

HOUSE SPECIAL SESSION COMMITTEE
ECONOMIC STIMULUS AND PUBLIC POLICY

February 8, 2002 Hearing Room A
10:00 A.M. Tapes 1 - 5

MEMBERS PRESENT:

Rep. Carl Wilson, Chair
Rep. Alan Bates
Rep. Tom Butler
Rep. Cedric Hayden
Rep. Betsy Johnson
Rep. Jeff Kruse
Rep. Steve March
Rep. Diane Rosenbaum
Rep. Patti Smith

STAFF PRESENT:

Janet Adkins, Committee Administrator
Linda K. Gatto, Committee Assistant

MEASURE HEARD:

Organizational Meeting
Adoption of Committee Rules
Work Session - Introduction of Committee Measures
LC 23, LC 28, LC 29-1, LC 85, LC 67, LC 5-2 LC 84, LC 67
HR 10
HB 4010
SB 1000
SB 1002
SB 1003
SB 1004
HB 4022
HJR 70

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 1, A		
005	Chair Wilson	Calls the meeting to order at 10:05 a.m. and opens the organizational meeting.
<u>ORGANIZATIONAL MEETING</u>		
010	Rep. Butler	Moves to ADOPT the proposed Committee Rules, (EXHIBIT A).
015	Chair Wilson	Hearing no objection, declares the motion is CARRIED. Opens the work session for the purpose of introducing committee measures.

WORK SESSION

010	Janet Adkins	Committee Administrator. Provides an overview of the proposed committee measures: LC 23, Honors the memory of September 11 victims, (EXHIBIT B) LC 28, sine die resolution, (EXHIBIT C) LC 29-1, regarding term limits, (EXHIBIT D) LC 85, the ballot title for the term limits resolution, (EXHIBIT E) LC 67, relating to unemployment insurance, (EXHIBIT F)
030	Chair Wilson	Clarifies that LC 67 is the proposal brought forward by AFL-CIO and AOI, with changes suggested by National Federation of Independent Business (NFIB).
037	Rep. Rosenbaum	MOTION: Moves LC 5-2 BE INTRODUCED as a committee bill, (EXHIBIT G).
042		VOTE: 7-2 AYE: 7 – Butler, Hayden, Kruse, March, Rosenbaum, Smith P, Wilson NAY: 2 – Bates, Johnson
049	Chair Wilson	The motion CARRIES.
050	Rep. P. Smith	MOTION: Moves LC 23 BE INTRODUCED as a committee bill, (EXHIBIT B).
055		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
060	Chair Wilson	The motion CARRIES.
064	Rep. Rosenbaum	Announces that she reserves the option to vote no on LC 5-2.
070	Rep. March	Advises that some changes will be introduced.
072	Rep. Butler	MOTION: Moves LC 28 BE INTRODUCED as a committee bill, (EXHIBIT C).
082	Chair Wilson	Hearing no objection, declares the motion CARRIED.
087	Rep. Kruse	MOTION: Moves LC 29-1 BE INTRODUCED as a committee bill, (EXHIBIT D).
089	Rep. March	Explains he will join for purposes of introduction, with reservations.
093	Rep. Bates	Suggests the decision regarding term limits should be given to the voters, as proposed by this LC.
107	Rep. Rosenbaum	Comments she cannot support the proposal.
120	Rep. Bates	Reiterates that the courts disallowed term limits, and the people should be allowed to decide.
133	Rep. Kruse	Describes the impact of term limits so far, and suggests this proposal is what the voters wanted.
175	Chair Wilson	Expresses support for term limits, and the ability of the voters to decide whether to reinstate more reasonable limits.
210	Rep. Butler	Explains his support for the proposal, which extends the terms allowed.

