

HOUSE COMMITTEE ON COMMERCE
SUBCOMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 08, 1999 Hearing Room 350

1:00 p.m. Tapes 19 - 20

MEMBERS PRESENT: Rep. Jerry Krummel, Chair

Rep. Ryan Deckert

Rep. Bob Montgomery

Rep. Diane Rosenbaum

STAFF PRESENT: Jason Cody, Administrator

Annetta Mullins, Administrative Support

MEASURE/ISSUES HEARD: HB 2782 ñ Public Hearing and Work Session

HB 2004 ñ Public Hearing

HB 2832 ñ 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
TAPE 19, A		
004	Chair Krummel	Calls meeting to order at 1:18 p.m. and opens the public hearing on HB 2782.
<u>HB 2782 ñ PUBLIC HEARING</u>		
020	Jason Cody	Administrator. Explains HB 2782.
026	Mark Landauer	Government Relations Office, City of Portland. Introduces Paul Stein, Bureau of Emergency Communications.

033	Paul Stein	City of Portland, Bureau of Emergency Communications. Submits and reads a prepared statement and proposes amendments to HB 2782 (EXHIBIT A).
070	Stein	Continues reading prepared statement.
114	Chair Krummel	Temporarily closes the public hearing on HB 2782 and opens the public hearing on HB 2004.
<u>HB 2004 ñ PUBLIC HEARING</u>		
118	Jason Cody	Explains HB 2004.
135	Rep. Simmons	Testifies in support of HB 2004. States that it is an accountability tool for parents, teacher s and students. Explains how the hotline would work. Supportive of HB 2004 because it allows parents and teachers to use data to improve the studentsí performances.
167	Rep. Vic Backlund	District 33. Testifies he is a former teacher and is in support of HB 2004. One reason for student success is the involvement of the parents and community in the educational process. Has seen some shifts in involvement in schools. One cost of the two-income family is the lack of communication between teachers and parents. Many parents are sometimes unable to be reached at work. Believes many parents are concerned but there are many barricades to successful communication with the studentsí teachers. Believes the hotline is an excellent way to promote cooperation and contact.
202	Rep. Montgomery	Asks if all students in a class would have the same assignments every day.
206	Rep. Backlund	Responds no because typically the teacher will have two or three or four preparations.
210	Rep. Montgomery	Asks how the teacher can have enough time to have multiple messages.
211	Backlund	Explains that if the teacher had three preparations, the teacher would only make three calls, rather than the 150. Adds that Salem-Keizer has had the system and is very pleased with it.
217	Speaker Lynn Snodgrass	District 10. States that from her experience as a teacher, parent and school board member, she knows there is a great disconnect between teachers and parents. After research she came up with the idea of a homework hotline as an easy way to make a dramatic improvement in bridging the communication gap. Technology is being used across the county with considerable success. KOIN TV provides the service to students in Portland. This bill is a way to use the support structure of the family. This is one tool to help schools achieve their goals and is a way to improve accountability by students.
270	Rep. Rosenbaum	Asks if live people answer the phone and whether they provide assistance with

		homework or only provide information on assignments.
278	Rep. Simmons	Responds it would be to find out what the assignment is or to verify the assignment. Adds that the parents can also check to see if the child had an assignment.
287	Rep. Simmons	Adds that it would be a system much like a theatre listing of the shows and times.
296	Speaker Snodgrass	Comments that the bill is flexible on how to accomplish the goal.
301	Rep. Montgomery	Questions the "mays" and "shalls" in the bill. Comments the bill is not saying the school districts have to set up the hotline.
311	Speaker Snodgrass	Responds she reads it to say they may have a hotline. The desire is to have a policy to encourage teachers to use homework hotlines. Defers to the committee to fix the bill.
327	Rep. Backlund	Comments he would echo comments by Speaker Snodgrass. Thinks the idea is commendable.
321	Chair Krummel	Asks if there might be a way to allow students to use this as a checkoff when they have completed their homework.
331	Rep. Simmons	Comments he thinks the teacher would want verification.
340	Rep. Backlund	Comments he would insist on seeing the assignment.
345	Speaker Snodgrass	Suggests that if a student were home ill for a period of time, the teacher could use that kind of system to track the assignments.
375	Rep. Montgomery	Asks if the districts will receive more or less money depending on whether or not they put this program in place.
383	Speaker Snodgrass	Responds she would be open to suggestions.
404	Rep. Deckert	Compliments Speaker Snodgrass on the idea for the bill.
399	Rep. Simmons	Notes the funding impact on page 2, line 31. There is incentive for the teachers to use the system. Believes the hotline would increase accountability.
TAPE 20, A		

