

HOUSE COMMITTEE ON AGENCY OVERSIGHT AND EFFICIENCY

April 22, 1997 Hearing Room H-170

1 PM Tapes 42 - 43

MEMBERS PRESENT:

Rep. Jane Lokan, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Tom Brian

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Mike Lehman

MEMBER EXCUSED:

Rep. Eldon Johnson

STAFF PRESENT:

Judy Edstrom, Administrator

Valerie Luhr, Administrative Support

MEASURE/ISSUES HEARD:

HB 3569 Public Hearing and Work Session

HB 3705 Public Hearing

HB 3630 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
TAPE 42, A		
004	Chair Lokan	Calls the meeting to order at 1:17 p.m. Opens public hearing on HB 3569.

<u>HB 3569 - PUBLIC HEARING</u>		
	Judy Edstrom	Committee Administrator, reviews the provisions of the measure. HB 3569-1 amendments [EXHIBIT A] and HB 3569-2 amendments [EXHIBIT B] become part of the record.
027	Lieutenant Colonel Mike Caldwell	Oregon Military Department, testifies in support of HB 3569 and comments on the proposed amendments.
072	Brian Griffin	On behalf of the National Guard, comments in support of HB 3569. Under federal rules, an organization must be recognized as a law enforcement agency by state government before it can participate in asset forfeiture sharing. This legislation will help clarify that. Would take away no dollars from any state agency and would cost the state no money. Purely a plus to the state.
085	Chair Lokan	There is no fiscal impact under the -2 amendment.
	Griffin	Concurs. Several different programs the counter-drug program could address.
	Chair Lokan	A continuation or expansion of a program?
095	Griffin	For five years the National Guard have been asked to do more than their funding from federal government allowed. Would allow them to continue worthy programs.
115	Rep. Lehman	Do local law enforcement agencies get a share of assets forfeited?
	Griffin	Only those agencies that participate in a legal forfeiture; explains.
114	Rep. Lehman	If you participated with a local law enforcement agency, you would be included with the distribution of seized assets.
	Griffin	Yes.
	Rep. Lehman	Does this put you in competition with other law enforcement agencies for the assets?
	Griffin	The system does not divvy up other portions of the pie. Always 100 percent; explains.
	Rep. Lehman	As law enforcement, if you are entitled to asset distribution your share will reduce everyone else's share.
	Griffin	If that is what I said, it is not what I meant. Their 10 percent would not go to the Treasury.
148	Caldwell	Our intention is not to compete with local or state police. Intent is to secure money that would not come into Oregon otherwise.
165	Chair Lokan	Asks to hear from Lieutenant Mouery.
	Lt. Ed F. Mouery	Drug Enforcement Section Commander, Oregon State Police, the department stands neutral on this bill. In answer to Rep. Lehman's question, the equitable share under federal forfeitures is what each agency has involved in that particular investigation. The agencies come to a consensus before they file the paperwork.

186	Chair Lokan	Do you feel this would be acceptable to local law enforcement.
	Mouery	Cannot speak for local law enforcement. There are 20 inter-agency drug task forces around the state. Each task force has a National Guard person. The narcotic officer is freed up to hit the street.
195	Chair	Sharing would go through the state police.
	Mouery	Forfeiture is filed with Drug Enforcement Administration.
195	Chair Lokan	Closes public hearing on HB 3569; opens work session on HB 3569.
<u>HB 3569 - WORK SESSION</u>		
209	Rep. Devlin	MOTION: Moves to ADOPT HB 3569-2 amendments dated 04/21/97.
214	Rep. Harper	Asks if the -2 amendments do everything.
	Chair Lokan	The -1 are incorporated into the -2 amendments.
		EXCUSED: 1 - Johnson
229	Chair Lokan	Hearing no objection, declares the motion CARRIED.
235	Rep. Devlin	MOTION: Moves HB 3569 to the floor with a DO PASS AS AMENDED recommendation.
		AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Johnson
	Chair Lokan	The motion CARRIES. REP. HARPER will lead discussion on the floor.
253	Chair Lokan	Closes work session on HB 3569. Opens public hearing on HB 3705.
<u>HB 3705 - PUBLIC HEARING</u>		
258	Chair Lokan	There are new amendments. Asks Rep. Deckert to speak to the amendments.
265	Rep. Deckert	Reviews the HB 3705-4 amendments [EXHIBIT C].
326	Chair Lokan	Calls witnesses forward to testify.
349	Tom Luther	Manager, Support Services Branch, Oregon Department of Transportation, submits and presents testimony [EXHIBIT D] on HB 3705.
399	Luther	Continues testimony.
TAPE 43, A		
001	Luther	Continues testimony on HB 3705.

