

## HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

March 16, 1999 Hearing Room E

8:30 a.m. Tapes 35 - 36

**MEMBERS PRESENT:** Rep. Jane Lokan, Chair

Rep. Kathy Lowe, Vice-Chair

Rep. Betsy Close

Rep. Dan Gardner

Rep. Tim Knopp

Rep. Jeff Kruse

Rep. Bob Montgomery

Rep. Kitty Piercy

**STAFF PRESENT:** Pat Zwick, Administrator

Susan M. Pettey, Administrative Support

**MEASURES HEARD:** HB 2212 Work Session HB 3446 Public Hearing

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
<b>TAPE 35, A</b>		
004	Chair Lokan	Opens meeting at 8:35 a.m., and opens work session on HB 2212.
<b><u>HB 2212 WORK SESSION</u></b>		
012	Pat Zwick	Committee Administrator. Explains provisions of HB 2212.

036	Jan Sullivan	<p>Director, Corporations Division, Office of Secretary of State. Speaks in support of HB 2212. Submits and summarizes written testimony <b>(EXHIBIT A)</b>. Discusses the following points:</p> <ul style="list-style-type: none"> <li>• Cashier services</li> <li>• Payment tracking</li> <li>• Document processing procedure</li> <li>• Steps to issue a refund check</li> <li>• After-effects of refunds</li> <li>• Number of staff required to handle refunds</li> </ul>
096	Chair Lokan	Asks if the \$500,000 amount in the amendment is sufficient to cover expenses.
101	Sullivan	Responds affirmatively.
104	Rep. Kruse	Asks for clarification of effective dates.
111	Sullivan	Explains that the 2001 date was chosen so as not to affect the next biennium. Indicates the general fund will receive the same amount of dollars as currently.
124	Rep. Kruse	<b>MOTION: Moves to ADOPT HB 2212-2 amendment dated 03/09/99.</b>
		<b>VOTE: 8-0</b>
Chair Lokan		<b>Hearing no objection, declares the motion CARRIED.</b>
128	Rep. Kruse	<b>MOTION: Moves HB 2212 to the floor with a DO PASS AS AMENDED recommendation.</b>
135		<p><b>VOTE: 8-0</b></p> <p><b>AYE: In a roll call vote, all members present vote Aye.</b></p>
Chair Lokan		<p><b>The motion CARRIES.</b></p> <p><b>REP. PIERCY will lead discussion on the floor.</b></p>
147	Chair Lokan	Closes work session on HB 2212, and opens public hearing on HB 3446.

**HB 3446 PUBLIC HEARING**

153	Zwick	Explains provisions of HB 3446.
180	Vice-Chair Lowe	Invites Rep. Lokan to testify.
185	Rep. Lokan	House District 25. Speaks in support of HB 3446. Discusses the challenges of the chronically mentally ill. Describes direct care needs. States that HB 3446 calls for the sale of the Dammasch State Hospital property for the purpose of constructing or acquiring community housing for the mentally ill. Addresses the consequences of the closure of Dammasch State Hospital and Fairview Training Center.
238	Rep. Lokan	Addresses the consequences of the closure of Dammasch State Hospital and Fairview Training Center.
271	Rep. Lokan	Continues testimony regarding the establishment of the trust fund to provide for the mentally ill.
312	Rep. Lokan	Discusses the lack of mentally-ill life-management skills. Describes HB 3446 as a fiscally responsible bill, utilizing the trust fund to support housing.
328	Rep. Montgomery	Asks how the state acquired the Dammasch property. Asks if there are strings attached. Asks if the state has the right to sell at the present time.
336	Rep. Lokan	Indicates this bill has been considered for two years, and never brought to her attention as a problem.
347	Rep. Montgomery	Asks if the facility has always been used for the chronically mentally ill.
349	Rep. Lokan	Answers yes.
354	Rep. Montgomery	Asks if Fairview patients are eligible for the Housing Trust Fund.
357	Rep. Lokan	Indicates that the language in HB 3446 speaks to the chronically mentally ill.
371	Rep. Montgomery	Suggests that if HB 3446 gets out of committee, a value should be placed on the property.
375	Rep. Kruse	Indicates support of HB 3446. Assumes that this fund will be structured so that operational funds can be accessed.
379	Rep. Lokan	Notes that the bill is structured to provide facilities.

