

## **SENATE COMMITTEE ON RULES AND ELECTIONS**

**April 6, 1999 Hearing Room B**

**4:30 p.m. Tapes 33 - 34**

**MEMBERS PRESENT: Sen. Charles Starr, Chair**

**Sen. Randy Miller, Vice-Chair**

**Sen. Neil Bryant**

**Sen. Kate Brown**

**MEMBER EXCUSED: Sen. Lee Beyer**

**STAFF PRESENT: Brian E. Smith, Administrator**

**Rachel E. Halupowski, Administrative Support**

**MEASURE/ISSUES HEARD: HCR 2 Public Hearing and Work Session**

**Drafting and Measure Introduction Requests**

**Executive Appointments**

**Land Use Board of Appeals**

**State Board of Parole and Post-Prison Supervision**

**Workers' Compensation Board**

**Board of Medical Examiners**

**SB 979 Public Hearing**

**SB 1068 Public Hearing**

**SB 1069 Public Hearing**

**SB 1070 Public Hearing**

**SB 742 Public Hearing and Work Session**

**SB 820 Public Hearing and Work Session**

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 33, A</b>		
000	Chair Starr	Opens meeting at 4:30 p.m. and opens public hearing on HCR 2.
<b><u>HCR 2 PUBLIC HEARING</u></b>		
009	Sen. John Lim	Senate District 11. Supports HCR 2. Gives background on the life of Bertha Marian Holt. States Holt was the founder of Holt International Children's Services which provides children's services in over 15 countries. States the non-profit organization has placed over 50,000 children in homes and has expanded their services to include foster care programs, pregnancy counseling, family reunification, domestic adoption, and medical service training to local officers and children advisors. States Holt received the Presidential Award for social services. Urges the committee to pass HCR 2.
057	Rep. Kurt Schrader	House District 23. Supports HCR 2. States the House feels strongly and favorably about HCR 2. States it is time to recognize family and family values. Urges the committee to unanimously support HCR 2.
065	Chair Starr	Closes public hearing and opens work session on HCR 2.
<b><u>HCR 2 WORK SESSION</u></b>		
068	Vice-Chair Miller	<b>MOTION: Moves HCR 2 be sent to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 - Beyer, Bryant</b>
	Chair Starr	<b>The motion CARRIES.</b>  <b>SEN. LIM will lead discussion on the floor.</b>
083	Chair Starr	Closes work session and opens work session on drafting and measure introduction requests.
<b><u>DRAFTING AND MEASURE INTRODUCTION REQUESTS</u></b>		

091	Sen. Brown	<b>MOTION: Moves LC 4111 dated 3/12/99 BE INTRODUCED as a committee bill and drafting and introduction request from Sen. Tarno BE APPROVED.</b>
		<b>VOTE: 3-0</b>  <b>EXCUSED: 2 ñ Beyer, Bryant</b>
	Chair Starr	<b>Hearing no objection, declares the motion CARRIED.</b>
113	Chair Starr	Closes work session and opens work session on the Land Use Board of Appeals. States that three of the four appointees appeared last Thursday in front of a subcommittee and since there is no controversy concerning these appointments he will move right into a work session on each appointment.
<b><u>EXECUTIVE APPOINTMENTS ñ LAND USE BOARD OF APPEALS</u></b>		
122		Staff presents (EXHIBIT A).
123	Sen. Brown	<b>MOTION: Moves the appointment of Anne Corcoran Briggs to the Land Use Board of Appeals to the floor with the recommendation that the appointment be confirmed.</b>
		<b>VOTE: 3-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 - Beyer, Bryant</b>
	Chair Starr	<b>The motion CARRIES.</b>  <b>SEN. MILLER will lead discussion on the floor.</b>
132	Chair Starr	Closes work session and opens work session on State Board of Parole and Post-Prison Supervision.
<b><u>EXECUTIVE APPOINTMENTS ñ STATE BOARD OF PAROLE AND POST-PRISON SUPERVISION</u></b>		
134		Staff presents (EXHIBIT B).

