

HOUSE COMMITTEE ON AGENCY OVERSIGHT AND EFFICIENCY

March 18, 1997 Hearing Room H-170

1:00 P.M. Tapes 25 - 26

MEMBERS PRESENT:

Rep. Jane Lokan, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Tom Brian

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Eldon Johnson

Rep. Mike Lehman

STAFF PRESENT:

Judy Edstrom, Administrator

Valerie Luhr, Administrative Support

MEASURE/ISSUES HEARD:

SB 24 Public Hearing and Work Session

SB 135 Public Hearing and Work Session

HB 3566 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 25, A		
005	Chair Lokan	Opens the meeting at 1:13 p.m. and announces changes in the day's agenda.
008	Chair Lokan	Opens a public hearing on SB 24.

**SB 24 PUBLIC
HEARING**

010	Judy Edstrom	Committee administrator, reviews provisions of the bill and explains the amendments adopted by the Senate Committee on Business, Law, and Government.
029	Dan Kennedy	Administrator, Human Resource Services Division, Department of Administrative Services, submits and presents written testimony in favor of SB 24 (EXHIBIT A). * Discusses the state's "merit system" of hiring people in an open, competitive process on their merits. * The state's "merit system" process is long and cumbersome. * The red flag that initiated the drafting of SB 24 came from Information Systems (IS). * IS isn't attracting top people in the field because of the lengthy hiring process they must go through. * Discusses concerns brought up in the senate committee regarding managers bypassing the competitive process and not hiring women and minorities. * Describes the review process that would be used involving a threshold level of appointments.
091	Rep. Johnson	Asks if the agency has the mechanisms to let someone go once it discovers that their hiring judgment about an individual was incorrect.
098	Kennedy	Responds affirmatively. * The agency has a six-month trial service period.
102	Rep. Harper	Asks if Mr. Pepper's concerns are taken care of with the A-engrossed version of the bill.
105	Kennedy	Responds affirmatively.
108	Rep. Deckert	Asks if there exists a merit-based system where the manager has the autonomy to hire the best qualified applicant out of a pool.
111	Kennedy	* Explains that the human resource field is changing. * A system of testing, scoring , and interviewing applicants is currently in place. * There is a proposal before Ways and Means to implement an application tracking system.

		<p>* Based on the current system managers do have the ability to hire the best people they can.</p> <p>* The current system doesn't lend itself to getting the best people on a list.</p>
132	Rep. Deckert	Asks about the process that must be followed to hire an individual that did well in an interview and was obviously qualified for the job.
	Kennedy	<p>* Currently that individual would have to take a test or submit information to be scored.</p> <p>* They would be placed on a list based on their score.</p> <p>* The manager must interview the top 10 people on the list.</p>
144	Chair Lokan	Asks if this bill was introduced by Senate Interim General Government Committee at the request of the Civil Service Reform Steering Committee.
148	Kennedy	Responds affirmatively.
152	Chair Lokan	Closes the public hearing on SB 24.
157	Chair Lokan	Opens a work session on SB 24.
<u>SB 24 WORK SESSION</u>		
160	Rep. Johnson	MOTION: Moves SB 24 to the floor with a DO PASS recommendation.
		<p>VOTE: 6-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Rep. Brian</p>
175	Chair Lokan	<p>The motion CARRIES.</p> <p>REP. JOHNSON will lead discussion on the floor.</p>
178	Chair Lokan	Closes the work session on SB 24.
180	Chair Lokan	Opens a public hearing on SB 135
<u>SB 135 PUBLIC HEARING</u>		
185	Edstrom	Reviews provisions of the bill.

