

# HOUSE COMMITTEE ON GENERAL GOVERNMENT

February 04, 2003 Hearing Room D  
8:30 AM Tapes 12 - 13

**MEMBERS PRESENT:** Rep. Jerry Krummel, Chair  
Rep. Donna Nelson, Vice-Chair  
Rep. Floyd Prozanski, Vice-Chair  
Rep. Brad Avakian  
Rep. Derrick Kitts  
Rep. John Mabrey

**MEMBER EXCUSED:** Rep. Kelley Wirth

**STAFF PRESENT:** Patrick Brennan, Committee Administrator  
Jeana Harrington, Committee Assistant

**MEASURE/ISSUES HEARD:** -Public Hearing and Work Session  
Introduction of Committee Measures  
-HB 2417 – Public Hearing  
-Informational meeting – Secretary of State Audits Division

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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 12, A</b>		
004	Chair Krummel	Calls meeting to order at 8:37 AM. Explains the committee has received a draft from the Association of Oregon Counties (AOC). Opens public hearing on LC Draft 1268 ( <b>EXHIBIT A</b> ).
<b><u>LC 1268 PUBLIC HEARING</u></b>		
015	Bill Penhollow	AOC. Provides that the draft is an omnibus telecommunications bill. Explains the bill and how it relates to counties.
045	Rep. Nelson	States she has not had a chance to study the draft.
050	Chair Krummel	Explains that the committee does not necessarily have to agree with the draft, passage will only allow it a first-reading.
052	Rep. Nelson	Asks if the AOC has county support for this issue.
056	Penhollow	Responds about the support they have.
067	Rep. Nelson	Requests a list of counties endorsing the draft.
070	Penhollow	States he can identify the counties represented in the process as not all are.
079	Rep. Nelson	Remarks that he should find out the stance of all counties on the draft.
089	Chair Krummel	Closes public hearing and opens work session on LC Draft 1268.
<b><u>LC 1268 WORK SESSION</u></b>		
091	Rep. Kitts	<b>MOTION: Moves LC 1268 BE INTRODUCED as a committee bill.</b>
094		<b>VOTE: 6-0</b> <b>EXCUSED: 1 - Wirth</b> <b>Hearing no objection, declares the motion CARRIED.</b>
104	Chair Krummel	Closes work session on LC 1268. Opens public hearing on HB 2417.

## HB 2417 PUBLIC HEARING

108	Rep. Betsy Close	House District 15. Testifies in favor of HB 2417 ( <b>EXHIBIT B</b> ). Notes that the City of Salem will probably oppose the bill due to lost revenue. Offers amendments to the bill. Provides a citizen commentary on the issue. Points out the discrepancy in terms of the accounts for lost revenue.
164	Rep. Kitts	Asks if any of the representatives have received complaints about those who have abstained from visiting the Capitol due to financial inability.
172	Rep. Close	Comments that parking does not defer people from coming, but it is an inconvenience to those who do. Believes citizens should be accommodated when they come to the Capitol.
186	Rep. Mabrey	Poses a technical question on bill regarding the prohibition of time spent in parking spaces. Points out a discrepancy.
197	Rep. Close	Provides she is unsure of this wording and adds that she did not request a time limit for parking.
205	Rep. Mabrey	Clarifies his earlier question.
207	Rep. Close	Responds to this.
214	Rep. Nelson	Inquires who owns the land.
216	Rep. Close	Assumes it belongs to the state government.
221	Rep. Nelson	Voices concern in differentiating between those visiting the Capitol, and those who need parking. States she is concerned about the amount of parking in general. Wonders if both issues can be resolved with the bill.
234	Rep. Close	States she does not believe this bill could accommodate both of those issues.
240	Nelson	Remarks about the availability of parking in the mornings and questions who those spaces are used by.
247	Rep. Close	Assumes lobbyists account for many of the spaces. States it does not bother her that under the bill paid lobbyists that come to testify could receive a free space as they are paid to represent the public opinion.
258	Rep. Prozanski	Finds it interesting that state, but not Capitol employees would be allowed to use the parking.
267	Rep. Close	Responds that Capitol employees have a parking garage and other options that the public does not have access to.
273	Rep. Prozanski	Clarifies whether the free parking would include both paid lobbyists and volunteer or not-for-profit lobbyists.
278	Rep. Close	Responds that both groups would be included. Adds that paid lobbyists often use their personal funds for their parking.
285	Rep. Prozanski	Asks if city employees would be included by the bill.
290	Rep. Close	Offers that city employees could be included if the committee wanted.
293	Rep. Prozanski	Believes that this action could be considered 'a taking' if the property is not in fact owned by the state.
299	Rep. Close	Replies she does not see it that way and believes the state has the right to this measure.
304	Rep. Prozanski	Questions whether this is a local control issue and a decision that the city should make.
309	Rep. Close	Responds it is a matter of who owns the land.
314	Rep. Prozanski	Questions whether the bill should be extended to county seats as well.
320	Rep. Close	Responds that was not the purpose she had for the bill and adds that decision would be up to county governments.

