

**HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY**

**SUBCOMMITTEE ON PARKS**

**April 7, 1997 Hearing Room E**

**1:00 P.M. Tapes 15 - 16**

**MEMBERS PRESENT:**

**Rep. Mark Simmons, Chair**

**Rep. Michael Fahey, Vice-Chair**

**Rep. Mike Lehman**

**Rep. Leslie Lewis**

**Rep. Jim Welsh**

**STAFF PRESENT:**

**Pat Zwick, Policy Analyst**

**Marjorie Taylor, Administrative Support**

**MEASURE/ISSUES HEARD:**

**HB 2837 Public Hearing**

**HJR 23 Public Hearing and Work Session**

**HB 2837 Public Hearing**

**HB 3226 Public Hearing**

**HB 3563 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 15, A</b>		
003	Chair Simmons	Calls the meeting to order at 1:15 p.m. and opens a public hearing on HB 2837.
<b><u>HB 2837</u></b> <b><u>PUBLIC</u></b>		

<b>HEARING</b>		
013	Jerry George	Multnomah County resident. Although the bill was introduced at his request, expresses neutrality on HB 2837. Expresses support for charging non-resident campers a higher fee but suggests that a single group should not be used to support the Parks Department. Suggests a recreation equipment excise tax or a fee on the driver's license to support the parks. Encourages a bottle tax on all bottled beverages <b>(EXHIBIT A)</b> .
062	Bonnie George	Supports Mr. George in his statements and indicates that she was most upset at the proposal for an additional RV tax.
072	Chair Simmons	Recesses the public hearing on HB 2837 and opens a public hearing on HJR 23.
<b>HJR 23 PUBLIC HEARING</b>		
086	Pat Zwick	Policy Analyst, summarizes provisions of HJR 23, which establishes a State Parks Day.
094	Rep. Courtney	State Representative, District 33. Expresses support for HJR 23. Indicates that an amendment to be introduced will change the date indicated in the original measure. Indicates that parks are critical to the state and that one day should be allowed for a salute to the parks. Events could be established to link Oregonians to the state's history. Encourages support for HJR 23 <b>(EXHIBIT B)</b> .
174	Bob Meinen	Director, Oregon State Parks and Recreation Department. Expresses support for the resolution and recommends that the date be changed to the second Saturday in June instead of the third Saturday in July. Reasons for the change are that the event could be advertised during Memorial Day weekend <b>(EXHIBIT C)</b> .
187	Rep. Lewis	Asks if the second Saturday of June is Rose Festival in Portland.
192	Chair Simmons	Asks how the day will be promoted.
202	Meinen	It would be promoted through campground presentations and inexpensive literature.
213	Chair Simmons	Indicates that there are a few possible choices for the State Parks Day.
216	Rep. Courtney	States that he has no preference for the day, but Mr. Meinen knows how the parks system works. Indicates that it should be a Saturday in June.
250	Rep. Welsh	Prefers the first Saturday in June.
253	Rep. Fahey	Asks if there needs to be an emergency clause on the resolution.
256	Rep. Lehman	Indicates that the committee can pass the bill without an emergency clause and the Parks Department will know what to do with it.

271	Chair Simmons	Closes the public hearing on HJR 23 and opens a work session on HJR 23.
<b><u>HJR 23</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
274	Rep. Lewis	<b>MOTION: Moves to ADOPT the amendments offered by Bob Meinen, Director of Oregon State Parks and Recreation Department to HJR 23. In Line 12, delete "third" and insert "first" and delete "July" and insert "June".</b>
284	Chair Simmons	<b>Hearing no objections, declares the motion CARRIED.</b>
285	Rep. Lewis	<b>MOTION: Moves HJR 23 to the full committee with a BE ADOPTED AS AMENDED recommendation.</b>
		<b>VOTE: 5-0</b>  <b>AYE: In a roll call vote, all members are present and vote Aye.</b>
290	Chair Simmons	<b>The motion CARRIES.</b>
295	Chair Simmons	Closes the work session on HJR 23 and re-opens the public hearing on HB 2837.
<b><u>HB 2837</u></b> <b><u>PUBLIC</u></b> <b><u>HEARING</u></b>		
300	Bob Meinen	Director, Oregon State Parks and Recreation Department. Indicates that HB 2837 is very similar to HB 2772 and that the Parks Department has many of the same concerns they had with HB 2772. If non-residents are charged higher fees revenues would be lost initially. Indicates that it would take ten years to regain losses incurred by a fee increase to non-residents. Parks have a differential fee system based on the services used and seasons ( <b>EXHIBIT D</b> ).
357	Meinen	Indicates that non-residents feel discriminated against when they have increased user fees. Explains that non-resident users have a great impact on local economies. States that if fee mechanisms get complicated then people won't use them. Urges support for leaving fees as they are.
389	Rep. Simmons	Indicates that the differential fee system suggested by HB 2837 and the one in place now are two different systems.
396	Meinen	The bill describes differential fees for different uses in the parks. States that the parks have a similar fee assessment program now.
<b><u>TAPE 16, A</u></b>		
005	Chair Simmons	Closes the public hearing on HB 2837 and opens a public hearing on HB 3226.
<b><u>HB 3226</u></b> <b><u>PUBLIC</u></b> <b><u>HEARING</u></b>		

