

**HOUSE COMMITTEE ON AGENCY OVERSIGHT AND EFFICIENCY**

March 13, 1997 Hearing Room H-170

1:00 P.M. Tapes 23 - 24

**MEMBERS PRESENT:**

Rep. Jane Lokan, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Eldon Johnson

**MEMBER EXCUSED:**

Rep. Tom Brian

Rep. Mike Lehman

**STAFF PRESENT:**

Judy Edstrom, Administrator

Valerie Luhr, Administrative Support

**MEASURE/ISSUES HEARD:**

HB 3566 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 23, A		
005	Chair Lokan	Calls the meeting to order at 1:17 p.m. The pubic hearing will continue on Tuesday, March 18, and the work session will be held on March 18. Opens the public hearing on HB 3566.
<u>HB 3566 - PUBLIC HEARING</u>		
033		

	<b>Aaron Bodor</b>	<p><b>Employee of DEQ and President of AFSCME. Comments on the reaction by employees of the Department of Environmental Quality to the privatization of the vehicle emission testing program.</b></p> <ul style="list-style-type: none"> <li><b>* Contracting of the program will add to the costs to the customer as well as the state.</b></li> <li><b>* Effectiveness of the program to reduce emissions to obtain compliance with air quality standards.</b></li> <li><b>* Changes would have serious effects on effectiveness of program.</b></li> </ul>
<b>095</b>	<b>Bodor</b>	<p><b>Continues testimony.</b></p> <ul style="list-style-type: none"> <li><b>* Consequences of non-attainment status of air quality standards.</b></li> <li><b>* Privatization would require very strict delineation of duties and responsibilities.</b></li> <li><b>* Problems with detailed contracts such as fraud.</b></li> <li><b>* Risk to the program's ability to assure integrity of the inspection program.</b></li> </ul>
<b>150</b>	<b>Bodor</b>	<b>Believes that the system is not broken.</b>
<b>167</b>	<b>Chair Lokan</b>	<b>Asks Bodor if he is employed at an emissions testing location.</b>
	<b>Bodor</b>	<b>No. Explains where is he is employed. Is not part of his official duties.</b>
<b>180</b>	<b>Mary Botkin</b>	<p><b>American Federation of State County Municipal Employees. Presents prepared testimony [EXHIBIT A] in opposition to the privatization of the vehicle testing program.</b></p> <ul style="list-style-type: none"> <li><b>* Polls done by us indicate our environment is above scrutiny.</b></li> <li><b>* Government should be overseeing environmental compliance.</b></li> <li><b>* Present system is cost effective, businesses and individuals are happy with the way it is.</b></li> </ul>
<b>230</b>	<b>Botkin</b>	<b>Continues testimony.</b>
<b>264</b>	<b>Rep. Harper</b>	<b>What other areas would you like us to look at?</b>
	<b>Botkin</b>	<b>Responds.</b>
	<b>Lydia Taylor</b>	<p><b>Deputy Director, Department of Environmental Quality. Presents prepared testimony [EXHIBIT B] on HB 3566.</b></p> <ul style="list-style-type: none"> <li><b>* Key responsibility is to protect air quality.</b></li> </ul>

305	Taylor	Portland area legislators have raised concerns of costs to those with low-income.
365	Rep. Deckert	Concerning provisions for low income persons, how would it affect low income drivers?
355	Taylor	Explains the procedures they go through.
405	Taylor	We are not dealing with low income persons any differently than the way we deal with other people. Repair estimates are much lower than costs we anticipate with enhanced vehicle program.
TAPE 24, A		
	Chair Lokan	Is this done in other states?
005	Ed Woods	Yes.
	Chair Lokan	Requests the information for other states.
	Rep. Harper	Is there current legislation?
	Taylor	No. Explains what legislation might be needed.
	Rep. Harper	Asks if it is a fund transfer.
020	Taylor	Continues prepared testimony. Currently evaluating efficiency issues. * Contingency plan. * Possible hearing from Department of Administrative Services on issue of bidding from state agencies.
068	Vice-Chair Devlin	Asks * An indication of estimated cost of RFP process. * If passed, what would anticipated cost be?
	Taylor	Can provide that. Would also be timing costs, should I include that?
	Vice-Chair Devlin	Yes.
102	Jim Houser	* Presents testimony in opposition to the privatization of vehicle emission testing [EXHIBIT C] and resubmits testimony from the February 6, 1997, hearing of Agency Oversight and Efficiency (see minutes and exhibits for that date).
167	Ralph Groener	AFSCME, Council 75. Comments on privatization issues. * More contracting out.