235	Rep. Johnson	Advises she will offer a courtesy yes vote.
237		VOTE: 7-2
		AYE: 7 – Bates, Butler, Hayden, Johnson, Kruse, March, Wilson
		NAY: 2 – Rosenbaum, Smith P,
246	Chair Wilson	The motion CARRIES.
252	Rep. Kruse	MOTION: Moves LC 85 BE INTRODUCED as a committee bill (EXHIBIT E).
260	Rep. Bates	Presents overview of LC 84 and LC 85. Explains details of ballot titles regarding term limits.
304		VOTE: 7-2
		AYE: 7 – Bates, Butler, Hayden, Johnson, Kruse, March, Wilson
		NAY: 2 – Rosenbaum, Smith P,
315	Chair Wilson	The motion CARRIES.
319	Rep. Butler	MOTION: Moves LC 84 BE INTRODUCED as a committee bill, (EXHIBIT H).
323	Adkins	Presents overview of LC 84, (EXHIBIT H) .
330	Rep. Bates	Explains details of alternative ballot title regarding term limits.
343	Rep. Hayden	Advises he cannot support the proposal because it is not comprehensive enough.
390	Rep. Kruse	Distinguishes between the ballot title and the referendum under the ballot.
404	Rep. Bates	Clarifies this LC is strictly to describe the ballot title.
425	Rep. Butler	Discusses need to clarify the ballot title.
450		VOTE: 5-4
		AYE: 5 – Bates, Hayden, Kruse, March, Wilson
		NAY: 4 –Butler, Johnson, Rosenbaum, Smith P
460	Chair Wilson	The motion CARRIES.
477	Rep. Kruse	MOTION: Moves LC 67 BE INTRODUCED as a committee bill, (EXHIBIT F).
485	Rep. Rosenbaum	Asks whether it is possible to pass out two versions of this proposal.
490	Chair Wilson	Declines.
494	Rep. Kruse	Advises another version is on the Senate side.
496	Rep. Rosenbaum	Asks whether it is possible to amend this proposal.
498	Chair Wilson	Declines.
499	Rep. Rosenbaum	Advises she cannot support the proposal because it is insufficient.
TAPE 2, A		
035	Rep. March	Comments he will also support the Senate version but not this proposal.
042	Rep. P. Smith	Explains she will support the proposal in order to move ahead.

045 Rep. Johnson Advises she cannot support this complete substitution.

054 Rep. Kruse Points out the situation is fluid, and because the measure is not being considered for passage, but only for introduction he will support it.

060 Chair Wilson Assures the Senate version is not a consensus bill with labor and business because small businesses are not adequately represented. Advises he will support this proposal.

073 Rep. Butler Explains he may not support this proposal later but supports introduction.

081 **VOTE: 5-4**
AYE: 5 – Butler, Hayden, Kruse, Smith P, Wilson
NAY: 4 – Bates, Johnson, March, Rosenbaum

085 Chair Wilson The motion CARRIES.

088 Chair Wilson Recesses the meeting at 10:50 a.m. and reconvenes at 11:45 a.m. Opens the work session on HR 10.

HR 10 – WORK SESSION

012 Rep. March MOTION: Moves HR 10 be sent to the floor with a BE ADOPTED recommendation.

016 Rep. Butler Expresses concern that the resolution does not mention military members.

025 Chair Wilson Responds that there is another bill that honors military members.

VOTE: 8-0
EXCUSED: 1 – Rep. Hayden

029 Chair Wilson Hearing no objection, declares the motion CARRIED. REP. KRUSE will lead the discussion on the floor.

030 Chair Wilson Closes work session on HR 10.

032 Rep. Butler Asks whether the other bill addresses the issue of honoring those military members who served at the Pentagon on September 11.

042 Rep. Kruse Clarifies resolution language.

060 Rep. Butler Recommends comment recognizing there is a separate memorial honoring the military.

078 Chair Wilson MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. P. SMITH and REP. KRUSE to BE RECORDED as voting AYE on HR 10.

