

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

April 6, 2005 Hearing Room 343

8:30 A.M. Tapes 55 - 56

MEMBERS PRESENT: Rep. John Lim , Chair

Rep. Scott Bruun, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

MEMBER EXCUSED: Rep. Jeff Merkley, Vice-Chair

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

OHSU and the Oregon Economy – Informational Meeting

HB 2886 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/# Speaker Comments

TAPE 55, A

003 Chair Lim Opens the meeting at 8:38 a.m. Opens the informational meeting on OHSU and the Oregon Economy.

OHSU AND THE OREGON ECONOMY – INFORMATIONAL MEETING

008 Dr. Peter Kohler President, Oregon Health Science University (OHSU). Submits OHSU County Facts informational packet (**EXHIBIT A**). Submits copies of PowerPoint presentation titled *OHSU's Role in Economic Development in Oregon* (**EXHIBIT B**).

030 Kohler Addresses the growth and change of OHSU from 1975-2004 (**EXHIBIT B, Page 1**).

052 Kohler Explains OHSU's economic impact (**EXHIBIT B, Page 1 - 2**).

143 Kohler Explains the research awards awarded to OHSU and each adjutant school (**EXHIBIT B, Page 2**).

187 Chair Lim Asks how much OHSU has received in research dollars in the last year.

196 Kohler States OHSU is eleven percent ahead in research dollars than last year; in fact OHSU received \$62 million dollars in research grants in June 2004 alone.

210 Rep. Buckley Asks if OHSU is concerned about the federal budget discussions and what the potential negative impact could be on the institutions expansion plans.

213	Kohler	Confirms that OHSU is tracking the federal budget and are concerned about the failure to increase the budget of the National Institute of Health (NIH).
233	Rep. Dallum	Asks how tuition rates at OHSU compare to national tuition rates.
238	Kohler	Explains that tuition rates are very high when compared to other public institutions, but more consistent or somewhat lower when compared to private institutions around the country.
251	Rep. Dallum	Asks about the competitiveness of OHSU faculty salaries.
256	Kohler	States that the goal of OHSU is target the fiftieth percentile of national faculty salaries, “which may seem high, but OHSU must be able to compete nationally for faculty.”
277	Rep. Dallum	Asks for opinion about what the Legislatures commitment to OHSU should be.
283	Kohler	Remarks that the difficulties associated with the budget at OHSU is that it is not “fudgeable” and would like to see the formation of a solid base budget, so as to enable them to plan for the future and provide faculty with job stability.
320	Rep. Dallum	Verifies that OHSU seeks funding stability from the Legislature.
332	Dorsa	Speaks to the growth of OHSU as a result of Oregon Opportunity Grant dollars and New Leader Recruitments (EXHIBIT B, Page 2 – 3).
397	Rep. Riley	Asks what the average amount of grant dollars that recruits bring with them.

TAPE 56, A

006	Dorsa	Addresses the average amount of research dollars and grants that new staff recruits bring to OHSU.
028	Dorsa	Speaks to the Oregon Rural Practice –Based Research Network (ORPRN) (EXHIBIT B, Page 3 – 4).

- 053 Dorsa Explains OHSU's Technology Transfer Activities and Technology Commercialization (**EXHIBIT B, Page 4- 5**).
- 106 Dorsa Explains OHSU's Start-Up Companies and Bioscience Innovation Fund (**EXHIBIT B, Page 5**).
- 140 Rep. Buckley Asks what financial benefit OHSU receives from the start-up companies.
- 145 Dorsa Replies that in some cases OHSU holds a license for the technology or receives a cash reiteration from the company, but most commonly OHSU receives equity in the company.
- 153 Rep. Buckley Asks if there is a mechanism in the contracts that increase the financial return to OHSU in proportion to the success of the company.
- 158 Dorsa Confirms that licenses are written on basis of milestones, so that the initial transfer of monies to OHSU increases upon achievement of the milestones.
- 184 Rep. Buckley Asks if OHSU will be issuing a report on the research occurring in each county in relation to ORPRN.
- 191 Dorsa Confirms that within the next year there will reports issued with respect to each county.
- 199 Steve Stadum Chief Administrative Officer, OHSU. Speaks to OHSU's Role in the South Waterfront Development Project (**EXHIBIT B, Page 6 - 10**).

TAPE 55, B

- 003 Stadum Explains the importance, development, and efficiency that the tram will provide OHSU faculty and patients.
- 035 Chair Lim Asks about the collaboration of OHSU, Oregon State University (OSU), and Portland State University (PSU).
- 038 Stadum Points out several of the potential collaborative projects and programs being considered by OHSU, OSU, and PSU.