016	Ozzie Rose	Confederation of Oregon School Administrators (COSA). Testifies that the concept is good. Anything to get parents to pay attention to what their kids are or are not doing is a good idea. Questions whether it is only assignment information or assistance to the kids. Questions whether it would be an individual student assignment or class assignment. Questions whether it means a teacher would have to put on 160 different notices. Homework netlines are used around the country. Most focus on general assignment, not providing homework assistance. They are more popular with elementary than high schools.
043	Rose	The language on page 2 in line 31 through 36 would mean \$5.25 million a year to Salem-Keizer School District. Suggest we work on what we mean by "hotline" and look at costs. Then see what the districts do and apply the hammer next session or the subsequent session.
070	Rep. Montgomery	Comments this is fine for urban areas and that those caring parents are going to check anyway.
080	Rep. Deckert	Asks if the bill only encouraged homework hotlines and the funding was deleted from the bill, whether the bill would be acceptable.
082	Rose	Responds it would then be a bill that says this is a project the education service districts (ESD) may take on. Adds that if a hotline is created, then the districts are obliged to see that it gets used.
108	Rose	Adds that he does not know if there is cost efficiency in having ESD set up the hotline. Currently, local school districts are doing it. Adds that one cannot legislate parents getting involved.
126	Rep. Montgomery	Asks if it would not be easier to have the teacher write down the assignments and give it to the students.
130	Rose	Agrees. Adds that not all students take their information home.
132	Chair Krummel	Asks if Mr. Rose would work with legislators to make this bill more appropriate from the school's standpoint.
144	Rose	Responds he will be on the workgroup if he can spend some time working with local districts.
147	Chair Krummel	Appoints a work group consisting of Rep. Deckert and Ozzie Rose.
153	Chair Krummel	Closes the hearing on HB 2004 and reopens the public hearing on HB 2782.
<u>HB 2782 - PUBLIC HEARING</u>		

173	Gary Bauer	Oregon Telecommunications Association. States that the amendments proposed by the City of Portland reduce and minimize most of their concerns. Submits and paraphrases a prepared statement (EXHIBIT B).
240	Mary Botkin	AFSCME and representing telecommunication professionals around Oregon. Thinks this bill represents a good compromise. It is frustrating to find the non-emergency number. Would like to see it staffed with real people. This provides a way for people to find the number without tying up the emergency lines.
303	Chair Krummel	Advises that the bill will be brought up for a work session later today. Opens a public hearing on HB2832.
<u>HB 2832 ñ PUBLIC HEARING</u>		
338	Jason Cody	Reviews HB 2832.
361	Rep. Ken Messerle	District 48. Testifies in support of HB 2832. Comments that the South Coast employment is 10 percent plus. Household income is \$30,000 per year compared to \$50,000 in the metro area. Some say if you take out the retired community, the income per family is closer to \$20,000. Historically, there is one or more ship visits per day. The Coos Bay- North Bend area is about 60,000 people but the service area is about 100,000.
405	Rep. Messerle	Comments that they are looking for \$20 million from the state and \$20 million will be provided by the county through bonding. The county will present a proposal today for \$42 million to cover the entire cost of the project, but with a different scheme for payment using revenues from the line itself. There is a lot of local support for this project. Friends of New and Sustainable Industry (FONSI) has about 460 members and has been very strong. They passed a bond for the airport last year. There is new leadership in the area. Another concern is Roseburg has very high unemployment and they have natural gas and access to the I-5 corridor. Asks how they justify trying to get natural gas to Coos Bay when there are areas that already have natural gas and the highway. States that it is because of the deep water port.
457	Rep. Messerle	Some people were interested in coming to the area but when they found out there was no natural gas, they backed away. The capacity of the bay could double. There is an underemployed population. Is not sure natural gas will have an impact on the livability of the area because they are so underemployed. The potential of the port, with the rail and highways, could be improved. This is not a Nucor bill. It will not determine whether Nucor comes to the Coos Bay area. Those that could use the energy are the timber processors and other port industries.
TAPE 19, B		
053	Rep. Messerle	Asks committee to help in any way possible to get funding to get natural gas to Coos Bay.