083 Chair Wilson Closes work session on HR 10 and recesses the committee until 1:30 p.m.

086 Chair Wilson Reconvenes the committee at 1:40 p.m. Opens the work session on HB 4010.

HB 4010 – WORK SESSION

095 Rep. Bruce Starr House District 30. Provides an overview of HB 4010, relating to state bonding indebtedness for Department of Transportation, (ODOT) projects. Testifies in favor of HB 4010-2 amendments, (EXHIBIT A).

134	Rep. Butler	Asks how consultant contracts will save time and money.
143	Doug Tindall	State Maintenance Engineer, ODOT. Describes the transition of the Department from using 20% consultants to a much higher percentage, because the Department will not have staff to take on the additional workload.
155	Rep. Butler	Comments that the projects were described as ready to go. Asks about increased staff needs.
163	Tindall	Clarifies it is the process of selecting the projects and the amount of preparation that is needed.
187	Rep. Butler	Asks about design-build method for the contracts.
192	Tindall	Affirms some projects will be contracted out as design-build, which lessens the impact on ODOT.
202	Rep. Butler	Inquires whether the increase from \$400 million to \$500 million contemplates additional new revenues or tax.
208	Rep. Starr	Explains the \$500 million is a cap only and predicts the additional bonds will be at \$67 million.
215	Rep. Butler	Clarifies that the additional bonding ability will be due to lower interest rates, and not new taxes.
220	Rep. Starr	Affirms.
221	Rep. Johnson	Inquires what is a marginal increase in staff.
224	Tindall	Predicts it would be ten or fewer.
230	Rep. Johnson	Asks whether there were two requests for staff.
235	Tindall	Explains the requests were combined.
240	Rep. Johnson	Inquires whether the positions will be permanent.
240	Mike Marsh	ODOT. Explains the positions will be requested as permanent for the biennium with a budget note that ODOT expects the positions to last between four and eight years.
250	Rep. Johnson	Asks whether the new positions will be field personnel or located at the head office.
254	Marsh	Answers it is a split.
259	Rep. Johnson	Recommends contacting the Department of Justice about turnaround time for contracts.
263	Marsh	Assures the committee that the Department of Justice has been involved in the process.
267	Rep. Butler	Asks if ODOT will contract with local governments for contract management needs.
277	Tindall	Affirms.
283	Marsh	Explains there is bonding authority within ODOT's budget for local governments to bond with their own money through ODOT.
289	Rep. Bates	Requests clarification on time frame allowed for bonding.
302	Rep. Starr	Responds the Department has the option of bonding sooner to take advantage of lower interest rates now.
308	Rep. Bates	Asks about time frame for building projects once the bonding is done.

315	Rep. Starr	Answers there is a six-year time limit.
318	Marsh	Elaborates that there are penalties after three years and severe penalties after six years.
335	Rep. Bates	Inquires whether the bill allows ODOT to borrow with bonds now and reinvest at a higher interest rate later.
338	Marsh	Advises the penalties probably would not allow that now.
350	Rep. Bates	Expresses concern that the governor also has a bill on this subject.
379	Rep. Kruse	Inquires about the flexibility being afforded to ODOT to assist in meeting the needs for infrastructure and economic development locally. Describes a project requested by the city of Oak Ridge.
416	Rep. Starr	Explains the project selection process allowed local discussion about how to fund projects, so with additional money there might be the same opportunity.
440	Tindall	Elaborates about the projects selected for funding.
460	Rep. Kruse	Inquires whether the group of projects has been finally decided.
470	Tindall	Answers there was \$1.5 billion requested from \$400 million in funding. Continues that the project in Oak Ridge would have another opportunity for funding in the next round of bonding.
488	Rep. March	Asks whether the Department has an estimate of costs for city and county bridge projects.
508	Rep. Starr	Explains the Oregon Transportation Investment Act, (OTIA) process did allow money to be spent on city and county bridge projects.
515	Tindall	Continues to notes that there was \$100 million in local bridge projects submitted for OTIA, of which \$35 million was funded.