323	Chair Krummel	Thanks her.
338	Brandon Bennett	City of Salem. Presents ( <b>EXHIBIT C</b> ). Testifies in opposition of HB 2417.
350	Rep. Avakian	Asks who owns the street, meters, and parking spaces.
353	Bennett	Answers that the City of Salem owns them.
357	Peter Fernandez	Department of Public Works, City of Salem. Clarifies the land that the city owns.
374	Rep. Avakian	Clarifies the land the city owns, including sidewalks.
378	Fernandez	Affirms his statement and adds that it does include the sidewalks.
384	Bennett	Refers to ( <b>EXHIBIT C</b> ). Points out expense discrepancies spoken of earlier with regard to rates and equipment.
<b>TAPE 13, A</b>		
003	Bennett	Continues. Details the loss in revenue the city will incur with regard to violations and meter revenue. Points out the city has examined its program to provide better options for citizens. Believes that if parking was free, it would be used for purposes unintended by the bill. States the city cannot afford to enforce these restrictions. Explains the problems in implementing this. Refers to the citizen commentary Rep. Close offered in <b>EXHIBIT B</b> .
104	Chair Krummel	Clarifies whether there exists free parking in the downtown area.
108	Bennett	Affirms.
110	Fernandez	Adds that this parking is courtesy of downtown businesses, extended to their customers, and is paid for by an added tax to businesses.
117	Chair Krummel	Lists Rep. Close's proposed amendments and requests the witnesses' thoughts on them.
129	Bennett	Explains they have looked at some of the options listed to try and make the Capitol more accessible. Submits the city would entertain the ideas, but that a bill is unnecessary.
143	Rep. Prozanski	Refers to an earlier statement regarding the enforcement of out-of-town visitors. Asks Mr. Bennett to elaborate.
148	Bennett	Explains how the city addresses delinquent parking fees.
170	Rep. Nelson	Requests the total revenue from all state parking in Salem.
174	Bennett	Answers that it is obtained mostly from the Capitol Mall area and lists if at around \$600,000 annually.
187	Doug Kapps	Executive Director, Capital Planning Commission (CPC). Notes he just heard of the bill. Mentions the types of members the commission includes. Gives examples of the purpose of the commission. States the commission is able to collaborate with them on this issue.
237	Rep. Mabrey	Asks if the state pays anything in lieu of taxes to the city.
241	Kapps	Responds regarding the free park and ride system for employees.
252	Rep. Nelson	Clarifies that the state pays nothing else to the city.
255	Kapps	Voices belief that is correct.
266	Mary Botkin	Association of Federal, State, County, and Municipal Employees (AFSCME) Council 75. Testifies against HB 2417. Presents an idea that legislators could be provided with passes for constituents. States that parking is a hassle and adds there could be a solution for the general public.
308	Chair Krummel	Thanks her. Believes they should take Mr. Kapps up on his offer and adds the committee should work with the CPC, Rep. Close, and the City of Salem on this issue. Closes public hearing on HB 2417. Opens informational meeting on the Secretary of State

Audits Division.

**INFORMATIONAL MEETING**

351 Cathy Pollino

Director, Secretary of State Audits Division. Overviews the division with regard to constitutional authority and fiscal accountability (**EXHIBIT D**).