012	Pat Zwick	Policy Analyst, summarizes provisions of the bill.
021	Rep. Welsh	State Representative, District 43. Explains the reason for introducing HB 3226. States that over time, a trust fund would be able to make a significant contribution to the parks. Suggests several ways to collect money for the fund.
045	Bob Meinen	Director, Oregon State Parks and Recreation. Appreciates the attempt to find a long-term funding source. States that the lands have been evaluated for potential to be sold or used to create a trust fund. Some lands have federal restrictions on them. An approximate appraisal value is \$600,000. A second tentative list of land that could be sold or traded still needs to have environmental evaluations completed. States that the Parks Department is working with the Division of State Lands to find other options. Restates park use statistics and explains that most park land can't be sold or traded <b>(EXHIBIT E)</b> .
118	John Lilly	Assistant Director of Policy and Planning, Division of State Lands. Asks that the Treasury Department be involved with discussions of trust issues. Indicates that about twenty state agencies own the managed land in the state and as a result, funds from those lands are dedicated to accounts related to the original purpose of the lands. Explains that the Division of State Lands manages over one million acres of submerged or submersible lands, many of which are leased for recreation or business purposes. Suggests that the Parks Department talk with other state agencies about redirecting dedicated funds from surplus lands <b>(EXHIBIT F)</b> .
177	Rep. Welsh	Understands the dedication of properties by state agencies and suggests that a few agencies be contacted in regards to redirection of funds.
193	Chair Simmons	Asks if any of the land managed by the Division of State Lands (DSL) would be suitable for the creation of new parks.
200	Lilly	Explains that about half of the lands are submerged or submersible and they are already being used for recreation purposes. DSL has not asked or been approached as to whether other lands could be used for state parks. Indicates that lands managed by DSL have funds directed to the Common School Fund and they should continue to do so.
230	Meinen	Explains that the Parks Department has not evaluated the land holding of DSL to determine if parks can be created there. If DSL lands are used to create parks they would have to be compensated for at a fair market value.
252	Rep. Welsh	Asks if Mr. Meinen could explain the private trust fund for the parks.
256	Meinen	Explains that the State Parks Trust was formed about two years ago and that the mission and goals are to look for private donations and grants for the parks system. The trust has not collected real property.
287	Chair Simmons	Closes the public hearing on HB 3226 and opens a public hearing on HB 3563.
<b><u>HB 3563</u></b> <b><u>PUBLIC</u></b>		

<b>HEARING</b>		
299	Rep. Lokan	State Representative, District 25. Explains how the bill will direct the Parks Department to create a four year privatization project. Indicates that the U.S. Forest Service has a model privatized campground program. Explains the bidding process for concessions <b>(EXHIBIT G)</b> .
357	Rep. Lokan	Indicates that the best campgrounds for concessions are those that are the most visible, but bid packages cluster profitable and non-profitable campgrounds. States that lifelong customers of the campgrounds are those that do the best job running concession campgrounds.
<b>TAPE 15, B</b>		
011	Rep. Lokan	Indicates that the bill was introduced due to bad experiences in state campgrounds and good experiences in the U.S. Forest Service campgrounds. Encourages the committee to study the U.S. Forest Service model for park privatization.
042	Rep. Fahey	Asks what profits can be generated by a concessionaire.
047	Rep. Lokan	States that the returns are very good and they earn over \$50,000 per year.
061	Rep. Fahey	Asks what concessionaires do about hiring extra staff. Expresses concern about moving employees from one benefit system to another.
070	Rep. Lokan	Explains that many concessionaires use volunteers to work during the summer.
085	Rep. Fahey	Asks to see financial data from the U.S. Forest Service.
089	Rep. Lewis	Relates personal experience with the Santiam Fish and Game Club. Explains that volunteers do all of the work on the lodge, restaurant and cabins.
112	Rep. Fahey	Asks if club members have priority for reservations.
113	Rep. Lewis	Club members get reduced rates.
127	Bob Meinen	Director, Oregon State Parks and Recreation. Talks about various types of privatization that the Parks Department has tried or been involved with. Speaks of a privatization project attempted at the Goose Lake complex near Lakeview. Explains the bidding process and results for the park <b>(EXHIBIT H)</b> .
191	Meinen	Indicates that a main concern with privatization is the concept of "cherry picking". States that the Parks Department would lose about a million dollars per year if they were to contract out the most popular, money making locations. The Parks Department uses the revenues from campgrounds to keep other "free" areas free. Indicates that the impact on employees would be great. About 45 permanent and 17 seasonal positions would be lost. Explains union requirements.
		States that most private contractors want to make a profit, but many of the parks have high costs associated with them. Expresses familiarity with the