025	Rep. Deckert	In terms of the appeals process, the bill allows an appeals process where ODOT could justify keeping a vehicle that was not deemed cost effective, but keep it because it serves a special purpose.
029	Luther	The appeal process has been reviewed. It is a cumbersome process to go through.
035	Chair Lokan	There will still be state cars used if the bill passes. Could you borrow a car from another state agency?
	Luther	Strides have been made in partnering.
046	Rep. Harper	How many vehicles did not meet the standard of a thousand miles a month?
	Luther	Does not have that information today; will get it. As the -4 amendments speak to sedans and station wagons, the average mileage for the 264 vehicles is 907 miles.
056	Rep. Harper	You've still had to rent 79 other vehicles.
	Luther	Many of the sedans and station wagons have special equipment.
062	Rep. Harper	Understands the difficulty. Is it costing the taxpayers more money than it should.
073	Don Underwood	Services Director, Oregon Department of Forestry, submits and presents testimony [EXHIBIT E] on HB 3705.
124	Chair Lokan	Asks Underwood if he has looked at other versions of the bill.
	Underwood	At the time, they did not affect Forestry.
	Chair Lokan	Are your vehicles under a specialty fleet or are some a passenger car type?
	Underwood	Have 26 station wagons and sedans. Half are located at field locations. Half of those would have two-way radios.
139	Rep. Deckert	Ninety-five percent of your fleet would be exempted from this bill.
	Underwood	Concurs.
142	Chair Lokan	How long have Montana and Wisconsin's mileage reimbursement been in effect?
	Underwood	Montana adopted their program about ten years ago. Wisconsin's has been successful.
163	Elizabeth Dickenson	Risk Manager, Human Resources Division, Oregon State System of Higher Education, submits and presents testimony [EXHIBIT F] on HB 3705. Many of their concerns about the original bill have been addressed with subsequent amendments.
201	Dickenson	Says the reimbursement system proposed by the -4 amendments would impose additional administrative costs and time.
210	Chair Lokan	How are the costs of their federally-owned vehicles apportioned?
	Dickenson	Does not have the information; will obtain it for the committee.
	Chair Lokan	The committee's purpose is to eliminate state expenses and bring about efficiencies.
	Dickenson	Says the federal government allows OSU to use the cars.

	Chair Lokan	Explain rationale behind returning proceeds to agency which purchased the vehicle.
	Dickenson	The vehicles in the OSU motor pool were purchased from dedicated funds.
240	Rep. Harper	Same as from Forestry; it is an issue.
244	Rep. Deckert	The -4 amendments require each employee's mileage to be evaluated, as well as mileage of the vehicle. Can you point that out to me in the bill.
	Vice-Chair Devlin	Says it is Section 3, subsection 1, of the amendments.
256	Dickenson	One of their concerns is the employee who is below break point mileage and might not have a suitable personal vehicle to use.
	Rep. Harper	Do we mean each individual or just the vehicle?
	Rep. Deckert	The intent was just the vehicle.
	Rep. Harper	Section 3 would be confusing. We don't care whether you drive 2000 miles a month; it's just the car.
	Dickenson	We would support that as a concept. Problem is with employees who drive infrequently as opposed to those who drive frequently.
283	Rep. Deckert	The bill wouldn't look at how much you drive but how much the vehicle is driven.
	Dickenson	We would be happier with that.
	Chair Lokan	Asks Rep. Deckert what his understanding is.
	Rep. Deckert	Legislative Counsel said this measure is the vehicle rather than the individual.
295	Vice-Chair Devlin	Concerning the section causing confusion, if you look at it in relation to other sections you might be able to interpret it the same as Rep. Deckert. If you look at just the section, it looks like it is talking about just the individual. Using Department of Human Resources branch office as an example, there are 10 to 15 employees and three vehicles. No single employee might use a vehicle at the mileage determined by the formula. However, the aggregate usage by all employees might meet the requirement. Rep. Deckert said that is his interpretation.
	Chair Lokan	Asks Dickenson to provide their recommendations.
332	Cam Birnie	Administrator, Transportation, Purchasing and Print Services Division, Department of Administrative Services (DAS), submits and presents testimony [EXHIBIT G] on HB 3705.
376	Chair Lokan	Asks if funds for the purchase of a vehicle come from the general fund.
	Birnie	Should be asked of the individual agencies. For the DAS motor pool, not a dime comes from the general fund. They charge agencies on a monthly basis.
	Chair Lokan	Asks for clarification of rates charged.

