

HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS

April 13, 1999 Hearing Room D

3:30 P.M. Tapes 36 - 37

MEMBERS PRESENT: Rep. Mark Simmons, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Bruce Starr, Vice-Chair

Rep. Jason Atkinson

Rep. Chris Beck

Rep. Roger Beyer

Rep. Dan Gardner

Rep. Kevin Mannix

Rep. Max Williams

MEMBER EXCUSED: Rep. Randall Edwards

Rep. Kitty Piercy

Rep. Jim Welsh

STAFF PRESENT: Cletus B. Moore, Jr., Administrator

Kevin E. Wells, Administrative Support

MEASURE/ISSUES HEARD: HJR 58 Work Session

HJR 55 Public Hearing

HJR 60 Public Hearing

HB 3400 Public Hearing

HB 3174 Public Hearing

HB 2911 Public Hearing

HB 3146 Public Hearing

HB 2980 Public Hearing

HB 3537 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 36, A		
005	Chair Simmons	Calls meeting to order at 3:30 p.m. Opens Work Session HJR 58 (inaudible).
<u>HJR 58 WORK SESSION</u>		
008	Chair Simmons	Explains the ñ1 amendment (EXHIBIT A).
012	Rep. Starr	MOTION: Moves to ADOPT HJR 58-1 amendments dated 4/13/99.
		VOTE: 7-0 EXCUSED: 5 - Atkinson, Beck, Gardner, Mannix, Welsh
	Chair Simmons	Hearing no objection, declares the motion CARRIED.
016	Rep. STARR:	MOTION: Moves HJR 58 be sent to the floor with a BE ADOPTED AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 5 - Atkinson, Beck, Gardner, Mannix, Welsh
	Chair Simmons	The motion CARRIES. REP. GIANELLA will lead discussion on the floor.

019	Chair Simmons	Closes Work Session HJR 58. Opens Public Hearings HJR 55 and HJR 60. Asks for staff summaries.
<u>HJR 55 AND HJR 60 PUBLIC HEARING</u>		
027	Cletus Moore	Committee Administrator. Explains HJR 55 establishes an economic stabilization fund. Explains that HJR 60 establishes a budget stabilization fund.
056	Rep. Max Williams	District 9. Testifies in support of HJR 60. Discusses the need for an economic stabilization fund.
095	Rep. Randall Edwards	District 15. Testifies in support of HJR 60. Explains the need for some type of reserve fund for when there is an economic down turn. Notes that most states have some sort of cash reserve. Outlines the limits and uses of the reserve fund. States that using interest for underfunded programs from the fund is a wise policy decision.
143	Rep. Williams	Notes that the political landscape for this proposal has changed as the political decisions on the tobacco settlement fund have changed. Stresses it is important to establish a cash reserve fund.
165	Chair Simmons	Discusses the economic downturn of the 1980is and the resulting revenue troubles for the state.
192	Peter Grundfossen	Association of Oregon Housing Authorities. Supports HJR 60 (EXHIBIT B). Explains the resolution urges that a portion of tobacco settlement be invested in an Economic Stabilization Fund.
241	Grundfossen	Discusses various proposals for using the tobacco settlement fund. Explains why the Legislature needs to invest in affordable housing. Reviews history of funding for affordable housing (EXHIBIT C). Discusses the current economic and demographic situation of Oregon.
295	Grundfossen	Reviews the Senateís efforts to establish an economic stabilization fund. Outlines the stabilization fundís expected returns. Comments on the Stateís Treasurers plan for investing the tobacco settlement fund.
346	Grundfossen	States that HJR 60 is a reasonable solution to several budget problems currently facing the Legislature.
374	Greg McMurdo	Office of the Superintendent of Public Instruction, Department of Education. Supports HJR 55. Discusses the mechanics of the resolution, particularly the source of the fund, allocation and distribution of the economic stabilization fund. Cautions against potential appropriation abuses. States that the primary concern should be education with respect of 60% of the fund.
425	Rollie Wisbrock	Chief of Staff, Oregon State Treasury. Supports HJR 55 (EXHIBIT D). Stresses