387	Rep. Kruse	Stresses the importance of providing operational costs. Speculates that Fairview should be looked at similarly. Questions what will happen with the land and the resources.
404	Rep. Lokan	Comments on a Senate bill similar to HB 3446.
408	Rep. Close	Refers to HB 3446, page 3, 7(b), line 23, regarding repayment of financial assistance provided. Asks for clarification of "repayment."
424	Rep. Lokan	Indicates she will ask for assistance from the drafters of HB 3446 to respond to that question.
432	Vice-Chair Lowe	Asks if some of the proceeds would be used for operational costs.
447	Rep. Lokan	Agrees that the facility must have operational funds. Indicates that HB 3446 does not provide for operational costs. Mentions that she will consider an amendment.
461	Vice-Chair Lowe	Comments that the sale of the Dammasch property to Department of Corrections is within the law. Asks how to frame a caveat to prohibit the sale at less than fair market value.
<b>TAPE 36, A</b>		
061	Rep. Lokan	Defers the question to legislative counsel. Feels unqualified to answer. Opines that the state should receive fair market value for the property. Suggests HB 3446 could be amended to reflect this.
073	Vice-Chair Lowe	Asks for clarification regarding the prison siting and the effects of a SB 3 veto. Expresses concern for the life management difficulties of the mentally ill.
094	Rep. Lokan	Opines that passage of HB 3446 would not preclude the prison siting at Dammasch. Comments that she is proceeding with the thought that if the property is sold, the proceeds should be used to benefit the mentally ill.
102	Vice-Chair Lowe	Asks if Rep. Lokan will consider an amendment to HB 3446, to insert the words "fair market value" or "highest market value."
105	Rep. Lokan	Offers to discuss this issue with legislative counsel.
110	Rep. Montgomery	Asks how many acres are included at the Dammasch facility.
113	Rep. Lokan	Replies, approximately 190 acres.

119	Rep. Montgomery	Comments that term limits should not preclude members from being involved in the sale of this property. Emphasizes that legislators need to be involved.
122	Rep. Lokan	Hopes an amendment will assist in getting the highest value for the property. Wants language that doesn't limit the value.
134	Rep. Kruse	Opines that the interagency transfer of the property did not reflect the true market value.
140	Vice-Chair Lowe	Asks if HB 3446 precludes selling the property to a governmental entity.
145	Rep. Lokan	Indicates she wants the property to be sold to the highest bidder through a competitive bidding process.
182	Rep. Montgomery	Asks how old is the facility. Asks if the property has historic value.
193	Rep. Lokan	Defers to Barry Kast.
209	Rep. Lowe	Asks about mineral rights.
211	Rep. Lokan	Replies she does not know the answer. Suggests subsequent speakers may be able to respond.
216	Rep. Jerry Krummel	House District 27. Co-sponsor of HB 3446. Speaks in support of HB 3446. Notes that HB 3446 accomplishes setting up a trust fund for housing for the chronically mentally ill. Focuses testimony on the Dammasch property. Discusses the history of the facility. Comments on the interagency transfer of the property in 1997.
280	Rep. Krummel	Continues testimony in support of HB 3446. Discusses potential property redevelopment: <ul style="list-style-type: none"> <li>• 2,400 housing units</li> <li>• 100,000 square feet of commercial space</li> <li>• Providing primarily service-related jobs.</li> </ul>
300	Rep. Krummel	Indicates that if the property is sold for its highest value, the dollars will be put into the trust account, with interest used to provide housing for the chronically mentally ill. Believes that the Dammasch property is worth \$20 million. Suggests that members consider that if the property does not sell expeditiously, to appoint the City of Wilsonville as a redevelopment agency, giving authority to sell parcels. Suggests further that the City of Wilsonville be allowed to keep 5% operational costs, with the balance of proceeds going into the trust fund. Will consider amendments to make the bill stronger.
351	Rep. Piercy	Asks if this discussion is futile. Comments on consideration of the Dammasch property as a prison site.

361	Rep. Krummel	Answers that the Governor should realize the best use of this property, which is to serve the mentally ill.
376	Rep. Piercy	Asks if this has already been considered. Comments on consideration of other potential prison sites. Expresses dismay regarding the politics of this situation.
401	Rep. Close	Refers to Section 7, 7(b), page 3: "repayment of financial assistance." Asks if past costs will be paid from the fund.
416	Rep. Krummel	Opines that costs cannot be recovered retroactively. References Section 3(3), page 2, line 7. Discusses "housing provider" and/or "service provider."
442	Rep. Close	Prefers the language, "payment" instead of "repayment," in Section 7, 7(b), page 3.
447	Rep. Krummel	Suggests Rep. Close propose an amendment.
453	Rep. Gardner	Asks about the trust fund account, relative to Section 8, line 34. Asks for clarification.
<b>TAPE 35, B</b>		
033	Rep. Krummel	Replies that he does not know why the change is being made.
035	Chair Lokan	Explains that it simply is adding to current language
039	Rep. Montgomery	Asks if the principal in the trust remains intact, while the interest and earned income is accessed for housing.
045	Rep. Krummel	Answers, that is correct.
050	Chair Lokan	Commends Mr. Kulm and Mr. Reilly for their efforts in regard to drafting HB 3446.
074	Harold Kulm	<p>National Alliance for the Mentally Ill. Speaks in support of HB 3446. Submits written testimony and summarizes <b>(EXHIBIT B)</b>. Emphasizes the population increase of the mentally ill. Highlights the following issues:</p> <ul style="list-style-type: none"> <li>• Life management and housing difficulties of the disabled population.</li> <li>• Increase in the suicide rate</li> <li>• Homelessness</li> <li>• Prison population statewide/12% mentally-ill persons</li> <li>• Broken promise of more community resources</li> </ul>

