

WORK SESSION

SB 509, SB 519, SB 832-A

TAPES 103-104, A/B

SENATE REVENUE COMMITTEE

April 11, 2001 — 8:10 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Steve Meyer, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Leslie Hallick, Provost for Vice President
for Academic Affairs, Oregon Health Sciences
University

Pat Egan, Office of the Governor

Matt Rossell, speaking on behalf of In Defense of
Animals

Ozzie Rose, Confederation of Oregon School
Administrators

TAPE 103, SIDE A

- 005 Chair Ferrioli Meeting called to order at 8:28 a.m.
- 013 Richard Yates Stated that SB 832 directs Oregon Health Sciences University (OHSU) to undertake a program of expansion in biomedical research and technology and requires the issuance of not less than \$200 million in revenue bonds conditional on the passage of constitutional authority to issue general obligation bonds. There are several amendments regarding this bill that have yet to be discussed. Governor Kitzhaber addressed this committee at a previous meeting.

INVITED TESTIMONY ON SB 832-A

- 053 Leslie Hallick Stated that the proposed (-A9) amendments (Exhibit 5) respond to Governor Kitzhaber's testimony and concerns evidenced by this committee in discussion last week. The (-A9) amendments describe a series of activities to be conducted in conjunction with the execution of the Oregon Opportunity. The (-A9) amendments add areas of research to include public health, health care ethics, health informatics, and health outcomes. The (-A9) amendments also establish a task force at OHSU that would review on an ongoing basis the impact of the Oregon Opportunity on OHSU's ability to carry out its mission. Would the focus on research detract in any way from the focus on education and the health care mission of the institution?

Further comments, with questions and answers interspersed.

- 143 Chair Ferrioli Summarized the concerns the Governor raised in his one-half hour address to this committee last week. Asked the witness if those concerns have been adequately addressed and embodied in the (-A9) amendments.

- 156 Hallick Responded that they are addressed and embodied within the (-A9).
- 180 Pat Egan Testified in support of the (-A9) amendments and the bill. Thanked OHSU for their quick action in getting the amendment drafted. Supports a motion to send the bill and (-A9) amendments to Ways & Means.
- 202 Chair Ferrioli Pointed out that the motion would be to move the bill to the Senate Floor with a Do Pass recommendation.
- 208 Chair Ferrioli Stated the (-A9) amendments create a venue for discussing on an ongoing basis all concerns that the Governor raised during his testimony.
- 211 Egan Stated that a Task Force would do that.
- 214 Vice Chair L. Beyer Commented for the record that this proposal is a good one and he will support it, but wanted to be sure that spinal research would be included in fields of study.
- 226 Sen. Corcoran Stated he had been approached by a concerned group that has grave concerns about the primate research conducted at OHSU. Several amendments had been created relative to their concerns.
- 250 Matt Rossell Supports amendments (-A6), (-A7), and (-A8). Discussed concerns regarding primate care and research at OHSU. Exhibit 6. Stated the amendments will ensure appropriate oversight for the animal research, improve wellbeing of the animals, and improve the quality of the data being collected at OHSU. Rossell was a primate technician for more than two years at the Primate Center at OHSU and wants to improve

the quality of lives of the monkeys there. When his attempts failed, he went public with information regarding how the animals are housed and how research is conducted. When he did so, 25 co-workers came forward with him.

273 Rossell Described issues covered in the (-A6), (-A7), and (-A8) amend-ments. For example, housing these highly social animals, and forcing them to live their whole lives alone in tiny cages creates immense stress for them. Cited observations from many animal specialists and their concern with primate research practices at OHSU. Stated there is an emerging trend in biomedical research in which new technologies are replacing outdated and less reliable animal models. The biomedical research industry is committed to reducing, refining, and replacing animals in research.

Questions and answers interspersed.