135	Vice-Chair Miller	<b>MOTION:</b> Moves the appointment of Cindy Hanners to the State Board of Parole and Post-Prison Supervision to the floor with the recommendation that the appointment be confirmed.
		<b>VOTE: 3-0</b>  <b>AYE:</b> In a roll call vote, all members present vote Aye.  <b>EXCUSED: 2 - Beyer, Bryant</b>
	Chair Starr	The motion <b>CARRIES</b> .  <b>SEN. MILLER</b> will lead discussion on the floor.
142	Chair Starr	Closes work session and opens work session on Workers' Compensation Board.
<b><u>EXECUTIVE APPOINTMENTS n WORKERS' COMPENSATION BOARD</u></b>		
144		Staff presents <b>(EXHIBIT C)</b> .
145	Sen. Brown	<b>MOTION:</b> Moves the reappointment of Sandra Haynes to the Workers' Compensation Board to the floor with the recommendation that the reappointment be confirmed.
		<b>VOTE: 3-0</b>  <b>AYE:</b> In a roll call vote, all members present vote Aye.  <b>EXCUSED: 2 - Beyer, Bryant</b>
	Chair Starr	The motion <b>CARRIES</b> .  <b>SEN. MILLER</b> will lead discussion on the floor.
151	Vice-Chair Miller	Comments that Haynes has been serving for a year and a half beyond the end of this term. States it would be helpful to have a list for all appointees, detailing the terms that have expired or should have expired to help the committee take action. States the length of a term should have meaning. States that continuing to serve on an expired appointment does not keep faith with the statute.

175	Sen. Brown	States Sen. Derfler was involved in the issue and was aware of the expiration of the appointment.
184	Chair Starr	States the comments are well taken. Closes work session and opens work session on the Board of Medical Examiners.
<b><u>EXECUTIVE APPOINTMENTS ñ BOARD OF MEDICAL EXAMINERS</u></b>		
194		Staff presents (EXHIBITS D & E).
195	Vice-Chair Miller	<b>MOTION: Moves the appointment of Barbara Gilbertson to the Board of Medical Examiners to the floor with the recommendation that the appointment be confirmed.</b>
		<b>VOTE: 3-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 ñ Beyer, Bryant</b>
	Chair Starr	<b>The motion CARRIES.</b>  <b>SEN. MILLER will lead discussion on the floor.</b>
203	Chair Starr	Closes work session and opens public hearing on SB 979, SB 1068, SB 1069, and SB 1070.
<b><u>SB 979, 1068, 1069, 1070 PUBLIC HEARING</u></b>		
238	Sen. Susan Castillo	Senate District 20. Presents (EXHIBIT F). Supports SB 979. Explains that the initiative ballot title process is created by legislation. States it is the legislature's responsibility to ensure ballot titles are fair, informative, and understandable. Explains the components of a ballot title: ten word caption, 15 word "yes vote results in" statement, 15 word "no vote results in" statement, and an 85 word summary of the measure. States that many voters do not take the time to read the summary. States that initiatives involving money also involve trade-offs either in cutting other services or raising taxes.
258	Sen. Castillo	Explains the Supreme Court has found that the Secretary of State, the Attorney General, or the local officials responsible for interpreting current law are not allowed to mention trade-offs in the current ballot title caption. States the caption must provide the subject, but not include the effect of the measure. States that SB 979 requires that if an initiative mandates new spending, or cuts taxes without providing replacement revenue, the caption would need to identify some of the services which "could be cut" as a result.

