

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

May 13, 2005 Hearing Room 343

8:30 A.M. Tapes 76 - 77

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Scott Bruun, Vice-Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

SB 879A – Work Session

HB 2174 – Work Session

HB 3307 – Work Session

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
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TAPE 76, A

004 Chair Lim Opens the meeting at 8:35 a.m. Opens a work session on SB 879A.

SB 879A - WORK SESSION

020 Rep. Nelson **MOTION: Moves SB 879A to the floor with a DO PASS recommendation.**

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Lim **The motion CARRIES.**

REP. NELSON will lead discussion on the floor.

038 Chair Lim Closes the work session on SB 879A. Opens a work session on HB 2174.

HB 2174 – WORK SESSION

040 Jim Stembridge Committee Administrator. Explains HB 2174, which makes certain site preparation and planning costs eligible for payment in economic development projects. Submits -4 amendments (**EXHIBIT A**).

052 Gary Whitney Program and Policy Coordinator, Oregon Economic and Community Development Department (OECDD). Summarizes -4 amendments.

079 Rep. Bruun Asks why the term “key industries” was removed.

083 Whitney Explains why the term “traded-sectored” was been substituted for the term “key industries.”

091 Rep. Merkley Questions why a series of guidelines were deleted and if the guidelines had been restated in another place.

102 Whitney Explains why guidelines were removed, noting that the “intent” of that language is incorporated in the legislative finding section of -4 amendments.

130	Rep. Nelson	Confirms that all projects are at facilities owned by cities, counties, and special districts.
140	Whitney	Submits and summarizes Project Awards to Special Public Works Fund and Wastewater report (EXHIBIT B).
153	Rep. Nelson	Express concern regarding the process for determining which projects receive funding and asks whether there are any current projects that are uncollectible.
159	Whitney	States that there are no loans in default.
164	Rep. Nelson	Questions how OECDD evaluates project proposals.
171	Whitney	Explains how OECDD administers the application and review process for projects.
176	Whitney	Submits and summarizes OECDD Distressed Areas map (EXHIBIT C).
191	Rep. Nelson	Comments on the amount of OECDD development funds that have gone to support rural project.
206	Chair Lim	Speaks to intention to move HB 2174 forward with -4 amendments.
212	Linda Ludwig	Senior Staff Associate, League of Oregon Cities. Testifies in support of HB 2174.
225	Ludwig	Submits and summarizes written testimony on behalf of John Hitt in support of HB 2174 (EXHIBIT D).
243	Doris Penwell	Policy Specialist, Association of Oregon Counties. Testifies in support of HB 2174.
260	Ken Armstrong	Representative, Oregon Ports Group. Testifies in support of HB 2174.
276	Rep. Brunn	MOTION: Moves to ADOPT HB 2174-4 amendments dated 05/13/05.

VOTE: 7-0-0

Chair Lim **Hearing no objection, declares the motion CARRIED.**

- 286 Stembridge Submits and summarize -1 amendments (**EXHIBIT E**).
- 304 Mike Salsgiver Legislative Affairs Manager, OECDD. Speaks to the value of having legislators on OECDD commissions.
- 327 Rep. Bruun Asks how often the Economic and Community Development Commission meets and what is the specific purpose.
- 330 Salsgiver Explains the oversight and administrative responsibilities of the Economic and Community Development Commission.
- 336 Rep. Bruun Verifies that the Commission serves as a Board of Directors for OECDD.
- 340 Rep. Dallum Confirms that OECDD did not request -1 amendments.
- 347 Rep. Nelson Asks whether the Commission tracks the number of jobs produced by OECDD projects.
- 350 Salsgiver States that employment data is tracked by the Commission.
- 354 Stembridge Explains the origin of -1 amendments.
- 361 Chair Lim Asks if the presence of two legislative members would be overwhelming for the Commission.
- 363 Salsgiver States that ex-Officio members would not overwhelm the Commission and the inclusion of legislators has proven “to be positive and constructive.”
- 374 Penwell Explains why “it is very constructive to have legislators involved” in the development of economic and community development programs.

