oregon Education Investment Board (OEIB) to be filled by a school board member, with the original proposal in the bill to add a position to the OEIB that must be filled by a parent.

Currently, the OEIB is made up of 12 members appointed by the Governor and confirmed by the Senate; the Governor serves as chair. The board includes members who are teachers, superintendents, union leaders, business leaders, professors, academics and representatives of social service non-profits; there is not a sitting school board member or parent representative. Supporters of the legislation representing OSBA and the Oregon PTA told legislators that the voice and vote of parents and school board members is glaringly absent

from the OEIB. Without a seat at the table, two of the critical stakeholder groups do not have equal representation.

On April 18, the House voted 59-0 in favor of another OSBA proposal: **House Bill 3075**. Sponsored by State Representative Jeff Barker (D-Aloha), the bill makes several important changes to current mandates on school districts and education service districts, including:

- Achievement compact advisory committees must report to the board by February 1st. Final compacts must be submitted annually by July 1st. HB 3075 would change those dates to May 1st and October 15th respectively. The change to these dates allows school boards and district staff to make fully informed decisions about goal setting with the most recent student data available.
- Currently, districts are required to annually report on “the physical capacity” of their schools to provide physical education. HB 3075 will require that school districts only submit this report when they have actual changes to their facilities due to construction, remodeling or demolition.
- Oregon statute requires that school districts maintain a physical, paper copy of the district’s personnel policies in the business office and library of every school in the district. HB 3075 deletes this requirement and instead allows the policies to be made available to employees or the public by other means, such as posting on the internet or printing a copy on demand.

Contact Morgan Allen at mallen@osba.org for more information.

View HB 2640:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=2640&c=50&key=HB%2026400&ptadd=:%20HB%202640%20Details>

View HB 3075:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=3075&c=50&key=HB%2030750&ptadd=:%20HB%203075%20Details>

Senate committee approves public contracting changes

The Senate Business and Transportation Committee approved a public contracting bill this week. The committee passed **Senate Bill 254** after a lengthy process that began in the 2011 Legislative Session.

SB 254 defines the term “Construction Manager–General Contractor” (CM/GC) and sets in statute the requirements for use of this contracting method. In a CM/GC scenario, a school district contracts with a general contractor to serve as the construction manager, to provide the district with constructability and pricing, and then contracts with the construction manager to become

the general contractor to oversee the building process to its completion.

This bill culminates work by industry stakeholders and other representatives to find solutions to guide the industry when selecting the Construction Manager – General Contractor method of building.

SB 254:

- Provides a definition of CM/GC and related terms. Until now, there has been no statutory definition of CM/GC, and only one use of the term in the public contracting code.
- Provides a set of requirements for the selection of the CM/GC by the public agency, and a set of requirements for the selection of subcontractors by the CM/GC. Both of these are intended to create a higher level of competition and fairness in the selection process for each.
- Provides an additional set of findings that must be addressed in writing the exemption order for the CM/GC alternative methodology by the public agency.
- Provides a requirement that all CM/GC contracts must be procured using the model public contract rules promulgated by the attorney general.

The bill was voted out of committee. Additional technical changes to the bill that were planned but not ready before the vote are anticipated in the House committee. Contact Lori Sattenspiel at lsattenspiel@osba.org for more information.

View SB 245:

<http://www.osba.org/Resources/Article/Legislative/BillTracking.aspx?s=13&t=&r=&q=254&c=50&key=SB%2002540&ptadd=:%20SB%200254%20Details>

Board members give legislators feedback on achievement compacts

On April 16, the Ways and Means Subcommittee on Education held a public hearing to receive feedback on achievement compacts. Public education advocates from all sectors came to share their experiences, including representatives from two school districts. OSBA Board member and Corvallis School Board Chair Anne Schuster and OSBA Legislative Policy Committee member and West-Linn Wilsonville board member Betty Reynolds came to Salem with school district administrators to share their thoughts on compacts and ways that they could be improved in the future.

Reynolds told the committee that “school boards are investing significant time in planning and reporting their achievement compacts” and “...in order for the compacts to be useful, boards don’t want to see the goal posts moved and the metrics changed every year.” She noted that OSBA was pleased the Oregon Education Investment

Board (OEIB) had listened to this concern and made minimal changes to the compacts for this school year.

West-Linn Wilsonville Deputy Superintendent Jane Stickney and Assistant Superintendent Kathy Ludwig shared two ideas for improving compacts with the committee. First, they argued that the current data for ELL students does not accurately reflect successes in this area because it does not include students who have successfully learned English and exited ELL programs. Second, they shared concerns about the utility of the new Kindergarten Readiness Assessment in predicting future reading success and urged the committee to carefully review this data for misinterpretation and misuse.

Schuster told the committee that the Corvallis School District is investing “significant time in the compact process by meeting with all of the school building principals” in addition to holding meetings to get feedback from parents and community members. She concluded by telling the committee that she believes it is necessary to have this feedback in order to truly succeed in the compact process.

Corvallis Superintendent Erin Prince told the committee one of her primary concerns was the number of cells that must be filled in for data collection on the current compact. The emphasis on disaggregated data produces a four-page document with more than 100 data cells. She noted that she would like the compact be a more streamlined document.

Contact Morgan Allen at mallen@osba.org for more information.

Questions about legislative issues?

Contact the OSBA Legislative Services Team:
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Contact your legislator

Find your legislators’ contact information on the Oregon Legislature’s website:

- House - <http://www.leg.state.or.us/house/>
- Senate - <http://www.leg.state.or.us/senate/>

To contact your legislator by phone, call the Capitol Switchboard at 1-800-332-2313.



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