

## SENATE COMMITTEE ON RULES

February 03, 2005  
8:30 A.M.

Hearing Room 343  
Tapes 6 - 7

**MEMBERS PRESENT:** Sen. Kate Brown, Chair  
Sen. Ted Ferrioli, Vice-Chair  
Sen. Jason Atkinson  
Sen. Charlie Ringo  
Sen. Frank Shields

**STAFF PRESENT:** Tiffany Harris, Committee Administrator  
Patricia Nielsen, Committee Assistant

**MEASURE/ISSUES HEARD:**  
SB 27 – Public Hearing  
Introduction of Committee Measures – Work Session

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 6, A</b>		
005	Chair Brown	Calls the meeting to order at 8:34 a.m. Opens as subcommittee. Opens public hearing on SB 27.
<b><u>SB 27 – PUBLIC HEARING</u></b>		
010	Tiffany Harris	Committee Administrator. Presents overview of SB 27, which allows an estimate of the financial effect of state measures on state or local governments printed in the voters' pamphlet and on the ballot to include an estimate of the financial effect on state and local governments if the measure is not enacted.
015	Randall Edwards	Oregon State Treasurer. Testifies in support of SB 27. Submits written testimony ( <b>EXHIBIT A</b> ). Describes membership of the "Price Tag Committee," made up of the State Treasurer, Secretary of State, Director of the Department of Revenue and Director of the Department of Administrative Services. Discusses challenges under current law and provides specific examples. Asserts the current statute only allows one side of the story to be explained to the voters.
070	Chair Brown	Gavels in the full committee.
075	Elizabeth Harchenko	Director, Oregon Department of Revenue. Testifies in support of SB 27. Submits written testimony ( <b>EXHIBIT B</b> ). Discusses -1 amendments dated 2-1-05 ( <b>EXHIBIT C</b> ). Explains the amendments delete the entire measure text and start fresh. Describes need for the department to explain how it reaches its cost estimates. Discusses specific examples.
160	Harchenko	Continues discussing examples of need for the voters to be aware of the effects of not passing an initiative. Explains the Price Tag Committee needs to be allowed to predict a range of cost, not just one number.

185	Edwards	Adds that estimates are still tied to direct costs. Suggests the greatest possible disclosure should be provided in cost estimates of measures.
205	Sen. Atkinson	Asks whether there are ever politics within the Price Tag Committee.
210	Edwards	Responds there usually are not.
215	Sen. Atkinson	Asks about the perception of playing politics.
220	Edwards	Explains attempts to make the process as open as possible.
230	Sen. Atkinson	Asserts the committee can move numbers around. Expresses concern that some ballot measures have huge price tags predicted. Worries that Oregonians don't believe the numbers they are given.
250	Harchenko	Responds the ballot measures before the voters in the past few years have had large fiscal impacts, which both supporting and opposing campaigns have used. Explains the new statute requires the committee to prepare an impartial statement for the voters. Discusses example of Ballot Measure 37 regarding changes in value of property. Acknowledges there is political pressure on the Price Tag Committee.
295	Chair Brown	Asks whether there is a better way to do this. Asks if the voters are entitled to this information before they vote.
305	Edwards	Responds the voters need to understand the cost of measures, and how their tax dollars are spent. Emphasizes that the predictions are estimates of actual costs. Suggests the voters need to see the rationale behind the estimates.
330	Chair Brown	Asks if the Price Tag Committee considered how to do this most fairly.
335	Edwards	Answers the voters have not complained about skewed information.
340	Sen. Shields	Asks about membership of the Price Tag Committee. Asks if the membership should be changed.
345	Harchenko	Explains the members are by statute the State Treasurer, the Secretary of State, the Director of the Department of Administrative Services and the Director of the Department of Revenue.
355	Edwards	Adds that the Price Tag Committee should also have a member with a local government perspective.
370	Sen. Shields	Comments the voters want as much information as they can get on every decision, and can discern whether the Price Tag Committee is giving accurate information. Asks whether the private sector should be included in the membership.
405	Edwards	Responds SB 27 is meant to respond to technical problems with the law. Offers to consider changing the membership of the Price Tag Committee. Stresses the goal to provide more information to voters.
<b>TAPE 7, A</b>		
005	Sen. Ferrioli	Asks for examples what measure summaries might look like for measures which have already been passed. Asks whether voters already have access to pro and con arguments for each measure.
040	Harchenko	Responds the fiscal impact is developed contemporaneously with the explanatory statement, and the pro and con arguments are generated after the measure qualifies for the ballot. Discusses time frame.
060	Sen. Ferrioli	Asks if the Price Tag Committee has access to the pro and con