TAPE 77, A

001 **Rep. Bruun** **MOTION: Moves to ADOPT HB 2174-1 amendments dated 04/04/05.**

VOTE: 6-0-1

EXCUSED: 1 - Merkley

Chair Lim **Hearing no objection, declares the motion CARRIED.**

009 **Rep. Bruun** **MOTION: Moves HB 2174 to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 6-0-1

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Merkley

Chair Lim **The motion CARRIES.**

REP. BRUUN will lead discussion on the floor.

022 Chair Lim Closes the work session on HB 2174.

032 Chair Lim Opens a work session on HB 3307.

HB 3307 – WORK SESSION

036 Jim Stembridge Committee Administrator. Explains HB 3307, which eliminates the requirement that jobs made available to JOBS Plus Program participants do not displace regular employees or fill unfilled positions previously established.

048 Chair Lim Closes the work session on HB 3307. Opens a work session on HB 2174.

HB 2174 – WORK SESSION

053 **Rep. Lim** **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. MERKLEY to BE RECORDED as voting AYE on the “MOTION: Moves HB 2174 to the floor with a DO PASS AS AMENDED recommendation.”**

055

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Lim

The motion CARRIES.

REP. BRUUN will lead discussion on the floor.

063

Chair Lim

Closes the work session on HB 2174. Opens a work session on HB 3307.

HB 3307 – WORK SESSION

080

Jim Stembridge

Committee Administrator. Submits and summarizes -3 amendments **(EXHIBIT F)**.

111

Rep. Riley

Verifies that -3 amendments does remove language requiring jobs made available to JOBS Plus Program participants do not displace regular employees or fill unfilled positions previously established.

120

Tamara Brickman

Legislative Coordinator, Oregon Employment Department (OED). Summarizes the effects of -3 amendments.

132

Rep. Merkley

Asks for a “sense” of how much unobligated funds remain in Oregon JOBS Plus wage fund and how quickly those funds would be drawn down.

136

Brickman

Explains how much money remains in JOBS Plus fund and how it will be utilized over the next biennium.

151

Chair Lim

Verifies that Oregon Economic and Community Development Department (OECDD) will determine which counties are distressed.

160

Rep. Merkley

Asks how tax rates will be affected by -3 amendments.

163

Brickman

Explains that -3 amendments will not affect the tax rates because OED is not asking for a new JOBS Plus diversion.

168	Rep. Buckley	Asks what the position of OED is on -3 amendments.
170	Brickman	Explains the position of OED on JOBS Plus Program and -3 amendments.
178	Chair Lim	Asks if it is possible to streamline program and reduce the administrative costs.
182	Brickman	States inability to address specific streamlining measures.
188	Rep. Dallum	Questions which is more expensive, JOBS Plus Program or full-utilization of unemployment benefits.
196	Brickman	Explains why OED believes that the JOBS Plus Program is more expensive.
211	Chair Lim	Comments on why it is “unfortunate” that OED does not have actual figures on accounting figures of JOBS Plus Program.
218	Chair Lim	Speaks to intention to move to HB 3307, preferably with -2 amendments. Submits -2 amendments (EXHIBIT G).
242	John Courtney	Lobbyist, Hire Calling Public Affairs. Submits JOBS Plus Committee Questions Answered report (EXHIBIT H).
251	Courtney	Comments on the history of JOBS Plus Program.
294	Courtney	Explains why it would be difficult to restart JOBS Plus Program if were dissolved.
312	Courtney	Submits JOBS Plus Trust Fund Savings spreadsheets (EXHIBIT I).
323	Chair Lim	Points out that Hire Calling Public Affairs study of JOBS Plus Program directly contradicts the analysis of OED.
340	Courtney	Summarizes JOBS Plus Trust Fund Savings spreadsheets (EXHIBIT I).