308	Sen. Castillo	States that if the chief petitioner wants to identify the services that "could be cut" they can do so. States that if the chief petitioners do not want to identify where the money is coming from then the same committee that generates the fiscal impact statement will identify the three services which currently get the most money from the affected revenue source.
358	Sen. Castillo	Gives the example that if a proposal is to reduce class size, the caption would need to read: could cut funding for public safety, healthcare, and other education programs. States that had SB 979 been law when the parks and salmon initiative was on the ballot the caption would need to have read: could cut funding for education and economic development. States SB 979 would revise the fiscal impact statement to elaborate on this concept. States SB 979 would stop ballot captions from being used as advertisement for the sponsors.
368	Sen. Ginny Burdick	Senate District 6. States SB 1068 and SB 1070 are variations on the same theme: when an initiative measure promises the voters a tax cut, the ballot should specify, by income level, whose taxes are to be cut and by how much. States the voters should be informed on the allocation of those tax cuts. States SB 1070 would inform voters on the allocation of tax cuts in percentages according to income level. States SB 1068 would inform voters on the average dollar amount of the proposed tax cut for each income level. Supports both SB 1068 and SB 1070.
<b>TAPE 34, A</b>		
002	Sen. Burdick	States SB 1069 would establish a simple requirement for any initiative petitioner who sponsors an initiative which would either cut taxes or mandate spending without providing new revenue. States that those petitioners would need to provide a non-binding proposal for equivalent dollar for dollar cuts and specific services cuts that are subject to verification by the legislative revenue and fiscal offices. States SB 1069 would help educate the voters by giving examples of what the costs of the initiative would be and it would help educate the petitioners themselves. Explains that if petitioners were required to state how the initiative will be paid for, some may moderate or drop irresponsible proposals. Believes petitioners should go through the same process as the legislature does and that the legislature needs to act responsibly during the initiative process.
041	Vice-Chair Miller	States that it has been well established that the tax cuts at the federal level produced enormous new revenue, but that information would not have been indicated as such when first proposed. Asks how that is handled in "Öeither of these bills."
047	Sen. Burdick	States there is the need to assess a real impact of a tax cut on the voters by income level and what the impact would be on the budget.
058	Vice-Chair Miller	States that measures intended to reduce taxes generally increase revenue, but that issue is not addressed in these bills. States the lottery money provides for more projects than simply education and salmon. States the issue is with the static and dynamic analysis, and the problem with revenue forecasting.
075	Sen. Castillo	States SB 979 would rely on the fiscal impact statement from legislative revenue.

		States the legislature could make different cuts than those that could be listed, or an expanding economy could make those cuts unnecessary and that would be addressed in the explanation of the fiscal impact statement for SB 979.
090	Ozzie Rose	Confederation of Oregon School Administrators (COSA). Supports SB 979. States that most voters rely heavily on the captions in the ballot titles. States the voters do not have a clear picture of what consequences occur when voting for ballot measures.
123	John Marshall	Oregon School Board Association (OSBA). States that Oregonians read the ballot title. States the right ballot title can help or hurt a measure. States ballot titles need to be clear and unbiased. Supports SB 979.
143	Phil Keisling	Secretary of State. Presents <b>(EXHIBIT G)</b> . States that all four bills aim at getting more information through the fiscal impact statement. Opposes SB 979, SB 1068, SB 1069, and SB 1070. States the process of fiscal impact statements needs to be reexamined. States, generally, it is the legislature's responsibility to reexamine the fiscal impact statement process.
193	Keisling	Applauds the sponsors of SB 979 and would be willing to work with the committee if they seriously want to pursue SB 979. States he is surprised there has not been more litigation over SB 1068, SB 1069, and SB 1070. States the fiscal issues should be looked at more closely than what these bills contemplate.
238	Vice-Chair Miller	Asks that if a pilot project was due to end at the end of the biennium, will the agency be funded at the same level even though the pilot project disappears, or will the agency be cut.
250	Keisling	States he does not have an answer and comments that these are the types of questions that will be faced with issues like this.
256	Vice-Chair Miller	States if the money is the same each year, the voters would not see this action as a cut.
265	Sen. Castillo	States SB 979 is written to target the top three areas that the revenue stream funds. States it would not go to a particular program.
278	Vice-Chair Miller	Asks if there was a pilot project in education that was due to be discontinued at the end of the biennium and everything else stayed the same, would Sen. Castillo characterize that as a cut or not.
285	Sen. Castillo	Asks if it came about because of the result of a ballot measure.
286	Vice-Chair Miller	States it would be the number attached to the funding for that biennium which would be larger than projected in the next biennium. Asks if it would be considered cutting if the appropriation was not continued.