		arguments.
065	Harchenko	Explains they do not have access to the arguments before the estimates are published.
070	Sen. Ferrioli	Expresses concern that the estimates could be politicized.
080	Chair Brown	Clarifies the Price Tag Committee actions are charged by statute.
085	Sen. Ferrioli	Suggests the fiscal impact statements are political arguments. Asks for comparative examples for measures already passed. Expresses concern that arguments produced will have the government's stamp of accuracy when they may not be accurate.
115	Sen. Ringo	Suggests no one can have absolute confidence that there is no bias in the decision-making process. Suggests the Price Tag Committee has a track record for accuracy. Returns to the Treasurer's concerns about a technical defect in the statute.
135	Sen. Ferrioli	Adds what we have is a system that determines costs. Suggests pro and con arguments can be made on those estimates but adding estimates of savings complicates the issue and politics cannot be eliminated from the process. Argues the voter needs to understand costs to individuals. Asks again for comparative statements and for additional information.
175	Chair Brown	Offers to entertain concrete proposals from committee members.
180	Marjorie Taylor	Committee Services; staff to financial impact committee and explanatory statement committees for all of the statements included in the voters' pamphlet. Explains the financial impact committee and the explanatory statement committee prepare their statements separately. Clarifies any citizen is allowed to participate in the process.
200	Sen. Ferrioli	Argues nobody preparing an argument for or against would have access to the findings of the Price Tag Committee.
205	Taylor	Explains the process for public input is provided in statute.
220	Sen. Ferrioli	Suggests every voter has equal access to add an argument to the voters' pamphlet.
235	Taylor	Discusses time frame for submitting fiscal impact committee estimates and explanatory statements.
245	Sen. Ferrioli	Suggests citizens can put information into the voters' pamphlet so the state should not politicize the process by putting the government seal of approval on fiscal estimates.
255	Sen. Shields	Asks how much more the voters would pay under the example the Treasurer discussed.
265	Edwards	Offers to return information to the committee. Discusses additional examples.
275	Sen. Shields	Points out the specific example showed real cost increases because the voters did not have full information. Asks if the Price Tag Committee can be made more objective and immune from political criticism.
315	Sen. Ferrioli	Asks for a statement on Ballot Measure 11 as it would compare to the statement which was actually prepared. Suggests there were measurable cost savings due to reductions in crime rate.
345	Chair Brown	Suggests bringing in the Director of the Corrections to explain.
350	Edwards	Points out that is exactly the dilemma of the Price Tag Committee in creating estimates. Acknowledges that hindsight is clear, but the Price Tag Committee must use foresight instead. Asserts the current system is not working and does not provide enough information to the voters. Asks for the loophole to be closed.

385 Chair Brown Clarifies the Price Tag Committee's role is limited to estimates of revenues, expenditures and indebtedness to state and local government and does not require estimates of savings.

390 Edwards Affirms and clarifies reduction of expenditure can be estimated.

395 Harchenko Reminds the Price Tag Committee is the legislature's process and the election process has not been reviewed for over 20 years. Explains this is a way to improve the process.

**TAPE 6, B**

005 Sen. Atkinson Comments the initiative process is an important process. Expresses concern that the process has become an industry. Explains last session he reviewed some problems which he could not get addressed because of the politics of the process. Suggests this increases the imbalance between citizens and government.

060 Chair Brown Explains the ballot title process will be reviewed on February 24 at the Committee's meeting in Ashland, Oregon. Asks again for concrete proposals for improving the system.

080 Sen. Ferrioli Responds he wants to review the methodology the Price Tag Committee would use to create its estimates.

095 Chair Brown Closes public hearing on SB 27. Opens work session on introduction of committee measures.

**INTRODUCTION OF COMMITTEE MEASURES – WORK SESSION**

100 Tiffany Harris Committee Administrator. Presents overview of Legislative Counsel (LC) drafts:

- LC 959 relating to child abuse records (**EXHIBIT D**)
- SB 420-1 amendments (**EXHIBIT E**) which update LC 1086 (**EXHIBIT F**)

110 Sen. Ferrioli **MOTION: Moves LC 959 BE INTRODUCED as a committee bill.**

115 Sen. Ferrioli Explains background of LC 959, which is the product of a work group.

120 **VOTE: 3-0-2**

**EXCUSED: 2 - Atkinson, Ringo**

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

**\*\*NOTE: LC 959 printed as SB 509.**

125 Sen. Ferrioli Suggests SB that 420-1 amendments should go to the committee with the bill.

135 Chair Brown Closes work session on introduction of committee measures. Reopens public hearing on SB 27.

**SB 27 – PUBLIC HEARING**

145 Kappy Eaton League of Women Voters of Oregon. Testifies in support of SB 27. Submits written testimony (**EXHIBIT G**). Discusses need for more information in the initiative process, to show voters more possibilities.

190 Chair Brown Refers to written comments about fiscal impact to local government. Asks for feedback about the Price Tag Committee.

195 Eaton Responds her organization has never heard the Price Tag Committee criticized for being too political. Offer to return information to the committee.

215 Chair Brown Closes public hearing on SB 27. Adjourns the meeting at 9:48 a.m.

**EXHIBIT SUMMARY**

- A. SB 27, written testimony, Randall Edwards, 2 pp**
- B. SB 27, measure highlights, Elizabeth Harchenko, 1 p**
- C. SB 27, -1 amendments (2-1-05), staff, 7 pp**
- D. Introductions, LC 959, staff, 2 pp**
- E. Introductions, LC 1082 (SB 420-1 amendments 1-31-05), staff, 1 p**
- F. Introductions, LC 1082, staff, 2 pp**
- G. SB 27, written testimony, Kappy Eaton, 1 p**