TAPE 76, B

003	Courtney	Summarizes JOBS Plus Committee Questions Answered report (EXHIBIT H) .
061	Rep. Buckley	Asks why it has been difficult to fill JOBS Plus Program jobs.
065	Courtney	Speaks to the difficulties of placing program participants in jobs.
087	Rep. Buckley	Asks for the opinion of Hire Calling Public Affairs regarding the study proposed in -3 amendments would be advantageous.
091	Courtney	Addresses why the study proposed in -3 amendments is a “great idea.”
100	Courtney	Continues summary of JOBS Plus Committee Questions Answered report (EXHIBIT H, Pages 2-3) .
191	Rep. Buckley	Asks how temporary staffing firms earn money.
196	Courtney	Explains that temporary staffing firms earning are associated with the length of time a employee remains with a employer.
210	Courtney	Concludes testimony in support of HB 3307.
255	Marc Kane	Lobbyist, Hire Calling Public Affairs. Submits and summarizes written testimony in support of HB 3307 (EXHIBIT J) .
283	Brickman	Submits and summarizes OED Costs of JOBS Plus to the UI System spreadsheet (EXHIBIT K) .
298	Tracey Laudin	Budget Manager, OED. Explains the methodology employed to produce the OED Costs of JOBS Plus to the UI System spreadsheet.

TAPE 77, B

001	Rep. Nelson	Expresses “disappointment” in the unwillingness of the state to support the creation of jobs.
029	Steve Lanning	Policy Specialist, Oregon AFL – CIO. Testifies in opposition to HB 3307.

059 Rep. Merkley Asks for the opinion of Oregon AFL – CIO on -3 amendments.

063 Lanning States that Oregon AFL– CIO does not oppose -3 amendments.

069 Chair Lim Recognizes Ted Abrams.

075 Chair Lim Recesses the meeting at 10:04 a.m.

076 Chair Lim Reconvenes the meeting at 10: 06 a.m.

079 Rep. Merkley **MOTION: Moves to ADOPT HB 3307-3 amendments dated 05/13/05.**

085 **VOTE: 6-1-0**
AYE: 6 - Bruun, Buckley, Dallum, Merkley, Nelson, Riley
NAY: 1 - Lim

Chair Lim **The motion CARRIES.**

103 Rep. Nelson **MOTION: Moves HB 3307 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED and BE REFERRED to the committee on Budget.**

107 Stembridge Explains why HB 3307 needs a subsequent referral to the Budget committee.

118 Brickman Clarifies that OED would need an expenditure authorization from the Budget committee to utilize money for the study.

130 **VOTE: 7-0-0**
AYE: In a roll call vote, all members present vote Aye.

Chair Lim **The motion CARRIES.**

137 Chair Lim Closes the work session on HB 3307. Adjourns the meeting at 10:10 a.m.

EXHIBIT SUMMARY

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- A. **HB 2174, -4 amendments, staff, 42 pp**
- B. **HB 2174, Project Awards to Special Public Works Fund and Wastewater Report, Gary Whitney, 16 pp**
- C. **HB 2174, OECDD Distressed Areas Map, Gary Whitney, 2 pp**
- D. **HB 2174, written testimony of John Hitt, Linda Ludwig, 1 p**
- E. **HB 2174, -1 amendments, staff, 3 pp**
- F. **HB 3307, -3 amendments, staff, 3 pp**
- G. **HB 3307, -2 amendments, John Lim, 26 pp**
- H. **HB 3307, JOBS Plus Committee Questions Answered Report, John Courtney, 3 pp**
 - I. **HB 3307, JOBS Plus Trust Fund Savings Spreadsheets, John Courtney, 2 pp**
 - J. **HB 3307, written testimony, Marc Kane, 1 p**
- K. **HB 3307, OED Costs of JOBS Plus to the UI System, Tamara Brickman, 1 p**