055	Kohler	Explains OHSU's economic development efforts in Oregon.
154	Rep. Nelson	Asks about why OHSU has not been able to keep drug manufacturing activities in Oregon.
178	Kohler	Explains why it is difficult for OHSU to maintain drug manufacturing in Oregon. States the primary reasons are: the lack of wet laboratory space, incubator facilities, and Oregon focused venture capitol.
253	Richard Butrick	President/Chief Executive Officer, Associated Oregon Industries. Testifies in support of OHSU and the need to provide OHSU with stable funding.
308	Ralph Groener	Lobbyist, Oregon AFSCME. Speaks to the economic impact of OHSU in terms of job creation and the generation of General Fund revenue. Submits and summarizes data sheet on OHSU Economic Impact (EXHIBIT C).

TAPE 56, B

004	Rep. Nelson	Asks about stem cell research being conducted at OHSU.
015	Dorsa	Explains the nature of the stem cell research being conducted at the stem cell center at OHSU.
044	Chair Lim	Closes the informational meeting on OHSU and opens the public hearing on HB 2886.

HB 2886 – PUBLIC HEARING

047	Jim Stembridge	Committee Administrator. Explains HB 2886, which adds representative of international transportation business to membership of International Trade Commission.
060	Rep. Nelson	Remarks on the necessity of HB 2886 and the importance of transportation to economic development in Oregon.
104	Craig Burk	Acting Director of the International Division, Oregon Economic and Community Development Department (OECDD). Addresses how the International Trade Commission (ITC) currently has members who represent international transportation and does recognize the

importance of the having international transportation represented on the commission.

- 131 Burk States that the ITC does have reservations about creation of a permanent seat for the transportation industry on the ITC because of the risk of establishing a precedent for other industries request to a seat and “would prevent the ability to create a well-mixed, talented group of commissioners.”
- 144 Rep. Nelson Defends the need for the transportation industry to have a permanent seat on the ITC.
- 169 Burk Reiterates that the ITC is “very mindful” of the importance of transportation to the state and acknowledges how ITC works with the transportation sector to plan Oregon’s international business strategy.
- 173 Rep. Dallum Asks how members of the ITC are selected.
- 180 Burk Explains that the ITC select commissioners based on geographic and industry representation, talent, and experience in international strategy.
- 184 Rep. Dallum Comments on need to have a strong logistic system for transporting goods and “does not see a direct shipper who knows how to move goods and services in and around Oregon currently serving on the ITC.”
- 200 Burk Responds that the terms of the commissioners are two years and when the next seat is available would welcome suggestions about a good representative from the transportation sector to fill that seat.
- 209 Rep. Dallum States the need for the Legislature to mandate the composition of the ITC to ensure that all industries and the areas of the state are represented.
- 217 Rep. Riley Comments on how the reservation of seats on the ITC would restrict the ability of the ITC to recruit the best individuals from the state and does not support such action.
- 230 Rep. Nelson Cites the loss of a cattle shipping arrangement with Korea as evidence of the necessity for transportation industry representative on the ITC.

251	Burk	Reasserts the necessity for the ITC to be able to assess its own representation needs and the commissioners concern over establishing reserved seats on the ITC.
272	Rep. Nelson	Asks why ITC is hesitant on this issue.
281	Burk	Remarks that he is “simply expressing the consensus of the commission’s opinions ... who is of the unanimous opinion that industry is already represented.”
303	Chair Lim	Asks how active the Northwest International Trade Association is at this time.
328	Burk	States that the Northwest International Trade Association is very active at this time.
338	Chair Lim	Since the membership of the ITC is limited to fifteen, asks how a new commissioner would be integrated on to the ITC.
342	Burk	Explains how the ITC selects commissioner for renewable two year terms and would entertain suggestions for a representative when the next seat became available.
353	Chair Lim	Closes the public hearing on HB 2886. Adjourns the meeting at 10:26 a.m.

EXHIBIT SUMMARY

- A. OHSU & the Oregon Economy, informational packet, Dr. Peter Kohler, 13 pp**
- B. OHSU & the Oregon Economy, OHSU Role in Economic Development in Oregon PowerPoint Presentation, Dr. Peter Kohler, 10 pp**
- C. OHSU & the Oregon Economy, OHSU Economic Impact Data Sheet, Ralph Groener, 1 p**