200	Peter DeLuca	<p>Administrator, Oregon Occupational Safety and Health Division (OR-OSHA), submits and presents written testimony in support of SB 135 (EXHIBIT B).</p> <p>* Discusses the portion of the bill that abolishes the State Advisory Council on Occupational Safety and Health (SACOSH).</p> <p>* SACOSH was created by statute in the early eighties however, the appointments to the board are unfilled and the board is inactive.</p>
220	Chair Lokan	Asks if DeLuca has had experience with SACOSH as having been a successful endeavor.
223	DeLuca	<p>* SACOSH has not been active since he has held the position of Administrator.</p> <p>* After discussing the abolition of SACOSH with the stakeholders there is no opposition.</p>
230	Chair Lokan	Asks who the stakeholders are.
233	DeLuca	Does not have that information.
240	Chair Lokan	Asks if the original responsibilities of SACOSH are being properly addressed by other bodies.
244	DeLuca	<p>Responds affirmatively.</p> <p>* There is no added burden to other governmental bodies resulting from the abolition of SACOSH.</p>
247	Rep. Lehman	Asks if SACOSH costs anything.
248	DeLuca	Expenses are minimum and limited to the expenses of people attending the meetings.
251	Rep. Lehman	Asks if there have been complaints about SACOSH through the state.
255	DeLuca	There have been no complaints.
263	Chair Lokan	Refers the committee to written testimony from Sara Vickerman, Director of the State Conservation Programs in opposition to SB 135 as it currently stands (EXHIBIT C).
274	Chair Lokan	Closes the public hearing on SB 135.
275	Chair Lokan	Opens a work session on SB 135.
<u>SB 135 WORK SESSION</u>		

274	Vice-Chair Devlin	<p>* Expresses his concern for the abolishment of the Habitat Conservation Trust Fund Board (HCTF).</p> <p>* Rep. Brian was on the original committee that formed HCTF.</p> <p>* Governor has reversed his position on eliminating HCTF.</p> <p>* Requests further consideration before the committee passes this out.</p>
299	Rep. Deckert	Asks if the committee can take a further look at SB 135 on Thursday 3/20/97.
312	Rep. Harper	Comments that the Senate looked at these issues before passing the bill out of committee.
321	Rep. Johnson	MOTION: Moves to close the work session on SB 135 until further information can be accumulated
324	Chair Lokan	Hearing no objection the motion is PASSED.
326	Chair Lokan	Closes the work session on SB 135.
335	Chair Lokan	Stands the meeting at ease at 1:35 p.m.
336	Chair Lokan	Reopens the meeting at 1:40 p.m.
337	Chair Lokan	Opens a work session on HB 3566.
<u>HB 3566</u> <u>WORK</u> <u>SESSION</u>		
339	Edstrom	Refers to the -4 amendments dated 3/17/97 provided to each member (EXHIBIT D), and informs the committee that Legislative Counsel is available to testify.
355	Jeanette Holman	<p>Legislative Counsel, testifies on behalf of the -4 amendments to HB 3566.</p> <p>* The -4 amendments are modifications of the previous amendments.</p> <p>* Department of Administrative Services (DAS) has the responsibility for determining all the cost effectiveness of a program contracted out to a private entity.</p> <p>* If the Department of Environmental Quality (DEQ) decides to run a program, the bidding process must be separate from the department.</p>

