

## SENATE COMMITTEE ON GENERAL GOVERNMENT

April 8, 1999 Hearing Room C

3:00 p.m. Tapes 53 - 54

**MEMBERS PRESENT:** Sen. Cliff Trow, Vice-Chair

Sen. John Lim

Sen. Marilyn Shannon

Sen. Frank Shields

**MEMBER EXCUSED:** Sen. Duncan, Chair

**STAFF PRESENT:** Marjorie Taylor, Administrator

Patrick Brennan, Administrative Support

**MEASURE/ISSUES HEARD:** SB 199 Reconsideration and Work Session

SB 912 Public Hearing and Work Session

SB 1011 Public Hearing

SB 1023 Public Hearing and Work Session

SB 831 Public Hearing

SB 1106 Public Hearing and Work Session

SB 1103 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  |
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| TAPE 53, A |                 |   |
| 002        | Vice-Chair Trow | Calls the meeting to order at 3:14 p.m. Opens a public hearing on SB 912. |
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**SB 912 PUBLIC HEARING**

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| 011 | Marjorie Taylor     | Committee Administrator. Gives a brief description of the bill.  |
| 015 | Rep. Lane Shetterly | House District 34. Testifies in support of SB 912. States that the bill is necessary to expand the authority of counties to provide for human services through the creation of human service districts.  |
| 025 | Linda Modrell       | <p>Benton County Commissioner. Testifies in support of SB 912 (<b>EXHIBIT A</b>). Explains that the bill would allow the formation of county human service districts. Lists three reasons why the bill is necessary:</p> <ul style="list-style-type: none"><li>• Offers another tool for providing the funds for desired programs</li><li>• The broad definition of "human services" will allow counties the flexibility to create programs specific to their needs and to alter the programs as the priorities of the community change</li><li>• The bill uses the ballot box to allow voters to approve or deny contribution of additional tax dollars</li></ul> <p>States that Benton County values public health, services for the mentally ill, disabled and elderly, and the prevention of abuse. Acknowledges that the effects of Measures 5, 47, and 50 may create difficulty in the implementation of these programs.</p> |
| 054 | Sen. Shields        | Inquires as to the population of Benton County.  |
| 055 | Modrell             | Replies that there are 76,000 people in the county.  |
| 058 | Vice-Chair Trow     | Suggests that other counties may want to avail themselves of the tool provided by SB 912 as well.  |
| 060 | Modrell             | Concurs with the vice-chair and indicates that since all decisions are sent to the voters there is little danger that the public will have unpopular programs thrust upon them.  |
| 062 | Sen. Shields        | Asks if the bill is necessary for counties that do not have home rule charters.  |
| 064 | Modrell             | States that Benton County has a home rule charter.   |
| 065 | Vice-Chair Trow     | Assumes that the Benton County Commission was told by its attorneys that the bill was necessary for the formation of Human Service districts.  |
| 068 | Micah Sardell       | Vice-Chair, Benton County Youth Commission. Testifies in support of SB 912. Discusses the need for youth programs within Benton County. Asserts that there are not enough activities for youth, nor are there funds necessary for the creation of such activities. Argues that kids turn to negative activity if there are no appropriate activities for them to participate in. Mentions the need for shelters for runaways.  |