	Birnie	So much a month and so much per mile for the vehicles driven.
	Chair Lokan	Who pays that?
	Birnie	State agency employees and in some cases other public agency employees who use DAS' vehicles. DAS charges state agencies on a monthly basis for all mileage, days and months used on the vehicle. Explains what the revenues are used for. Revenue is also received from the selling of old vehicles.
	Chair Lokan	If you are charging the state employee, it is cost shifting between state agencies.
406	Rep. Harper	If DAS disposes of a vehicle, they should keep the proceeds as opposed to the proceeds going to the general fund. That would be more conducive than reducing the size of their fleet.
	Birnie	Is saying the proceeds should come back to DAS; but if we give them back, they can go as a credit to the agencies. Not to the general fund.
421	Chair Lokan	Could it be a credit towards your next budget?
	Birnie	Up to each agency to define. Federal requirements may preclude that.
429	Rep. Deckert	To the question of money saved from selling surplus vehicles being returned to agencies or the state retaining it for other purposes, he is open to the credit idea or using the money saved for K-12 funding.
TAPE 42, B		
004	Chair Lokan	Something to be debated in a work session.
006	Vice-Chair Devlin	The amendments as written allows for latitude of determining which vehicles to dispose of
	Birnie	Hopes there would be that luxury.
	Vice-Chair Devlin	DAS leases some vehicles to non-state public agencies. This bill shouldn't impact that program.
	Birnie	Our customers are our customers.
	Rep. Harper	Asks for clarification from Vice-Chair Devlin.
	Vice-Chair Devlin	It is not uncommon for public agencies to cooperate with one another and share resources. DAS leases some vehicles to Metro in the Portland area.
037	Rep. Harper	How long as this been going on?
039	Birnie	The law changed two sessions ago to allow the motor pool to lease vehicles to other political subdivisions and to use DAS' fuel and receive maintenance services. They pay for the service. Also works the other way.
045	Bob McKellar	Oregon Forest Products Transportation Association, compliments the committee for their work on the bill. Is an opportunity to reduce the cost of government and not require astounding increases in taxation. Urges the committee to move forward with the bill.

066	Lieutenant Colonel Mike Caldwell	Deputy Director, National Guard, their vehicles are purchased through other funds, which are generated primarily through army rentals. Have never received money from general funds. Would not be good for us to do that.
079	Vice-Chair Devlin	Wants to make a comment.
	Chair Lokan	Asks if his comments are for a work session. Wants to go into work session to clarify some points. For the record, Rep. Johnson is excused for the day.
087	Vice-Chair Devlin	For the record, has concerns about the bill. Took the concerns to Rep. Deckert, although it is a committee bill.
	Chair Lokan	Determines Devlin's comments are for a work session.
094	Cathy Pollino	Audit Administrator, Audits Division, Secretary of State's Office, referring to Section 3, Subsection 1, is an area to improve the efficiency of operations. There were a number of employees who drove a number of miles above the cost-effective mileage point on a monthly basis. They are being reimbursed for private mileage. Cheaper for the state to provide vehicles in those instances. Current record keeping system is difficult to identify those employees.
121	Chair Lokan	Subsection 1 is as you intended it to be to achieve the most efficient use and cost savings.
	Pollino	According to audit work, it is the most effective option.
129	Vice-Chair Devlin	For clarification, why the first testimony said the section was a problem is because the bill is supposed to look at the aggregate usage of the vehicle to determine whether the vehicle is warranted. The auditor's testimony is where an employee is driving more than that, they should be directed to drive a state vehicle. Two different issues. People who are confused are rightfully confused. The auditor's representative is rightfully presenting a different issue from the one the first people brought up.
	Chair Lokan	Will discuss this in a work session.
141	Rep. Harper	Asks Pollino if the two-tiered approach would address the issue of the individual employees who drive a lot.
	Pollino	The issue was brought up in the 1995 audit report. Six states used the two-tiered approach. The approach encourages employees to use a state vehicle if such vehicle is available, or use their own if one is not available and receive a higher reimbursement rate. May choose to use own vehicle even if a state vehicle is available, but receive a lower reimbursement rate.
164	Rep. Harper	Should we take another look at that approach?
	Pollino	It is a policy issue. It would encourage a more cost-effective use of vehicles.
	Rep. Harper	Asks Rep. Deckert if we looked at the tiered approach.
	Deckert	Not explored fully; would be happy to look at it.