371 Chair Ferrioli Summarized the Chair's analysis of the (-A6), (-A7) and (-A8) amendments. Knows there is a genuine concern regarding animal welfare concerns. Stated the (-A6) amendments are too specific to one type of activity. The (-A7) raises the animal rights issue to the same level as other ethical concerns to a system very much parallel to what is proposed in the (-A9). The (-A8) reallocate research dollars specifically to non-animal research. Asked committee and witness to consider the (-A9) amendments as the proper vehicle to address the issues.

Comments, and questions and answers interspersed.

449 Sen. Corcoran Stated that Mr. Rossell and his co-workers do not intend to stop all animal research. They simply want it to be more humane. Agrees with the Chair that the whole spectrum of ethics must be examined. Would like to move the (-A7) and (-A9) separately to Ways & Means.

TAPE 104, SIDE A

- 041 Chair Ferrioli Asked for OHSU witnesses to come forward with their response to the proposed amendments.
- 057 Leslie Hallick Discussed Exhibit 7 — several pages of documentation and written testimony.
- Questions and answers interspersed.
- 100 Chair Ferrioli Stated there is a different attitude between animal activists and people who are concerned about animal welfare and the humane treatment of animals. Said most citizens of Oregon fall between those two poles and that there is a concern among people who are not activists or advocates who want to make sure that if animal research is conducted it is done so in the most humane way. Asked the witness if she believed animal welfare and the ethical and humane treatment of animals should be considered for inclusion in the (-A9) amendments.
- 118 Hallick Replied it should be included. Further comments, with questions and answers interspersed.
- 165 Vice Chair L. Beyer In response to issues discussed today, suggested adding Section 5a (2)(f) "Whether animal research is being done in an ethical and humane manner." Stated that would provide a balance between professional expertise on the inside (OHSU) and public interest on the outside.
- 201 Sen. Corcoran Will go along with the addition of (f) as stated above, but still concerned about lack of public access to animal research care and treatment records. Upset about prospect of greedy pharmaceutical companies coming in and making obscene profits off medications that may be discovered through publicly financed research.

Comments, and questions and answers
interspersed.

OPENED WORK SESSION ON SB 832-A

- 255 Vice Chair L. Beyer MOTION:
MOVES THE RULES BE SUSPENDED FOR
THE PURPOSE OF CONSIDERING A
CONCEPTUAL AMENDMENT.
- 260 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO
ORDERED.
- 262 Vice Chair L. Beyer MOTION:
MOVES THAT THE (-A9) AMENDMENTS
TO SB 832-A BE AMENDED BY
INSERTING A NEW SUBPARAGRAPH (f)
ON PAGE 3 BETWEEN LINES 5 AND 6 TO
READ: "WHETHER ANIMAL RESEARCH
IS BEING DONE IN AN ETHICAL AND
HUMANE MANNER."
- 272 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO
ORDERED.
- 273 Vice Chair L. Beyer MOTION:
MOVES (-A4) AMENDMENTS TO SB 832-A
BE ADOPTED.
- 280 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO
ORDERED.
- 281 Vice Chair L. Beyer MOTION:

MOVES (-A9) AMENDMENTS AS
AMENDED TO SB 832-A BE ADOPTED.

- 287 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 288 Vice Chair L. Beyer MOTION:

MOVES SB 832-A AS AMENDED TO WAYS & MEANS COMMITTEE WITH A DO PASS RECOMMENDATION.
- 293 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 294 Chair Ferrioli Thanked committee members for their high quality discussion regarding this bill. Appreciated the Governor's thoughtful and enlightening testimony. Stated that the animal rights community usually expresses their views in adversarial manners, but this time they gave testimony that heightened awareness of an important matter.

CLOSED WORK SESSION ON SB 832-A

- 345 Steve Meyer Gave overview of SB 519 and discussed Exhibit 15: (-1) amend-ments. SB 519 creates a Small School District Supplement Fund. \$4.5 million per year in biennium to be transferred to it from State School Fund.

Extensive comments, with questions and answers interspersed.