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| 110 | Bob Speaker     | Benton County Commissioner. Testifies in support of SB 912. Mentions that Benton County recently passed a 5-year levy for human services. Says that SB 912 was the result of an exploration of ways to fund some of the ideas that have been considered in the past.   |
| 121 | Sen. Lim        | Asks for some examples of what types of services would fall under the umbrella of "human services." Suggests that the term is too broad.   |
| 124 | Modrell         | <p>Replies that the intent was to make the definition broad and inclusive. Discusses some of the issues which would be covered by human services:</p> <ul style="list-style-type: none"> <li>• Youth activities</li> <li>• Substance abuse prevention</li> <li>• Mentally ill and developmentally disabled</li> <li>• Public health issues</li> <li>• Child abuse</li> </ul> |
| 134 | Sen. Lim        | Asks if the county would be forced to negotiate with the State Department of Human Resources for the implementation of programs.   |
| 137 | Modrell         | Replies that the program would raise money locally to meet local needs.  |
| 146 | Sen. Shannon    | Asks Mr. Sardell for the budget of the Commission on Children and Families. Asks if the budget is sufficient to fund youth activities.   |
| 151 | Modrell         | Replies that the annual budget for the commission is \$200,000 and adds that is not enough to fund such programs.  |
| 156 | Sen. Shannon    | Asks if there is a need for a new law and the creation of a new layer of government in order to seek public funding for these programs.  |
| 158 | Modrell         | Replies that the designation is necessary for the creation of a permanent funding base for such activities.  |
| 167 | Sen. Shields    | Points out that the bill merely creates a specific service district. Asks if specific districts would be given designations, related to the types of programs they were designed to implement.   |
| 176 | Modrell         | Replies that the designation would remain broad so as to allow the widest possible variety of programs.  |
| 186 | Vice-Chair Trow | Mentions that all such programs would have to fall under the \$10 cap for all local governments in a given county.   |
| 191 | Sen. Shields    | Wonders if there is still room under the cap for the programs in Benton County.  |
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| 198                               | Modrell         | Replies that there is sufficient room to create the programs and that the county would need to research the projects before implementation. |
| 202                               | Sen. Shields    | Asks where Benton County is in relation to the \$10 cap.  |
| 204                               | Modrell         | Replies that she does not know but that there is room in which such programs could be implemented.  |
| 215                               | Vice-Chair Trow | Closes the public hearing on SB 912 and opens a work session on SB 199.   |
| <b><u>SB 199 WORK SESSION</u></b> |                 |   |
| 220                               | Sen. Lim        | <b>MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 199.</b>  |
|                                   |                 | <b>VOTE: 4-0-1</b><br><br><b>AYE: In a roll call vote, all members present vote Aye.</b><br><br><b>EXCUSED: 1 - Duncan</b>                  |
|                                   | Vice-Chair Trow | <b>The motion CARRIES.</b>  |
| 235                               | Sen. Lim        | <b>MOTION: Moves to RECONSIDER the vote by which SB 199 was sent to the floor with a DO PASS recommendation.</b>                            |
|                                   | Vice-Chair Trow | <b>Hearing no objection, declares the motion CARRIED.</b>   |
| 242                               | Sen. Lim        | <b>MOTION: Moves SB 199 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Revenue.</b>                         |
| 246                               |                 | <b>VOTE: 4-0-1</b><br><br><b>AYE: In a roll call vote, all members present vote Aye.</b><br><br><b>EXCUSED: 1 - Duncan</b>                  |
|                                   | Vice-Chair Trow | <b>The motion CARRIES.</b>  |
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| 252                                 | Vice-Chair Trow | Closes the work session on SB 199 and reopens the public hearing on SB 912.   |
| <b><u>SB 912 PUBLIC HEARING</u></b> |                 |   |
| 256                                 | Judy Wilson     | Volunteer, Benton County Mental Health. Testifies in support of SB 912. States that cuts in funding ultimately effect the most vulnerable citizens in communities, such as low income families and the disabled. Asserts that SB 912 will help to meet the untended needs of such individuals and that failure to pay for such programs will have a higher costs in the future. Says that increased human service provision is necessary to mainstream mentally ill individuals. Indicates that 1 in 5 families contain a member with a mental illness, and 20 percent of children live in poverty. States that the passage of SB 912 would give counties the flexibility to meet human need. |
| 314                                 | Vice-Chair Trow | Commends Ms. Wilson on her work in his community.   |
| 321                                 | Dave Schmidt    | Chair, Lynn County Board of Commissioners. Testifies in support of SB 912. States that local option taxes are essential for the prevention of being forced to pay for community programs with general funds.  |
| 340                                 | Vice-Chair Trow | Closes the public hearing on SB 912 and opens a work session on SB 912.   |
| <b><u>SB 912 WORK SESSION</u></b>   |                 |   |
| 351                                 | Sen. Lim        | <b>MOTION: Moves SB 912 to the floor with a DO PASS recommendation.</b>   |
| 354                                 | Sen. Shields    | States that the bill is a good idea.  |
| 355                                 | Sen. Lim        | Concurs with Sen. Shields.  |
| 358                                 |                 | <b>VOTE: 3-0-2</b><br><br><b>AYE: In a roll call vote, all members present vote Aye.</b><br><br><b>EXCUSED: 2 - Duncan, Shannon</b>   |
|                                     | Vice-Chair Trow | <b>The motion CARRIES.</b><br><br><b>SEN. TROW will lead discussion on the floor.</b>   |
| 363                                 | Sen. Lim        | Expresses thanks to Mr. Sardell for his work in the community and says that   |