TAPE 4, A

040	Rep. March	Comments on specific funding streams for cities and counties.
047	Rep. Starr	Confirms.
052	Pat Egan	Governor's Transportation and Economic Development Advisor. Testifies in support of the bill with the amendments. Discusses the time periods for bonding.
069	Chair Wilson	Recesses the committee at 12:20 p.m.
072	Chair Wilson	Reconvenes the committee at 2:05 p.m.
073	Rep. Kruse	MOTION: Moves to ADOPT HB 4010-2 amendments dated 2/8/02, (EXHIBIT I).
077	Rep. March	Notes that a funding stream could help many cities and counties. Requests that the committee discuss the governor's recommendation.
		VOTE: 9-0
090	Chair Wilson	Hearing no objection, declares the motion CARRIED.
092	Rep. Kruse	MOTION: Moves HB 4010 to the floor with a DO PASS AS AMENDED recommendation.
098	Rep. Butler	Expresses support noting that the bill is not the best alternative.

117 **VOTE: 9-0**
121 Chair Wilson **AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.**
REP. STARR will lead the discussion on the floor.
123 Chair Wilson Closes the work session on HB 4010. Recesses the meeting at 2:10 p.m., to reconvene at the call of the chair.
005 Chair Wilson Reconvenes the meeting at 6:45 p.m. and opens the work session on SB 1000.

SB 1000 – WORK SESSION

012 Janet Adkins Committee Administrator. Provides an overview of SB 1000, **(EXHIBIT F)** which delays implementation of HB 3842 (2001) regarding notice of liens on property.
030 **Rep. Kruse** **MOTION: Moves SB 1000 to the floor with a DO PASS recommendation.**
032 **Chair Wilson** **Hearing no objection, declares the motion CARRIED.**
EXCUSED: 1 – Hayden
033 **Rep. Kruse** **MOTION: Moves SB 1000 be placed on the CONSENT CALENDAR.**
035 **Chair Wilson** **Hearing no objection, declares the motion CARRIED.** Closes work session on SB 1000. Opens work session on SB 1002.

SB 1002 – WORK SESSION

043 Adkins Presents overview of SB 1002, which creates a short-term borrowing account in the general fund.
058 **Rep. Kruse** **MOTION: Moves SB 1002 to the floor with a DO PASS recommendation.** Comments the bill codifies current practice.
VOTE: 8-0
EXCUSED: 1 - Rep. Hayden
063 **Chair Wilson** **Hearing no objection, declares the motion CARRIED.**
EXCUSED: 1 – Rep. Hayden
064 **Rep. Kruse** **MOTION: Moves SB 1002 be placed on the CONSENT CALENDAR.**
065 **Chair Wilson** **Hearing no objection, declares the motion CARRIED.** Closes the work session on SB 1002 and opens the work session on SB 1003.

SB 1003 – WORK SESSION

068 Adkins Provides an overview of SB 1003, which provides assurance for back-up funding to repay lottery bonds in the event the lottery is declared illegal.
086 **Rep. Kruse** **MOTION: Moves SB 1003 to the floor with a DO PASS recommendation.** Comments the bill codifies current practice.
VOTE: 7-1
AYE: 7 - Bates, Butler, Kruse, March, Rosenbaum, Smith P, Chair Wilson
NAY: 1 –Johnson
EXCUSED: 1 - Rep. Hayden