189	Kulm	Continues testimony in support of HB 3446.
222	Rep. Montgomery	Asks if there is a plan for a facility to be built at Dammasch that the mentally ill can utilize.
228	Kulm	Favors the construction of supervised group homes.
239	Rep. Montgomery	Suggests retaining 10-20 acres at Dammasch for use by the mentally ill.
248	Kulm	Agrees enthusiastically. Comments on the difficulty of siting community housing for the mentally ill. Describes cottages on the Dammasch property.
250	Kulm	Comments that he was a school principal for 17 years in the City of Portland, a teacher for 16 years, then performed missionary work at a reservation in New Mexico. Discusses his daughter's difficulties with mental illness.
270	Ronald Reilly	Legislative Committee of the National Alliance for the Mentally Ill (NAMI), Oregon. Speaks in support of HB 3446.
294	Rep. Lowe	Expresses concern by the bifurcation of these two bills, and the fluidity between trust funds and income sources.
305	Reilly	Indicates support of holding this property and sale proceeds exclusively for the mentally ill. Indicates that Dammasch has always served the mentally ill. Discusses the Fairview bill.
318	Rep. Lowe	Explains the emphasis on streamlining the proliferation of state agencies.
324	Reilly	Comments that HB 3446 was written with that very perspective.
328	Rep. Close	Asks if this bill was vetoed last session.
330	Reilly	Indicates that the Governor vetoed this bill the previous session. Comments that the heart of HB 3446 is the establishment of the trust fund. Describes the inability of mentally ill people to inherit assets. Believes that relatives will donate money to this fund. Claims that HB 3446 adds no cost to the state, other than some administrative costs.
375	Reilly	Explains that sale proceeds will go into the Oregon Housing Trust Fund, specifying use for the mentally ill, including supportive housing. Describes difficulties his mentally-ill daughter experiences. Indicates that the Mental Health Division provides the housing, and nonprofits provide services.
461	Judy Redler	Speaks in support of HB 3446. Submits and summarizes written testimony

		<b>(EXHIBIT C)</b> . Highlights difficulties in housing and services for her mentally-ill son.
<b>TAPE 36, B</b>		
063	Redler	Describes the promises made when the Dammasch facility closed <b>(EXHIBIT C)</b> .
070	Morene Condon	National Alliance for the Mentally Ill, Clackamas County. Speaks in support of HB 3446. Submits and summarizes written testimony <b>(EXHIBIT D)</b> . Discusses life management difficulties of her mentally-ill son. Urges the sale of Dammasch at fair market price to assist the mentally ill.
109	Margaret Svaruerud	Speaks in support of HB 3446. Describes life management difficulties of her mentally-ill daughter.
141	Bill Altman	Administrator, Oregon Chapter of the National Alliance for the Mentally Ill. Speaks in support of HB 3446. Discusses the lack of safe, affordable housing for the mentally-ill population.
181	Altman	Addresses the importance of housing to mental health.
220	Greg Leo	Resident of Portland, Oregon. Speaks in support of HB 3446. Submits and summarizes written testimony <b>(EXHIBIT E)</b> . Discusses the value of property in general, and Dammasch in particular.
259	Charlotte Lehan	Mayor, City of Wilsonville. Speaks in support of HB 3446. Submits written testimony and summarizes <b>(EXHIBIT F)</b> . Addresses the value of the Dammasch property and the need for infrastructure. Discusses the wetlands areas relative to the master plan. Claims the property would have more value without the buildings. Indicates the need for an upgraded sewer system. Discusses asbestos problems in existing structures. Favors development under the urban village concept.
321	Rep. Lowe	Asks if all local government units have signed off on the master plan.
324	Lehan	Describes master plan sign-off. Adds that it is critical for the City of Wilsonville to develop housing under metrois regional framework plan.
338	Leo	Indicates that the Division of State Lands has approved a school site on the Wilsonville tract, which is adjoining the Dammasch property.
343	Lehan	Indicates that Dammasch remains the only legally-sited and funded location for the womenis prison and intake center. Urges the legislature to resolve the prison-siting issue before sending HB 3446 forward. Indicates that the City of Wilsonville enthusiastically supports HB 3446. Notes that her family was all part of the mental health community. Discusses the importance to the community that



		benefits accrue to house the mentally ill. Reiterates that the prison siting issue must be resolved before HB 3446 moves forward so it can be successful.
380	Chair Lokan	Closes the public hearing on HB 3446. Adjourns the meeting at 10:22 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ HB 2212, written testimony, Jan Sullivan, 2 pp.**

**B ñ HB 3446, written testimony, Harold Kulm, 2 pp.**

**C ñ HB 3446, written testimony, Judy Redler, 1 p.**

**D ñ HB 3446, written testimony, Morene Condon, 3 pp.**

**E ñ HB 3446, written testimony, Greg Leo, 2 pp.**

**F ñ HB 3446, written testimony, Mayor Charlotte Lehan, 2 pp.**