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|                                      |                 | there is a need for more individuals like him to volunteer in their respective communities.  |
| 366                                  | Vice-Chair Trow | Closes the work session on SB 912 and opens a public hearing on SB 1011.   |
| <b><u>SB 1011 PUBLIC HEARING</u></b> |                 |  |
| 373                                  | Marjorie Taylor | Committee Administrator. Gives a brief description of the bill.  |
| 388                                  | Michelle Smith  | Representative, Oregon Public Employees Union (OPEU). Testifies in support of SB 1011 ( <b>EXHIBIT B</b> ). States that the bill would allow for the auditing of contractors working for state agencies. Argues that contractors receiving public funds through their work with state agencies should be held to the same standards as those agencies. Says that the auditing of state-funded projects is good for the public, the media, and the legislature. Acknowledges that an agency that contracts with a private firm is still responsible for the dispensation of the funds for the project. Asserts that the media and the public have the right to the terms of such contracts.   |
| <b>TAPE 54, A</b>                    |                 |  |
| 020                                  | Smith           | Mentions the fiscal impact report and states that OPEU is willing to work with agencies to pass the bill with its original intent, while reducing its fiscal impact. States that there were 5,273 contracts entered into in Fiscal Year 1998, many of which did not receive more than half of their funding from the state. Asserts that the information is not required for contracts that receive less than half of their funding from the state and that the number of contracts is therefore too high.   |
| 034                                  | Vice-Chair Trow | Asks if there is any certainty as to who the new law would apply to, based upon Fiscal Year 1998 numbers.  |
| 038                                  | Smith           | Replies that the information is not available for the 5,278 contracts. Maintains that the bill is not an attack on agencies and their efforts to oversee private contractors but states that there is not a clear picture as to whether contracting out is a good deal for the state. Asserts that the bylaws of companies receiving public funds should be available to the public, barring exemptions for certain proprietary information. Argues that the audits should be directed towards considering whether public dollars are saved through the use of the contracts. Indicates that the Department of Administrative Services (DAS) has done a good job of auditing state agencies and should extend that service to contractors. |
| 084                                  | Sen. Lim        | Asks if there were violations or problems that prompted the introduction of SB 1011.   |
| 087                                  | Smith           | Replies that the members of OPEU belong to a national union, which has found problems with contractors signing on to the "gravity train," in that they work only for government agencies. Asserts that all entities participating in public service should be open to the same public scrutiny as state agencies. Indicates that there are records of contractors creating problems in Connecticut and other states.   |

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| 121                                  | Sen. Lim        | Mentions that state agencies currently pay for their own audits and asks who will pay for the audits of contractors.   |
| 124                                  | Smith           | Replies that the agency with which a company does business will be responsible for the cost of the audit of that company.  |
| 129                                  | Sen. Lim        | Asserts that the state is always free to terminate a contract if it feels that the service is below expected levels and that the bill may therefore be unnecessary.  |
| 133                                  | Smith           | Concurs with Sen. Lim but adds that there is currently too little information provided to make such decisions before significant problems develop. Argues that auditing would offer the state more information to make such decisions.   |
| 141                                  | Vice-Chair Trow | Asks Ms. Smith to do more investigation into the fiscal impact of the bill and to report that information to the committee. Closes the public hearing on SB 1011 and opens a public hearing on SB 1023.  |
| <b><u>SB 1023 PUBLIC HEARING</u></b> |                 |  |
| 150                                  | Marjorie Taylor | Committee Administrator. Gives a brief description of the bill.  |
| 157                                  | Jon Mangis      | Director, Department of Veterans Affairs (DVA). Testifies in support of SB 1023. States that the World War II Memorial, which the funds provided by SB 1023 would help to build, would be a symbolic reminder of the most important event of the 20 <sup>th</sup> Century and would honor those who served and died in that war. Gives a description of the site for the monument in Washington, D.C. and says that groundbreaking will take place in Veterans Day 2000. Indicates that the \$147,633 provided by the bill represents \$1 for each Oregonian who served during World War II. |
| 198                                  | Vice-Chair Trow | Asks for the deadline for the provision of funds by the states.  |
| 202                                  | Mangis          | Replies that Congress requires that the money be in the bank before the groundbreaking can occur. Mentions that a primary motivator for expediting the process is that there are many veterans of World War II dying every day. Lists some of the prominent individuals involved in the fundraising process and says that \$50 million of the estimated \$100 million necessary to build the monument has been raised. Asserts that the monument will serve as both a memorial to those who died and as a history lesson for future generations.   |
| 225                                  | Vice-Chair Trow | Commends those who served in World War II. Notes that the legislature and the state want to do their part in funding the monument but that there is currently a General Fund crisis, meaning that the Ways and Means Committee will have to carefully consider the bill.   |
| 236                                  | Mangis          | Indicates that he will testify before the Ways and Means Committee on behalf of the bill.  |