173	Pollino	Would bring up labor negotiation issues to be considered.
	Chair Lokan	As opposed to the -4 amendments. The tiered approach would need labor negotiations.
	Pollino	Concurs.
179	Chair Lokan	Pollino has provided the committee with the last audit report on the motor pool. Is that report based on the way the -4 amendments are written?
	Pollino	Yes. Also, the 1995 audit report where selling vehicles at a certain mileage point in time was based on the 1995 report.
187	Rep. Deckert	Thanks Pollino for her hard work and the useful information she provided.
191	Chair Lokan	Closes public hearing on HB 3705. Opens work session on HB 3705 to allow comments.
<u>HB 3705 - WORK SESSION</u>		
197	Vice-Chair Devlin	Was concerned about the bill the way it was previously written. Recognizing it is a committee bill, he approached Rep. Deckert as the lead person of the bill. Comments on issues * make sure bill clearly identifies vehicles will be judged on whether they are to be retained based on aggregate usage * state employees who drive more than the formula amount on a regular basis utilize a state vehicle * who retains the proceeds from sale of the vehicle * ODOT justify vehicle purchases on basis of transportation projects, which are funded with gas tax dollars
234	Chair Lokan	Looking for efficiency and cost savings. Concerns are valid. Suggests the committee take one more look at the bill and come back for a work session later this week or next week.
247	Rep. Harper	We are in need of -5 amendments. Wants committee to look into the tiered approach.
	Chair Lokan	Is interested in getting cost figures and where saving would be.
270	Rep. Deckert	Will take some of the recommendations he heard and work on them. Thanks the committee for their work today.
277	Chair Lokan	Hopes Rep. Deckert can get help from Audits Division. Closes work session on HB 3705. There is a slight difference between the -2 and -1 amendments to HB 3569. Reopens work session on HB 3569.
<u>HB 3569 - WORK SESSION</u>		

294	Rep. Lokan	MOTION: Moves to SUSPEND the rules for the purpose of RECONSIDERING the vote on HB 3569.
		EXCUSED: 1 - Johnson
	Chair Lokan	Hearing no objection, declares the motion CARRIED.
298	Rep. Devlin	MOTION: Moves to RECONSIDER the vote by which the committee moved HB 3569 to the floor with a DO PASS AS AMENDED recommendation.
		EXCUSED: 1 - Johnson
	Chair Lokan	Hearing no objection, declares the motion CARRIED.
	Chair Lokan	The committee adopted the HB 3569-2 amendments, which inadvertently did not contain, on page 1, line 6, ", but is not limited to," after the word "includes."
305	Rep. Devlin	MOTION: Moves to AMEND HB 3569 on page 1, in line 6, after ""includes"," insert ", but is not limited to,".
		VOTE: 6-0 EXCUSED: 1 - Johnson
	Chair Lokan	Hearing no objection, declares the motion CARRIED.
310	Rep. Devlin	MOTION: Moves HB 3569 to the floor with a DO PASS AS AMENDED recommendation.
		AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Johnson
	Chair Lokan	The motion CARRIES.
328	Chair Lokan	Closes work session on HB 3569. Opens public hearing on HB 3630.
<u>HB 3630 - PUBLIC HEARING</u>		
340	Judy Edstrom	Committee Administrator, reviews provisions of HB 3630.
350	Bob McKellar	Oregon Forest Products Transportation Association, introduces Mike Meredith, CEO, Oregon Trucking Association, says their associations asked for introduction of this bill. Legislation has the singular purpose to require the Department of Transportation to bring to the legislature its construction, repair and maintenance, and reconstruction projects identified along with their budget for the next biennium. Testifies in support of the bill. Referring to a map prepared by Clackamas County, explains the color legend.
TAPE 43, B		
023	Mike Meredith	President and CEO, Oregon Trucking Association, they are in support of the bill and urge its passage.