		that there is no reserve to guard against an inevitable economic downturn. Explains what a budget stabilization fund is.
TAPE 37, A		
005	Wisbrock	Explains the need to protect education, public safety and transportation. Comments on the issue of bond ratings. Explains the State Treasurer's proposal for a budget stabilization fund.
060	Wisbrock	Discusses the tax structure of the state from a historical perspective. Notes the extreme sensitivity of the income tax to any economic fluctuations. Adds that property taxes are not as sensitive to fluctuations. Outlines the history of recent fluctuations.
100	Wisbrock	States that HJR 55 limits the budgetary stabilization fund from being used as a slush fund by strictly defining "economic downturn." Explains other limitations placed on the stabilization fund.
140	Wisbrock	Reviews other states' stabilization funds. Comments on factors, which effect Oregon's bond rating. Emphasizes the need to establish a stabilization fund to improve its bond rating.
180	Chair Simmons	Asks what the bond rating is for states with budget stabilization funds.
194	Wisbrock	Offers to provide a complete list of bond ratings by the state.
191	Chair Simmons	Asks what the net gain would be for Oregon if it improves its bond rating to an AAA rating.
193	Wisbrock	Explains that Oregon used to have an AAA rating. States that Oregon is now carrying an additional \$400 million (over 30 years) in debt because of the current AA- rating.
216	Chair Simmons	Asks for information on Oregon's bond rating in writing.
217	Wisbrock	Responds that the information will be provided. Discusses a drafting error in HJR 55.
241	Rep. Beck	Comments on the number of states that increased their bond rating this decade. Asks how many states have gone from AA to AAA ratings. Asks what the stabilization fund would be today if all of the kicker funds had
268	Wisbrock	Replies that it would have been \$1.9 billion dollars.

269	Rep. Beck	Urges that HJR 55 or another stabilization fund be sent to the voters.
286	Rep. Edwards	Asks to hear from the Treasurer's office more specifics on their plan for a stabilization fund. States that the tobacco settlement fund offers a unique opportunity to establish a stabilization fund.
331	Wisbrock	Offers to assist with any further discussion. Points the committee to pages 5 and 6 of EXHIBIT D to stress that the key to an improved bond rating is having an adequate budget stabilization fund.
350	Chair Simmons	Closes Public Hearings HJR 55 and HJR 60. Open Public Hearing HB 3400. Asks for a staff summary.
<u>HB 3400 PUBLIC HEARING</u>		
360	Cletus Moore	Explains HB 3400 and regulations regarding closed captioning.
370	Rep. Beck	District 12. Testifies in support of HB 3400. Urges support of closed captioning of government meetings.
425	Carolyn Gazely	General Manager, LNS Captioning, Washington County. Supports HB 3400 (EXHIBIT E). Explains that HB 3400 makes government proceedings more accessible and easier to understand.
TAPE 36, B		
002	Gazely	States that closed captioning involves people in government. Explains that closed captioning needs to be provided on a regular basis for it to be effective. States that HB 3400 needs to have an adequate budget.
050	Gazely	Explains the benefits to people with hearing loss and other problems. Discusses the technology. Discusses the costs of closed captioning.
082	Alan Bushong	Executive Director, Capitol Community Television (CCTV). Supports HB 3340 (EXHIBIT F). Discusses the work of CCTV. Expresses support for HB 3400. States that its cost is prohibitive.
130	Bushong	Suggests that current estimates of cost underestimate the number of government meetings that will be covered.
140	Chair Simmons	States that the Legislative Fiscal impact statement estimates it will cost \$212, 500 per legislative session for in-house services to \$1.175 million for contracted services. Asks if voice recognition technology reduces costs of closed captioning.

147	Bushong	Explains that in ten years voice recognition has potential, but is not ready to provide savings in this process today. Discusses public television's budget and equipment.
177	Rob Brading	Multnomah Community Television. States that community television wants to include as many people as possible in their services. Expresses concern about the cost of HB 3400.
184	Vice-Chair Devlin	Asks about the number programs on community television in the Portland area.
189	Brading	Discusses the numbers of programs that could be subject to HB 3400 every month in Portland (up to 150 hours of programming a month).
203	Rep. Beck	Asks if they would object if the money was available.
205	Brading	Responds they support the idea if it is funded adequately.
207	Rep. Beck	Asks if people agree with HB 3400 in principle. Asks interested parties to work out details.
222	Bushong	States that if HB 3400 is funded locally it will fail.
226	Rep. Beck	Suggests that it is possible for the the state to fund the program.
236	Bushong	Notes that a local tax has not passed in Salem recently. States that the program would require state funding.
245	Rep. Beck	States that the super-majority requirement applies to only property tax increases. Asks if counties can impose a cable tax.
254	Bushong	Explains how cable rates are charged and why they cannot be taxed.
270	T.J. Davis	Program Director, Oregon Disabilities Commission's Deaf and Hard of Hearing Access Program. Supports HB 3400 (EXHIBIT G and H). States that regulations already require access for those hard of hearing. Discusses the funding issue. States that the intention is not to provide closed captioning for every government meeting.
329	Rep. Edwards	Asks if there is technology available to put closed captioning on the Internet.
333	Davis	Responds that such technology is in the developmental stages.
338	Rep. Edwards	States that it would be reasonable to extend HB 3400 to the Internet.