290	Keisling	Asks to clarify for Sen. Castillo. Uses an example of a funding cut of \$10 million, and there happened to be a pilot program costing \$10 million. Asks if that would be a cut in education. States the baseline would be to look at what else is going on in the biennium where this would take effect. States this might not be the intent of the sponsor of SB 979.
310	Vice-Chair Miller	States that any measure could cut funding for other programs. States SB 979 suggests Oregon's citizens are ignorant. States he is amazed that there is no confidence in Oregon's citizens.
321	Sen. Castillo	States the budget debate is confusing for people to understand. States ballot titles can be misleading and she would like the voters to see the whole picture. States the voters do not read all the information, so she would like to see more concise information in the caption.
350	Lloyd Marbet	Coalition for Initiative Rights. Presents <b>(EXHIBIT H)</b> . States he is here today on his own behalf and on the behalf of Dan Meek, an attorney he works with. States he is not here on behalf of the coalition because the coalition has not yet reviewed the four bills. Opposes SB 979 because it would convey misleading information to voters about the impacts of ballot measures. States in SB 979 the "could cut funding" statement does not need to show the percentage reduction in state funds available for these purposes, or place the funding cuts into perspective. States SB 979 prohibits judicial review on the substance of any such statement devised by the legislative revenue and fiscal officers. States judicial review would be limited to process issues. Asks the committee to table SB 979.
<b>TAPE 33, B</b>		
002	Marbet	States SB 1068 would expand financial impact statements to include the effect of any measure reducing state revenue upon each of four categories of taxpayers. States they could support SB 1068 if it provides for judicial review of the substance of statements to be devised. States that SB 1070 appears to be the same bill as SB 1068. States that SB 1069 would require any chief petitioner submitting a perspective petition, in order to obtain a ballot title and start signature collection, to submit a statement containing "a non-binding proposal for dollar for dollar cuts in specific existing state services." States SB 1069 would impose draconian and unnecessary requirements on the chief petitioner.
025	Vice-Chair Miller	Asks, if an individual's petition includes the "could cut funding" statement, does that bind the legislature to those cuts, or could the legislature reject those cuts and actually cut something else, which would render that statement from the chief petitioner meaningless.
037	Marbet	States he does not support petitioners determining those cuts.
040	Vice-Chair Miller	States that having petitioners determine those cuts would not bind the legislature.
053		Staff presents <b>(EXHIBIT I)</b> .