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| 245                                  | Jack Magnuson     | Representative, United Veterans Groups of Oregon (UVGO); Legislative Officer, American Legion. Testifies in support of SB 1023 ( <b>EXHIBIT C</b> ). Argues that "a valuable part of history may become forgotten in generations to come" without the World War II Memorial.  |
| 280                                  | Sen. Lim          | States that the memorial is long overdue. Expresses hope that many veterans of World War II live to see the memorial once it is complete.   |
| 293                                  | Vice-Chair Trow   | Recognizes the veterans present at the committee hearing and thanks them for their contribution. Closes the public hearing on SB 1023 and opens a work session on SB 1023.  |
| <b><u>SB 1023 WORK SESSION</u></b>   |                   |   |
| 303                                  | Sen. Shields      | <b>MOTION: Moves SB 1023 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>  |
| 308                                  |                   | <b>VOTE: 3-0-2</b><br><br><b>AYE: In a roll call vote, all members present vote Aye.</b><br><br><b>EXCUSED: 2 - Duncan, Shannon</b>   |
|                                      | Vice-Chair Trow   | <b>The motion CARRIES.</b>  |
| 316                                  | Vice-Chair Trow   | Closes the work session on SB 1023 and opens a public hearing on SB 1106.   |
| <b><u>SB 1106 PUBLIC HEARING</u></b> |                   |   |
| 325                                  | Sen. Rick Metsger | Senate District 14. Testifies in support of SB 1106. States that the bill would allow members of the legislative assembly to donate their salary directly to a charitable organization or endowment fund should they choose to do so. Indicates that the statutory phrase "shall receive a salary" currently limits the ability to donate salary without income tax being withheld. Says that the bill would allow more of the money to go to the charitable organizations. |
| 365                                  | Sen. Shields      | Asks why this type of legislation has not been brought forward in the past. Says that the bill is a "wonderful idea."   |
| 371                                  | Dave Henderson    | Legislative Administrator. Indicates that he does not know why this idea was not advanced previously.   |
| 376                                  | Sen. Lim          | Inquires as to whether the bill refers only to members of the Legislative Assembly or if other administrators are included.   |