**TAPE 12, B**

005 Pollino

Explains the role of the division and audit standards. Elaborates on customers of the division. Touches on organizational challenges. Highlights the four types of audits and gives examples of those. Overviews audit plan. Describes audit risks. Highlights audit categories (**EXHIBIT E**). Explains the purpose of each category. Provides web information

317 Rep. Mabrey

Understands that they are requested to do specific audits.

322 Pollino

Answers yes and gives examples of those who request audits. States that Rep. Westlund is also working with the requests in his committee.

343 Rep. Mabrey

Asks what information they disclose with regard to audits.

350 Pollino

Explains confidentiality practices with audit requests.

356 Rep. Mabrey

Explains the purpose of his questions referencing 9-1-1.

373 Pollino

States they are required to audit ten percent of cities and counties. Explains the division's actions around 9-1-1.

**TAPE 13, B**

004 Chair Krummel

Asks if an individual can request an audit.

007 Pollino

Affirms.

008 Chair Krummel

Asks if she believes they are utilized.

009 Pollino

Affirms and adds they are very well used. Speaks to the services used in 9-1-1 funds. Gives examples of audits. States the necessity of focused audits.

051 Rep. Nelson

Uses the Oregon Department of Transportation's (ODOT) as an example of actions eligible for audits.

059 Pollino

Answers that they can be.

060 Rep. Nelson

Inquires how they audit.

063 Pollino

States they look at overall expenditures.

064 Rep. Nelson

Adds to her question.

068 Pollino

Responds it depends on the agency.

074 Rep. Nelson

Thanks her for the usefulness of their services. Gives an example of an agency with regard to audits.

086 Pollino

Comments that they do not handle policy decisions regarding examples like that.

097 Rep. Nelson

Comments on the task of the legislature to explain its funds and budget.

101 Pollino

Replies she doesn't have those answers.

103 Rep. Nelson

Asks about billing.

105 Pollino

States that state agencies are assessed for audit work. Adds that some are billed directly for their time. Explains for the remainder of agencies it is an overhead charge.

113 Rep. Nelson

Inquires if agencies agree to upon the charge beforehand.

114 Pollino

Affirms.

115 Rep. Nelson

Inquires about their budget.

117 Pollino

Answers the staff has decreased from 83 Full-time Equivalent (FTE) Positions to 78 FTE.

121 Chair Krummel

Assumes they use Certified Public Accountants (CPAs).

123 Pollino

Affirms. Details audit staff.

132 Chair Krummel

Asks her opinion on the audit division.

137	Pollino	Answers that, unlike other states, Oregon's audit division is separate from the Governor's office and from the Legislature thus providing the agency with functional independence.
158	Chair Krummel	Asks if auditors have the ability to move to other agencies.
167	Pollino	States they do have independent standards that are dependent on tenure with the agency.
173	Chair Krummel	Asks if the agency has the authorization to recover data.
182	Pollino	Says they have access to all kinds of information, but they would not necessarily be the ones to recover it.
188	Chair Krummel	Clarifies with regard to destroyed evidence on computers.
192	Pollino	Responds the agency has used Oregon State Police (OSP) forensic auditing services in situations such as these.
196	Chair Krummel	Wonders if set benchmarks would help aid the division in terms of audits.
204	Pollino	Answers it would be helpful especially in the areas of economic development.
215	Rep. Nelson	Requests the annual budget of the division.
216	Pollino	Replies the biennium budget is \$13 million allowing an estimated \$6.5 to \$7 million per annum.
222	Rep. Nelson	Poses a question regarding the funds moved within a department.
228	Pollino	Responds that as this practice is likely in many programs, a request would need to be made.
233	Rep. Nelson	Comments about Oregon Health Plan (OHP) audit. Asks whose responsibility it is to follow up in these matters.
247	Pollino	Answers they are changing their process on that currently so that agencies will report back over time. Offers they have no power to make anyone do anything, as that is the job of the Legislature.
262	Chair Krummel	Closes informational meeting. Adjourns at 10:16 AM.

## **EXHIBIT SUMMARY**

**A – LC draft 1268, Staff, 24 p**

**B – HB 2417, prepared testimony, Rep. Betsy Close, 2 pp**

**C – HB 2417, written testimony, Brandon Bennett, 2 pp**

**D – Informational, Audits and Fiscal Accountability, Cathy Pollino, 10 pp**

**E – Informational, Audit Report, Cathy Pollino, 24 pp**