054	Jim Carlson	Oregon Healthcare Association. Supports SB 979 for full disclosure on ballot measures and initiatives. States that his clients are reeling from the measure that increased the state minimum wage because they have seen an increase in labor costs that increases the costs of products and services. States that many measures go to the ballots and the voters are not aware of the relationship between cost of state programs and services, and the measures the voters are supporting.
097	Steve Novick	Citizen. States there is nothing that prevents a petitioner from writing in the substance of an initiative, that particular cuts are made for particular services.
107	Tom Chamberlain	President, Portland Fire Fighters. Supports SB 979. States SB 979 will clear up questions for the voter.
125	Grattan Kerans	Director of Government Relations, Oregon University System (OUS). States the OUS has not taken a position on the bill, but Kerans supports SB 979. States the Oregon Constitution requires a balanced budget, but up until 1983 there was no statutory requirement that the Governor present a balanced budget.
175	Kerans	States SB 979 would extend to those who initiate a measure the same requirement for balancing the budget. States the threshold for the measure is relatively low and he would like to see the threshold raised to accommodate the budget.
225	Mary Botkin	American Federation of State, County, and Municipal Employees (AFSCME). States SB 979, SB 1068, SB 1069, and SB 1070 are good bills. States the voters have not been given an honest choice in the measures on the ballot to know which programs will result in which consequences. Explains the prison example and the mandate that prisoners work, but the voters were not informed that the result would take away jobs from local people.
262	Vice-Chair Miller	Asks if there is a dollar threshold listed in SB 979.
266	Botkin	States she did not see a threshold.
272	Sen. Castillo	States the threshold in SB 979 is \$1 million, but can be raised if necessary.
280	Vice-Chair Miller	Believes that there is no credit given to the intelligence of the Oregon voters. States the information on ballot measures does reach Oregonians through editorials and campaigns.
298	Botkin	Asks, when reading the question in the polling booth, can a three minute explanation surpass the 10 second reading of the ballot title. States that measures continue to be introduced until a ballot title is created that sells the bill. States there needs to be a better way to do the ballot title process.
336	Sen. Brown	Asks Marbet if it is the petitioner's responsibility to figure out a way to pay for the initiative.

358	Marbet	States there are a variety of answers. States it is incumbent for all involved to bring to the table as much information as possible. States the initiative process problems are not in the ballot title, but the debate at the time of the election. States also, there is no longer a fairness doctrine. States that more information needs to get to the voters.
395	Sen. Brown	States there is a difference in the way an initiative process is approached considering the individual who requests the initiative and what experience they bring to the process.
404	Marbet	States Sen. Brown is correct. States, instead of having the legislature find the process a threat, the legislature could hold hearings on sponsored bills. States there need to be changes made to the current elections systems.
<b>TAPE 34, B</b>		
001	Vice-Chair Miller	States that when a bill is proposed and before a committee there is an impact statement for revenue and fiscal, but the committee is not responsible to describe the effect of the bill on individual agencies. Asks if it would be fair to impose a measure like SB 1069 on the people who seek to make changes through the initiative process, would not the committee also be required to go through the same process and identify every impact of a proposal each senator may have. States the committee is not required to do this process, it is done by the Ways and Means Committee and they come up with balance among the existing resources. States the legislature would be asking the citizens to provide more information than senators are expected to provide.
028	Marbet	Believes the initiative process is flawed and some of the proposals that come through the initiative process are distasteful, but he would rather have those proposals than suppress the right for those proposals to emerge. Believes the Oklahoma bombing may not have happened if there was an outlet for political beliefs through a non-suppressive initiative process.
060	Botkin	States she does not believe that confining the initiative process promotes terrorism.
069	Sen. Castillo	Supports the initiative process.
070		Staff presents <b>(EXHIBIT J)</b> .
071	Chair Starr	Closes public hearing and opens public hearing on SB 742.
<b><u>SB 742 PUBLIC HEARING</u></b>		
080	Sen. Timms	Senate District 30. Supports SB 742. States SB 742 will increase the Joint Legislative Audit Committee from eight to ten members. States the need for increased membership is due to the need for continuity in the system.