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| 380                                | Metsger             | Replies that SB 1106 applies only to the senators and representatives.  |
| 392                                | Vice-Chair Trow     | Asks if the bill is in need of amending.  |
| 395                                | Dexter Johnson      | Representative, Legislative Counsel. Says that the bill is ready, despite some questions as to its effect upon the collection of federal taxes. |
| 400                                | Vice-Chair Trow     | Asks if there is any opposition to the bill.  |
| 403                                | Johnson             | Replies that there is no known opposition.  |
| 407                                | Sen. Lim            | Wonders if the option offered by the bill should be extended to future members of the legislature.  |
| 412                                | Vice-Chair Trow     | Mentions that the bill would create a permanent option for members of the legislature.  |
| 415                                | Johnson             | Concurs with the vice-chair. Indicates that the bill would take effect 90 days after the end of the legislative session.                        |
| 422                                | Sen. Lim            | Wonders if the per diem provided to members is included.  |
| 425                                | Metsger             | Replies that per diem is not included.  |
| 430                                | Vice-Chair Trow     | Closes the public hearing on SB 1106 and opens a work session on SB 1106.   |
| <b><u>SB 1106 WORK SESSION</u></b> |                     |   |
| <b>440</b>                         | <b>Sen. Shields</b> | <b>MOTION: Moves SB 1106 to the floor with a DO PASS recommendation.</b>  |
| 442                                | Sen. Lim            | Asks if the bill will affect pay for the current legislative session.   |
| 444                                | Vice-Chair Trow     | Replies that it does not take effect in time to affect members during this session.   |
| <b>447</b>                         |                     | <b>VOTE: 3-0-2</b><br><br><b>AYE: In a roll call vote, all members present vote Aye.</b><br><br><b>EXCUSED: 2 - Duncan, Shannon</b>             |
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|                                     | Vice-Chair Trow | <p><b>The motion CARRIES.</b></p> <p><b>SEN. METSGER will lead discussion on the floor.</b></p>   |
| 457                                 | Vice-Chair Trow | Closes the work session on SB 1106 and opens a public hearing on SB 831.  |
| <b><u>SB 831 PUBLIC HEARING</u></b> |                 |   |
| 040                                 | Marjorie Taylor | Committee Administrator. Gives a brief description of the bill. Discusses civil service examinations and veterans' preference points, which would be affected by the bill.  |
| 050                                 | Jon Mangis      | Director, DVA. Testifies in support of SB 831. Describes the bonus points that veterans receive as "preference" when being considered for civil service jobs. Says that evaluations are not scored, meaning that veterans' preference does not apply. Indicates that the bill would require the establishment of a scoring method for the evaluation of experience and education. |
| 071                                 | Vice-Chair Trow | Asks if such a numerical evaluation would be given to everyone, with veterans then receiving the bonus points on top of their evaluation score.   |
| 072                                 | Mangis          | Replies that would be the case. Indicates that the bill retains the same veterans' bonus points as is used for the examination process. Indicates that the bill also eliminates the cut-off dates that currently apply for the provision of veterans' preference points.  |
| 082                                 | Vice-Chair Trow | Asks why the bill is necessary  |
| 084                                 | Mangis          | Replies that the elimination of the cut-off date allows veterans who received jobs with the aid of the preference adjustment to continue to receive it when being considered for promotion. Adds that veterans who have served since Viet Nam would also be eligible for preference through passage of SB 831.  |
| 096                                 | Sen. Lim        | Wonders if the bill applies both public and private entities.   |
| 101                                 | Mangis          | Replies that the bill would apply only to state and local government entities.  |
| 102                                 | Sen. Shields    | Inquires about potential problems, given the different numerical scoring systems that may be used by different departments.   |
| 110                                 | Mangis          | Indicates that the development of a scoring system would be the responsibility of the personnel department of the executive branch. States that the uniformity would alleviate problems that already exist with the scoring system.   |
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| 125                                  | Jack Magnusson   | Representative, UVGO; Legislative Officer, American Legion. Testifies in support of SB 831 ( <b>EXHIBIT D</b> ). States that veterans should get a fair change at civil service jobs in Oregon. Says that the years of service for their country has cost many veterans the opportunity to compete for such jobs. Asserts that SB 831 is a meaningful way of recognizing the service of veterans. Indicates that there were changes suggested by the legal counsel for the cities and counties. |
| 148                                  | Vice-Chair Trow  | Requests that the changes be submitted to the committee for future consideration.   |
| 160                                  | Rex Newell       | Oregon Veterans Department Representative, United States Department of Labor. Testifies in support of SB 831. Mentions the military conflict in Europe and says that many of the veterans of that conflict will return to the United States looking for employment. States that the provisions of SB 831 will aid these veterans in their job searches. Expresses a desire to give all veterans the same advantage in searching for jobs.   |
| 177                                  | Sen. Lim         | Asks how many veterans will be affected through passage of the bill.  |
| 181                                  | Newell           | Replies that the data has not yet been provided. States that 44,000 veterans register annually but that only a few apply for civil service jobs.  |
| 191                                  | Sen. Lim         | Requests the definition of active duty service as specified in the bill.  |
| 195                                  | Newell           | Indicates that 180 days of active duty service are required. Adds that many members of the National Guard become veterans by virtue of service abroad.  |
| 225                                  | Vice-Chair Trow  | Closes the public hearing on SB 831 and opens a public hearing on SB 1103.  |
| <b><u>SB 1103 PUBLIC HEARING</u></b> |                  |   |
| 231                                  | Marjorie Taylor  | Committee Administrator. Gives a brief description of the bill.   |
| 275                                  | Sen. Veral Tarno | Senate District 24. Testifies in support of SB 1103. Describes the origins of the bill. Indicates that the provision of one year of medical and dental coverage for each year served in the legislative assembly would aid in the recruitment of quality candidates. Says that there are many members for whom such provision would be a valuable asset.  |
| 298                                  | Sen. Lim         | Indicates that the bill sounds like a good idea.  |
| 300                                  | Vice-Chair Trow  | Mentions that the members of the committee all have an understandable conflict of interest. Closes the public hearing on SB 1103 and adjourns the meeting at 4:30 p.m.  |

Patrick Brennan, Marjorie Taylor,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SB 912, testimony, Linda Modrell, 1 p.**

**B ñ SB 1011, testimony, Michelle Smith, 2 pp.**

**C ñ SB 1023, testimony, Jack Magnuson, 2 pp.**

**D ñ SB 831, testimony, Jack Magnuson, 1 p.**