093	Chair Wilson	The motion CARRIES. Rep. Rosenbaum will lead discussion on the floor. Closes work session on SB 1003. Opens work session on SB 1004.
<u>SB 1004 – WORK SESSION</u>		
108	Adkins	Presents overview of SB 1004, which allows adjustment of contribution of public employer to Public Employees Retirement System (PERS).
127	Rep. Kruse	MOTION: Moves SB 1004 to the floor with a DO PASS recommendation.
130	Rep. March	Comments the program is voluntary.
135	Rep. Butler	Expresses concern that PERS is increasing staff.
148	Rep. March	Suggests there would be a short-term workload increase, which would decline in the long term.
160	Rep. Johnson	Asks about benefit of pooling for large and small school districts.
166	Rep. Butler	Comments it would depend on district's bonding capacity.
178	Rep. March	Explains further about additional workload for PERS.
184	Rep. Butler	Advises he will support the bill despite disagreement about whether additional staff is needed.
		VOTE: 8-0
		EXCUSED: 1 - Rep. Hayden
196	Chair Wilson	Hearing no objection, declares the motion CARRIED.
197	Rep. Kruse	MOTION: Moves SB 1004 be placed on the CONSENT CALENDAR.
		EXCUSED: 1 - Hayden
198	Chair Wilson	Hearing no objection, declares the motion CARRIED. Closes work session on SB 1004. Opens work session on HJR 70.
<u>HJR 70 – WORK SESSION</u>		
205	Rep. Bates	Presents overview of dash-1 amendments to HJR 70 (EXHIBIT J), relating to term limits.
228	Rep. Kruse	Asks about potential reduced terms if there is a late-term appointment.
235	Rep. Bates	Clarifies the limit is twelve years.
239	Rep. Kruse	MOTION: Moves to ADOPT HJR 70-1 amendments dated 2/8/02.
243	Chair Wilson	Hearing no objection, declares the motion CARRIED.
		EXCUSED: 1 - Hayden
245	Rep. Kruse	MOTION: Moves HJR 70 to the floor with a DO PASS AS AMENDED recommendation.
248	Rep. Rosenbaum	Explains she cannot support the proposal because she believes the voters no longer support term limits.
266	Rep. Kruse	Comments the voters seem to want to choose and this reflects the spirit and intent of the prior initiative.
317	Rep. P. Smith	Announces that she will not support the bill.
320	Rep. Bates	

361	Rep. March	Explains the intent was to remove ambiguity from the process and give the voters the choice. Provides an explanation of his yes vote is so the measure can be debated on the chamber floor.
368		VOTE: 6-2 AYE: 6 - Bates, Butler, Johnson, Kruse, March, Wilson NAY: 2 – Rosenbaum, Smith P. EXCUSED: 1 - Rep. Hayden
386	Chair Wilson	The motion CARRIES. REP. BATES and REP. KROPF will lead discussion on the floor. Closes the work session on HJR 70 and opens the work session on HB 4022.
<u>HB 4022 – WORK SESSION</u>		
397	Adkins	Provides an overview of HB 4022, which specifies a ballot title for HJR 70.
414	Rep. Kruse	MOTION: Moves HB 4022 to the floor with a DO PASS recommendation. VOTE: 8-0 EXCUSED: 1 - Hayden
422	Chair Wilson	Hearing no objection, declares the motion CARRIED. REP. BATES will lead discussion on the floor.
434	Chair Wilson	Closes the work session on HB 4022 and adjourns the meeting at 7:20 p.m.

Transcribed by

Patricia Nielsen,
Committee Assistant

Submitted By,

Reviewed By,

Linda K. Gatto,
Committee Assistant

Janet Adkins,
Committee Administrator

EXHIBIT SUMMARY

- A. Proposed Committee Rules, staff, 1 p**
- B. Draft LC 23 dated 2/1/02, staff, 2 pp.**
- C. Draft LC 28 (not available)**
- D. Draft LC 29-1 dated 2/7/02, staff, 2pp.**
- E. Draft LC 85 dated 2/7/02, staff, 2 pp.**
- F. Draft LC 67 dated 2/8/02, staff, 30 pp.**
- G. Draft LC 5-2 dated 2/6/02, staff, 8 pp.**

- H. Draft LC 84 dated 2/7/02, staff, 2 pp.**
- I. HB 4010-2 dated 2/8/02, Rep. Bruce Starr, 1 p**
- J. HJR70-1 dated 2/8/02, staff, 2 pp.**