TAPE 103, SIDE B

- 023 Chair Ferrioli Asked for input from Ozzie Rose and John Marshall. Asked if the (-1) amendments reflect

the compromises considered by this committee over the past 14 weeks of discussion.

- 037 Ozzie Rose Responded that yes, the (-1) amendments reflect those discussions.
- 052 John Marshall Added that this committee has given consideration to a number of options over the course of the last 14 weeks' discussions. Small school districts trying to operate small high schools in circumstances of declining enrollment is an area needing specific and immediate attention. Believes special education financial needs will be targeted for discussion during the interim and next legislative session. However, not all issues and concerns are covered by SB 832-A, but it's a start. The House Revenue Committee will apply its wisdom to the bill, and it will probably end in a Conference Committee for final disposition.

Comments, and questions and answers interspersed.

OPENED WORK SESSION ON SB 519

- 142 Vice Chair L. Beyer MOTION:
MOVES (-1) AMENDMENTS TO SB 519 BE ADOPTED.

Chair Ferrioli ORDER:
ROLL CALL VOTE, MOTION PASSES: 5 — 2 — 0

SENATORS VOTING AYE: CASTILLO, GEORGE, STARR, L. BEYER, FERRIOLI.

SENATORS VOTING NO: CORCORAN, MINNIS.

Sen. Ferrioli will carry the bill on the Senate Floor.

155 Sen. Corcoran Stated his "No" was a protest vote because he does not agree with the disposition of the \$29 million federal forest receipts.

188 Vice Chair L. Beyer MOTION:
MOVES SB 519 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

196 Chair Ferrioli ORDER:
ROLL CALL VOTE: MOTION PASSES: 5 —
2 — 0
SENATORS VOTING AYE: CASTILLO,
GEORGE, STARR, L. BEYER, FERRIOLI.
SENATORS VOTING NO: CORCORAN,
MINNIS.
Sen. Ferrioli will carry the bill on the Senate Floor.

200 Chair Ferrioli Stated that the issues brought forth through SB 519 were felt deeply by all members. Would have liked to see more done for rapidly increasing enrollment districts and for independent education programs.

CLOSED WORK SESSION ON SB 519

225 Rose On behalf of the school districts thanked committee members for their deliberations on SB 519.

251 Chair Ferrioli Adjourned meeting at 9:40 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 832-A, Corcoran, (-A6) Amendments, (CH/lw/ps) 4/10/01, 1 pp.
2. SB 832-A, Corcoran, (-A7) Amendments, (CH/lw/ps) 4/10/01, 4 pp.
3. SB 832-A, Corcoran, (-A8) Amendments, (CH/lw/ps) 4/10/01, 3 pp.
4. SB 832, Brooking, Written testimony dated April 11, 2001, 5 pp.
5. SB 832-A, Ferrioli, (-A9) Amendments, (CH/ps) 4/11/01, 4 pp.
6. SB 832-A, Rossell, Written testimony, 92 pp.
7. SB 832, Hallick, Written testimony, 28 pp.
8. SB 832-A, (-A4) Amendments, (CH/ps) 4/2/01, 1 pp.
9. SB 832-A, Stephens, Written testimony dated April 11, 2001, 2 pp.
10. SB 832-A, Barnes, Written testimony dated April 11, 2001, 1 pp.
11. SB 832-A, Methvin, Written testimony dated April 11, 2001, 3 pp.
12. SB 832-A, OHSU, Written testimony with graphs, 8 pp.
13. SB 832-A, Figurski, Written testimony dated April 10, 2001, 2 pp.
14. SB 519, Rossell, Oversized exhibit (video cassette)
15. SB 519, Meyer, (-1) Amendments (CH/ps) 4/9/01, 12 pp.
16. SB 519, Meyer, Staff Measure Summary, 1 pp.
17. SB 519, Meyer, Revenue Impact Statement, 1 pp.
18. SB 519, Meyer, School Finance Distribution (Simulation 10), 8 pp.