064	Sen. Veral Tarno	District 24. States that there is double-digit unemployment in many areas of eastern, central and southern Oregon. Believes the economy of Oregon needs to be diversified. The natural gas pipeline in southern Oregon would allow some of the economies to move. The infrastructure is in place and they feel they can handle the growth the natural gas pipeline will bring.
086	Rep. Mike Lehman	States that a lot of economic development dollars have come into the South Coast but most of it has not dealt with infrastructure. Businesses have not come to the area because of the lack of natural gas. At one time there were 200 ship calls a year and are now the count is below 100. The area has the first or second highest unemployment rate in the state. As a result of deregulation, the pipeline cost cannot be spread over all the customers. Area needs infrastructure to attract the businesses and jobs that are going to come and this is a step in that direction.
140	Rep. Deckert	Comments this might be more than a Nucor question but that may be the driving factor.
152	Rep. Messerle	Responds he is concerned about this becoming a Nucor issue. It is not an issue from the local perspectives and from statements made by Nucor themselves. Whether there is natural gas or not is not a factor as to whether they come or not. Adds that Nucor is not the only economic development they are looking at for the area. There has been interest in other companies that realized there was no natural gas and it didn't appear there was a potential for natural gas. It was not feasible for them to consider.
163	Rep. Lehman	Comments that electricity is more important to Nucor's smelters than natural gas.
198	Mike Sullivan	AFL-CIO and member of the Nucor Committee. States their committee is for economic development but has problems with Nucor Steel. States that from HB 2143, Nucor's abatement could be as high as \$164.9 million over 15 years. The citizens would pick up the costs. Is concerned about what Nucor would represent in this equation. Is a steelworker and knows they could run their furnaces with LP but it is more expensive than natural gas. AFL-CIO has had two resolutions in the last three years. Resolution 10 in 1994 suggested that any corporate that comes into the state should be a good corporate and worry about safety and health aspects.
229	Sullivan	Submits list of suggested purchases with \$1 million for Tim Nesbitt, Executive Director, Oregon State Council, Service Employees International Union, AFL-CIO, CLC (EXHIBIT C).
239	Rollie Wisbrock	Chief of Staff, State Treasury. States they have no concern with the bill. Their concern is with process and Section 1 (2). The drafters of the bill had intent of what that meant. The bond people he represents have a different understanding of what it could mean and would like some clarifying language to protect the lottery bond capacity and any issuance of any lottery liens. Submits conceptual amendments and graph showing the flow of lottery funds (EXHIBIT D). Reviews graph and explains flow of money.
289	Wisbrock	Continues explanation of the graph.

306	Wisbrock	States that the language that says "In addition to and notwithstanding " potentially could supercede the cascade of where lottery dollars are paid from. The lottery bond program protection is in statute, but more importantly, the protection is in contract in the bond documents themselves. It is a problem if the legislature overrides that. It creates a conflict with the owners of the bonds and the state is exposed in litigation. They are attempting to catch all language that says "In addition to and notwithstanding" and submit the amendments (EXHIBIT D, page 1) . Adds that the amendments have been worked out with Legislative Counsel, the attorney general's office and Treasury's bond counsel and office. It protects the bonds and protects the other liens from inadvertently placing another program in front of them and creating a problem with the bondholders, with the covenants and contracts that already exist or with pre-empting other programs that have been Constitutionally approved.
347	Chair Krummel	Asks if the amendments were drafted with the assistance of Legislative Counsel.
355	Wisbrock	Responds they were drafted with Legislative Counsel, the attorney general and their bond counsel.
365	Chair Krummel	Asks if Wisbrock has spoken with Sen. Tarno and Rep. Messerle about the amendments.
366	Wisbrock	States he will speak with Sen. Tarno and Rep. Messerle.
390	Nikki Whitty	Coos County Commissioner. Submits and summarizes a prepared statement in support of HB 2832 (EXHIBIT E) .
<u>TAPE 20, B</u>		
031	Brian McCabe	Market Development Manager, Northwest Natural Company. States that they hear that Coos County and Coos Bay is the largest metropolitan areas in the country that does not have natural gas and the only port that does not have natural gas. It is that way because natural gas came late to Oregon in 1956 largely because there is not much natural gas in the state. It is also that way because Coos Bay is about 62 miles off the main line that comes down the Willamette Valley. Over the years they have looked at various schemes to fund the project. None of the surcharge or private investment mechanisms will pencil out. Northwest Natural's economics cannot support the additional \$40 million to get to Coos County. Northwest Natural's economics can support the construction of a local distribution system in Coos County and all the cities around the area. The current strategy is one that would incorporate public funding, half from the state and half from the county, and Northwest Natural figures it will spend \$8-15 million building out the local infrastructure in the county.
060	McCabe	Submits report from ECONorthwest (EXHIBIT G) . Explains methodology used by ECONorthwest.
126	Chair Krummel	Announces that the committee will consider HB 2832 at a later time. Closes the public hearing on HB 2832 and opens a work session on HB 2782.

HB 2782 n WORK SESSION

147	Rep. Montgomery	MOTION: Moves to ADOPT the amendments offered by the City of Portland to HB 2782 (EXHIBIT A, PAGE 3).
154		VOTE: 4-0-0
	Chair Krummel	Hearing no objection, declares the motion CARRIED.
156	Rep. Montgomery	MOTION: Moves HB 2782 to the full committee with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0-0
	Chair Krummel	Hearing no objection, declares the motion CARRIED.
		REP. MONTGOMERY will lead discussion in full committee.
167	Chair Krummel	Closes the work session on HB 2782 and adjourns meeting at 2:48 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

EXHIBIT SUMMARY

A n HB 2782, prepared statement, Mark Landauer, 4 pp

B ñ HB 2782, prepared statement, Gary Bauer, 7 pp

C ñ HB 2832, list of suggested purchases by Tim Nesbitt, Mike Sullivan, 1 p

D ñ HB 2832, proposed amendments and graph, Rollie Wisbrock, 2 pp

E ñ HB 2832, prepared statement, Nikki Whitty, 3 pp

F ñ HB 2832, report by ECONorthwest, Brian McCabe, 24 pp