107	Rep. Welsh	House District 43. Supports SB 742. States he served on the committee during interim along with Sen. Timms and Sen. Brown. States the committee had the opportunity for legislative oversight in the process by requesting reports, Secretary of State audits, and outside independent audits. States that, because of term limits, there needs to be a guarantee of institutional memory.
117	Sen. Brown	States that, given the present proportionality of the committee, she is concerned that the two new members may be from the majority party. States that since the committee is non-partisan, she would like to see the committee remain proportionate to both parties.
128	Sen. Timms	States a six to four ratio (six republicans and 4 democrats) would be fair.
133	Rep. Welsh	Supports proportionality to bring up a level of awareness for both parties.
141	Vice-Chair Miller	Asks if the four members would be in addition to the co-chairs.
145	Sen. Timms	States the co-chair has nothing to do with the Ways and Means Committee.
149	Vice-Chair Miller	States SB 742 reads that the committee consist of the chair of the House Ways and Means Committee, chair of the Senate Ways and Means Committee, four members of the House appointed by the Speaker, and four members of the Senate appointed by the President. States that the majority party would have the advantage.
162	Sen. Brown	States she would not support SB 742 if the committee seats two from the minority party and eight from the majority party. States that experience comes from both parties.
166	Vice-Chair Miller	States the current mix should have proportionate representation.
171	Chair Starr	Closes public hearing and opens work session on SB 742.
<b><u>SB 742 WORK SESSION</u></b>		
176	Vice-Chair Miller	<b>MOTION: Moves SB 742 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 1 n Beyer</b>

	Chair Starr	<p><b>The motion CARRIES.</b></p> <p><b>SEN. TIMMS will lead discussion on the floor.</b></p>
180	Chair Starr	Closes work session and opens public hearing on SB 820.
<b><u>SB 820 PUBLIC HEARING</u></b>		
186	Dianne Middle	Director, Department of Public Safety Standards and Training (DPSST). Presents <b>(EXHIBIT K)</b> . States the process of choosing a director for the department is done through the board and a constituent base. States the board must recommend to the Governor at least three individuals with suitable expertise and experience for that position. States the Department of Administrative Services, through the Recruitment and Career Services Division, did a nationwide search and the board selected a subcommittee based on that search, and the list is then referred to the Governor. States this process is very different from most agencies and how they select directors.
236	Middle	States SB 820 has the potential to delay director appointments. States low morale occurs when there is a long delay. States delays also cause inefficiencies in the agency. Concerned that there be Senate confirmation of the people who are making the selection.
267	Botkin	States SB 820 was requested by the Police, Fire and Sheriffs associations. States the issues are with consistency in appointing and approving directors in large state agencies. States the Senate needs to confirm the head of the DPSST. States that Senate confirmation forces everyone to maintain a high degree of accountability.
317	Botkin	States this issue is not about Dianne Middle, but about consistency.
334	Chair Starr	Closes public hearing and opens work session on SB 820.
<b><u>SB 820 WORK SESSION</u></b>		
341	Sen. Bryant	<b>MOTION: Moves SB 820 to the floor with a DO PASS recommendation.</b>
		<p><b>VOTE: 4-0</b></p> <p><b>AYE: In a roll call vote, all members present vote Aye.</b></p> <p><b>EXCUSED: 1 n Beyer</b></p>

	<b>Chair Starr</b>	<b>The motion CARRIES.</b>  <b>SEN. BRYANT will lead discussion on the floor.</b>
347	Chair Starr	Closes work session and adjourns meeting at 6:30 p.m.

Submitted By, Reviewed By,

Rachel E. Halupowski, Brian E. Smith,  
Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ Executive Appointments, interest form, staff, 5 pp**

**B ñ Executive Appointments, interest form, staff, 12 pp**

**C ñ Executive Appointments, interest form, staff, 4 pp**

**D ñ Executive Appointments, interest form, staff, 5 pp**

**E ñ Executive Appointments, written testimony, staff, 4 pp**

**F ñ SB 979, written testimony, Sen. Castillo, 3 pp**

**G ñ SB 979, written testimony, Phil Keisling, 3 pp**

**H ñ SB 979, SB 1068, SB 1069, SB 1070, written testimony, Lloyd Marbet, 3 pp**

**I ñ SB 979, written testimony, staff, 1 p**

**J ñ SB 979, SB 1068, SB 1069, SB 1070, written testimony, staff, 1p**

**K ñ SB 820, written testimony, Dianne Middle, 8 pp**