		<p>* Auto pollution reaches as far as the Molalla area, originating in Portland area.</p> <p>* Out of attainment for past five years.</p>
210	Groener	<p>* Continues with comments on air quality attainment.</p> <p>* \$24 for Enviro-Test, under \$21 with DEQ for price comparisons.</p>
248	Chair Lokan	Says she has seen a figure of \$21.
251	Groener	<p>Asks if it really cheaper to privately contract.</p> <p>* Inability to get turnover figures from private companies.</p> <p>* Cost of using part-time employees.</p> <p>* Who benefits from the privatization.</p> <p>* Sees no reason to privatize.</p>
304	Chair Lokan	Calls Micki Phillips forward.
316	Micki Phillips	Redmond, Washington, General Manager, Enviro-test Washington Program.
	Chair Lokan	Concerns of properly doing enhanced vehicle testing program. Asks how long Washington has had its current program.
	Phillips	Fifteen years this year.
322	Chair Lokan	How has this worked, employees equipped?
340	Phillips	<p>Washington is a basic , not enhanced program.</p> <p>* In 1996, there were 86 complaints and 1.2 million vehicles tested.</p> <p>* Customer survey every month -- 95 percent approval rating.</p> <p>* Turnover is not bad, it refreshes the work force. They are at 90 percent turnover. Customer abuse; employee burnout.</p>
408	Rep. Deckert	DEQ turnover rate is dramatically lower. Asks how.
<b>TAPE 23, B</b>		
	Phillips	Turnover is not bad; lower salaries keep the rates down.
008	Chair Lokan	Asks what type of training do employees get.
014	Phillips	Are you asking specifically about Washington?
		I don't know about other programs that you are involved in.

	<b>Chair Lokan</b>	
<b>016</b>	<b>Phillips</b>	<b>Some employees are required to be certified. Tampering inspection; customer service background. They get training in automotive background; harassment training; honesty training; 80 hours of training invested.</b>
<b>029</b>	<b>Vice-Chair Devlin</b>	<b>Your people experience a lot of abuse and turnover is good. Comments on his experience with DEQ and does not recall any customer giving any operator any abuse.</b>
	<b>Phillips</b>	<b>Oregon and Washington are different environments.</b>
<b>062</b>	<b>Rep. Harper</b>	<b>IM 240 more complicated. 90 percent turnover would be a disaster.</b>
	<b>Phillips</b>	<b>Technology makes it easier to do the test. Training is a bit more complicated.  \$24 Denver program - a share goes to the state.  Texas and Maine programs shut down -- no programs existed in Maine and Texas decentralized.</b>
<b>100</b>	<b>Rep. Harper</b>	<b>Basic to Bar 31 -- is going to be tough. Asks Phillips what her company would do to ease the transition.</b>
	<b>Phillips</b>	<b>In Indiana, it took five months to set up the program. Used to being quick and efficient.</b>
	<b>Chair Lokan</b>	<b>An employee from a Portland testing station would like to speak.</b>
<b>129</b>	<b>Holly Stewart</b>	<b>Vehicle Inspector, Clackamas, DEQ, part-time.  * Most employees work eight-hour days.  * Experience is the best training.  * Complaints do happen--cannot be avoided.</b>
<b>181</b>	<b>Chair Lokan</b>	<b>Enhanced emission testing. Will you need added training? Is it necessary to be an auto mechanic?</b>
	<b>Stewart</b>	<b>It does not take a mechanic to run the test. Comments on procedures. Experience is what really counts. If I have a question, I will ask someone with more experience.</b>
<b>208</b>	<b>Rep. Deckert</b>	<b>When you started, how long did it take you to perform your task?</b>
	<b>Stewart</b>	<b>Explains training process.  * Training film.  * Two weeks intense, supervised training with an experienced inspector.</b>

244	Rep. Deckert	Asks how often you needed help this past week.
247	Stewart	Ask for assistance at least twice a day.
280	Rep. Deckert	How do you assess a person's ability to do the tests?
	Stewart	Spotting disconnects. It takes time to learn.
326	Rep. Harper	It is not a criticism of how the folks are doing the job. The committee wants to look at alternatives to see if the job can be done differently. Tell this to your coworkers.
	Stewart	The program makes money that goes back into the state.
<b>TAPE 24, B</b>		
001	Joe Gilliam	Association of Independent Business. The bill pushes us forward to something that is already allowed under the law. The issue is not that DEQ is doing a bad job. The issue is how do you best spend taxpayers dollars. Puts forward open bid process. Supports the bill, move it forward. If private sector cannot provide at lower cost, they should not get contract.
	Vice-Chair Devlin	Have you had opportunity to review study?
	Gilliam	No, he has not.
	Vice-Chair Devlin	Recommends Gilliam review the report.
035	Chair Lokan	It was requested by Legislature to request study by DEQ.
	Gilliam	Most studies from which parameters set by state government, they are flawed. * Have Secretary of State do an audit. * Pass this bill and put it open it up to competitive bidding.
054	Rep. Harper	Is it okay with the private sector that DEQ bid on the contract?
	Gilliam	As long as parameters of bid are consistent.
073	Chair Lokan	Possibility of work session next Tuesday. Closes the public hearing on HB 3566. Asks for report from Rep. Harper. Adjourns this meeting at 2:46 p.m.

Submitted by, Reviewed by,

Valerie H. Luhr Judy Edstrom

Administrative Support Specialist Administrator

**Transcribed by,**

**Steve Wermuth**

**Committee Clerk**

**EXHIBIT SUMMARY**

**A - HB 3566, written testimony, Mary Botkin, 1 p.**

**B - HB 3566, written testimony, Lydia Taylor, 4 pp.**

**C - HB 3566, written material, Jim Houser, 2 pp.**