028	Rep. Lehman	This creates pork barrel projects in Oregon on transportation. Will end up with projects in that budget that we will be taking on home when we go out of this building. How will we address that fear if we do this?
034	McKellar	I've anticipated the question. Currently, projects are approved by the Transportation Commission whose members are appointed by the Governor. It is a very political process.
053	Rep. Harper	That is the gut issue. Was one of his campaign speeches--How to implement on a statewide basis and get out of the pork.
065	Vice-Chair Devlin	To your earlier testimony, you said what and where. Would you add when to that list.
072	McKellar	Intention was to have projects done in the next biennium to match the approved budget.
	Vice-Chair Devlin	Projects not always completed in the biennium. Knowing what should be finished in the biennium would be useful. On the issue of pork barrel, there are a number of metropolitan planning organizations. The Portland metropolitan area has to concur with the state for a project to be done.
091	Chair Lokan	There is no veto power on projects with ODOT unless it is ODOT itself. They set their own projects. From where would the veto come? It's one agency doing its own thing.
105	Rep. Lehman	This bill addresses the issue of ODOT operating without any direct control because they answer to the legislature and to the governor on different issues. And to the transportation commission on certain issues. How much control does the legislature really want?
122	Meredith	The bill lets the legislators know what it is they are voting for when you vote for or against a tax.
128	Chair Lokan	Says she likes to have that information. The Clackamas County map is from her own district, and it was helpful in a forum she attended with constituents. People want to know where money is being spent. Comments on her view of the bill.
167	McKellar	Says the chair makes a good point. The trucking industry is very much interested in highways; that is where they do their business. Comments on building support for a tax.
	Chair Lokan	Am I correctly explaining the purpose of your bill?
178	Rep. Harper	Asks how long it takes to turn out the maps.
192	McKellar	Has received volumes of information from ODOT in the last two weeks. Questions asked today produce 15 pages tomorrow.
196	Rep. Harper	Pass the bill with a sunset clause to see if it does work. Closes public hearing on HB 3630 and opens work session on HB 3630.
<u>HB 3630 - WORK SESSION</u>		
207	Chair Lokan	Has asked staff to call Rep. Brian.

211	Rep. Lehman	Cannot say if he has a real problem with the bill. There have been a lot of conversations on the subject; and he is reluctant to jump off the bridge right now in light of the transportation plan, which contains reorganizations of ODOT.
217	Rep. Harper	Rep. Montgomery, House Transportation Committee, and Rep. Watt, Ways and Means, have been discussing items like this. Does not know if they are aware of this bill.
222	Chair Lokan	Comments on her discussion with Rep. Watt. He did not have a negative reaction to the bill and wanted to know more about it.
228	Vice-Chair Devlin	Two issues to be settled if they were to proceed today or later: * an amount, which would require a -1 amendment * how this would interplay with ODOT's current six-year process
243	Rep. Harper	Sees that as a simple reflection of what the six-year plan is for the next two years.
	Vice-Chair Devlin	Is concerned about the timing.
248	Chair Lokan	In order for legislators to use the plan, would need an emergency clause.
	Rep. Lehman	Knows this is not going to be a pork barrel project. Urges the committee to think about what would happen if they went to Ways and Means project by project. Our very nature is not going to allow us to sit back and not let one of our projects get on the list.
274	Chair Lokan	ODOT keeps changing the six-year plan. This would produce more accountability from ODOT. Pork barrel does not have to happen.
	Rep. Harper	Tell ODOT in a readable, simple format that this is what the money we authorize to you this session is going to buy.
282	Rep. Lehman	It is in the transportation bill now because there is a requirement to departmentalize ODOT's budget process. There has been discussion on the concept of an interim joint transportation committee that would have oversight on projects.
295	Chair Lokan	Agrees there is something coming up to provide more oversight and also some shift with the Transportation Commission with the Governor appointing the ODOT director. The budget as it is now is more of an administrative budget rather than a project budget. Will discuss the bill with Rep. Watt and Rep. Montgomery.
316	Vice-Chair Devlin	Recommends the chair also speak with Rep. Brian.
319	Chair Lokan	Agrees. Closes work session on HB 3630. The meeting is adjourned at 3:03 p.m.

Submitted by, Reviewed by,

Valerie H. Luhr Carolyn Brooks

Administrative Support Specialist Support Services Manager

EXHIBIT SUMMARY

A - HB 3569, proposed -1 amendments, staff, 1 p.

B - HB 3569, proposed -2 amendments, staff, 1 p.

C - HB 3705, proposed -4 amendments, Rep. Deckert, 4 pp.

D - HB 3705, written testimony, Tom Luther 2 pp.

E - HB 3705, written testimony, Don Underwood, 2 pp.

F- HB 3705, written testimony, Elizabeth Dickenson, 1 p.

G - HB 3705, written testimony, Cam Birnie, 1 p.