345	Ray Lewis	Director, Video and On-Line Services, Department Of Administrative Services (DAS). Neutral on HB 3400. Supports the goal of the bill. Expresses concern about the operation of HB 3400.
395	Rep. Beck	Asks if Lewis is willing to work with HB 3400's advocates to address the problems he raised.
400	Lewis	Agrees to work with advocates of HB 3400. States the need to provide wider access to legislative proceedings.
415	Vice-Chair Devlin	Closes Public Hearing HB 3400. Opens Public Hearing HB 3174. Asks for a staff summary of HB 3174.
<u>HB 3174 PUBLIC HEARING</u>		
420	Moore	Explains HB 3174 restricts state agencies' access to filing legislative measures.
TAPE 37, B		
008	Rep. Edwards	District 15. Testifies in support of HB 3174. States that the bill addresses the separation and balance of powers among the three branches of government. Notes that many states do not allow the executive branch access to the legislative process.
035	Chair Simmons	Agrees that it is important keep separation between the branches of government. State that it is better to have legislators or the governor introduce legislative measures.
041	Rep. Williams	Asks how many bills state agencies filed this session.
044	Rep. Edwards	Defers to DAS.
045	Rep. Williams	Asks if Greg Chaimov (present) knows the answer.
049	Rep. Edwards	Explains that DAS will address the issue.
051	Susan Klosterman	Assistant Director of Department of Communication, DAS. States that state agencies pre-session filed 370 substantive bills. Outlines the process for state agencies to file bills. Stresses that DAS and the Governor have a review process. Comments on the type of bills filed by state agencies.
093	Rep. Edwards	Asks how many bills were pre-session filed by state agencies.

094	Klosterman	States 370 substantive bills were filed by state agencies. Notes that it accounts for 12% of the total number of bills filed and that 65% pass.
105	Rep. Williams	Asks for a breakdown, by agency, of the number of bills in question.
117	Klosterman	Replies that the information will be provided.
119	Chair Simmons	States that it is not a burden for agencies to file legislative measures through the Governor.
123	Klosterman	Explains that the Governor is already involved in the process.
129	John DiLorenzo	Oregon Litigation Reform Coalition. Supports HB 3174. Comments on HB 2788 in comparison to HB 3174. Notes HB 2788 eliminates the ability of the Governor, DAS and state agencies to pre-session file bills. Expresses concern about separation of powers (Article III of the Oregon Constitution) as regards the statutory authority for the executive branch to file legislation.
180	DiLorenzo	Stresses that nothing is more legislative than the ability to file bills. Questions if Legislative Counsel's time should be used by state agencies. Expresses concern about the Governor not taking responsibility for agency bills. Comments on the fact that agency bills are printed before members' bills, thus placing agency agendas above that of members.
230	Rep. Williams	Asks if other states have a system similar to Oregon.
235	DiLorenzo	Responds that he has not done research on that. Relates that congressional staff is shocked by the fact that state agencies in Oregon, as the executive branch, can file legislative measures.
247	Rep. Mannix	States that there is a need to filter agency bills, so that they do not divert resources from members. Suggests if a committee or legislator does not want to sponsor a bill, it probably should not move forward.
274	DiLorenzo	States that the provision was originally adopted so that committees would have bills to work on when the legislature convenes.
295	Rep. Edwards	Agrees with DiLorenzo.
297	Rep. Mannix	Notes that legislation that the governor does not sponsor can be very important to the legislature and legislators.
314	Chair Simmons	Closes Public Hearing HB 3174. Opens Public Hearing HB 2911.

<u>HB 2911 PUBLIC HEARING</u>		
315	Chair Simmons	Closes Public Hearing HB 2911. Opens Public Hearing HB 3146.
<u>HB 3146 PUBLIC HEARING</u>		
316	Chair Simmons	Closes Public Hearing HB 3146. Opens Public Hearing HB 2980.
<u>HB 2980 PUBLIC HEARING</u>		
317	Chair Simmons	Closes Public Hearing HB 2980. Opens Public Hearing HB 3537.
<u>HB 3537 PUBLIC HEARING</u>		
318	Chair Simmons	Closes Public Hearing HB 3537. Adjourns meeting at 5:25 p.m.

Submitted By, Reviewed By,

Kevin E. Wells, Cletus B. Moore, Jr.,
Administrative Support Administrator

EXHIBIT SUMMARY

- A ñ HJR 58, LC amendment (4/13/99), staff, 1 p.**
- B ñ HJR 60, written testimony, Peter Grundfossen, 3 pp.**
- C ñ HJR 60, written testimony, Peter Grundfossen, 1 p.**
- D ñ HJR 55, written testimony, Rollie Wisbrock, 8 pp.**
- E ñ HB 3400, written testimony, Carolyn Gazely, 6 pp.**
- F ñ HB 3400, written testimony, Alan Bushong, 1 p.**
- G ñ HB 3400, written testimony, T.J. Davis 2 pp.**
- H ñ HB 3400, written testimony, David Viers, 1 p.**