267	Meinen	U.S. Forest Service concessionaire program. Explains that the Forest Service absorbs all liabilities in their areas and all of the large maintenance projects.
305	Chair Simmons	Clarifies what the Forest Service does in their campgrounds.
308	Meinen	Related to ongoing maintenance, the Forest Service completes all major projects.
332	Meinen	Expresses concerns with the issue of privatization and indicates that the Parks Department has tried several different options of privatization and they are trying several more. States that where concessions are appropriate, they work very well.
365	Rep. Lewis	Asks what the Parks Department has proposed for funding ideas for the parks.
376	Meinen	Explains that the Parks Department has not had the opportunity to suggest alternative funding mechanisms. States that the department has tried and evaluated many different funding options.
396	Rep. Lewis	Expresses frustrations with the Parks Department shooting down most of the funding proposals that are brought forward. The department should be giving ideas since they are the experts, but they haven't given ideas. States that time is running out and that opportunities are out there, but something needs to happen.
<b>TAPE 16, B</b>		
015	Meinen	Expresses similar frustrations and indicates that there have been some good ideas presented. States that the lottery backed bonds bill was an excellent bill and appreciates all of the ideas that have been brought forward. Explains that it is his duty to point out problems with bills when he sees them. Asks the committee to keep in perspective, the size of the funding problem.
041	Rep. Lehman	Appreciates Rep. Lewis' comments, but expresses frustration for a different reason. Indicates that people are trying to find a simple, easy way out for a complicated problem. States that the bottom line is that parks need to be funded adequately or they need to be closed down. Suggests that there has been criticism for many proposed solutions because they are simplistic and don't solve the problem to a deep enough level.
064	Chair Simmons	Asks how many camp spaces are available at Goose Lake.
067	Meinen	It has approximately 57 campsites.
069	Chair Simmons	Asks if the park could be expanded.
070	Meinen	Explains that the park could be expanded, but the demand isn't there.
083	Rich Peppers	Representative, Oregon Public Employees Union. Expresses concerns with the idea of privatization of the state parks. Indicates that most surveys show that the general public is satisfied with the state parks. States that there needs to be recognition for a governmental role in the running of state parks. Indicates that people like to have a publicly run parks system ( <b>EXHIBIT I</b> ).
		States that if proposals for privatization are not based on labor costs then

124	Peppers	they are based on creating efficiencies in the system. People tend to believe that the state parks system runs efficiently. When cost savings are suggested by reducing pay and benefits then those costs are actually shifted somewhere else in the public system. With regard to the issue of quality, people in the parks system have had years of experience and developed expertise in their field. With regard to liability and accountability, it is better to have someone that is directly accountable for problems that occur in the parks.
172	Chair Simmons	Explains that liability is the responsibility of the operator.
184	Peppers	States that in liability lawsuits, operators and owners of the land are both named.
195	Sen. George	State Senator, District 2. Urges the committee to enhance the current parks system. Suggests moving current parks employees into positions that haven't been developed yet.
233	Rep. Welsh	Verifies that the parks should be enhanced to capture more revenue.
236	Sen. George	Answers affirmatively. Provides suggestions for parks enhancement. Suggests that the committee look at options with an open mind and think of the future.
267	Chair Simmons	Closes the public hearing on HB 3563 and adjourns the meeting at 2:55 p.m.

Submitted By, Reviewed By,

Marjorie Taylor, Pat Zwick,

Administrative Support Policy Analyst

**EXHIBIT SUMMARY**

**A - HB 2837, Written testimony, Jerry George, 3 pp.**

**B - HJR 23, Written testimony, Rep. Courtney, 1 p.**

**C - HJR 23, Written testimony, Bob Meinen, 1 p.**

**D - HB 2837, Written testimony, Bob Meinen, 2 pp.**

**E - HB 3226, Written testimony, Bob Meinen, 5 pp.**

**F - HB 3226, Written testimony, John Lilly, 2 pp.**

**G - HB 3563, Written testimony, Rep. Lokan, 4 pp.**

**H - HB 3563, Written testimony, Bob Meinen, 7 pp.**

**I - HB 3563, Written testimony, Rich Peppers, 3 pp.**