		<p>* Section 2 is a directive to DAS to do bidding requests according to public contract law.</p> <p>* Subsection 2 allows DEQ to submit bids.</p> <p>* Section 3 directs DAS to determine cost effectiveness of private contracts.</p> <p>* Section 4 specifies the requirements that DEQ must meet to maintain a level playing field in the bidding process.</p> <p>* Explains the definition of "independent" used in page 2, lines 27 and 29 of the -4 amendments.</p> <p>* Section 8, page 3, provides a date to begin a motor vehicle pollution control system inspection program.</p> <p>* Section 9 of the -4 amendments declares an emergency clause.</p>
TAPE 26, A		
012	Vice-Chair Devlin	Asks when an independent evaluation is done would there be a violation of the provision defining "independent" if there is a cost transfer.
018	Holman	The independent evaluator cannot be doing their own evaluation
021	Vice-Chair Devlin	Asks if the provisions would prevent DEQ from contracting with a private firm for evaluations.
023	Holman	The provisions present no problem for the DEQ to contract with private firms.
024	Vice-Chair Devlin	Asks about an "out" clause if DEQ enters any litigation or doesn't have a contractor by October 1, 1997.
030	Rep. Johnson	Asks if the date requiring services would be the "out" clause.
032	Holman	<p>Responds affirmatively.</p> <p>* The amendments determine the most cost effective method.</p> <p>* If there is no savings to the public then the system stays the way it is currently running.</p>
045	Chair Lokan	If this bill passes out of committee it will be referred to Ways and Means where more clarifying language can be added.
051	Rep. Johnson	MOTION: Moves to ADOPT HB 3566 amendments dated 03/17/97 (EXHIBIT D).
053	Chair Lokan	Recognizes Rep. Johnson's motion and asks if there are further questions.
055	Rep. Deckert	

		Asks the work group if this bill will meet standards for October 1, 1997, deadline and if Oregon will continue to meet EPA standards.
058	Rep. Johnson	* If standards are not met by the deadline, it is not through a failure of the legislature. * The agencies running the programs will have to take responsibility.
064	Chair Lokan	It has been made clear to DAS and DEQ that this is an attempt to satisfy the federal and state clean air standards.
086	Vice-Chair Devlin	Intends to vote for the amendments, but will not vote for the full bill.
088		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lehman
090	Chair Lokan	The motion CARRIES.
092	Rep. Johnson	MOTION: Moves HB 3566 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
095	Chair Lokan	Recognizes Rep. Johnson's motion and asks if there are further questions.
103	Vice-Chair Devlin	Does not support the resolution. * The identification of problems with a particular agency has not been carried out. * This bill is not timely for the clean air act. * The committee has not heard evidence to the contrary that the current system is inefficient or that a private operator might be more efficient. * Submits and presents the written estimate of costs from DEQ should testing become privatized in the next month, (a cost that would not be part of the privatization), (EXHIBIT E). * There has not been a compelling case for why this is being done at this time, how it will improve efficiency, or save state dollars.
137	Rep. Johnson	* The work group went out of its way to accommodate the concerns of DEQ.

		* Makes the committee aware that the current fiscal does not fit the current bill.
147	Rep. Lehman	Shares concerns with putting new standards in place and making changes at the same time.
158	Rep. Brian	The cost estimate assumes that none of current vehicle inspection personnel are picked up by the state.
167	Rep. Deckert	Asks what kind of assurance we have that the state won't have to pay these extra costs.
170	Chair Lokan	* Ways and Means will look at these figures with a fine-tooth comb. * This path was started because the 1995 session advised the 1997 session to look at privatization.
185		VOTE: 5-2 AYE: 5 - Brian, Deckert, Harper, Johnson, Lokan NAY: 2 - Devlin, Lehman
190	Chair Lokan	The motion CARRIES.
200	Chair Lokan	Closes the work session on HB 3566.
201	Chair Lokan	Adjourns the meeting at 2:01 p.m.
		Submitted for the record, letter from James Wilson (EXHIBIT F) in response to previous testimony by Micki Phillips.

Submitted by, Reviewed by,

Valerie H. Luhr Judy Edstrom

Administrative Support Specialist Administrator

Transcribed by,

Diane Quinones

Administrative Support Specialist

EXHIBIT SUMMARY

A - SB 24-A, written testimony, Dan Kennedy, 1 p.

B - SB 135, written testimony, Peter DeLuca, 3 pp.

C - SB 135, written testimony from Sara Vickerman, Staff, 1 p.

D - HB 3566, -4 amendments dated 03/17/97, Staff, 3 pp.

E - HB 3566, written information, Rep. Devlin, 1 p.

F - letter in response to testimony of Micki Phillips, James Wilson, 2 pp.