

HOUSE COMMITTEE ON HUMAN RESOURCES

May 19, 1997 Hearing Room H-170

1:00 P.M. Tapes 107 - 108

MEMBERS PRESENT: Rep. Patricia Milne, Chair

Rep. Jackie Taylor, Vice-Chair

Rep. Richard Devlin

Rep. Jeff Kruse

Rep. Jane Lokan

Rep. Kitty Piercy

Rep. Steve Harper

MEMBER EXCUSED:

STAFF PRESENT: Lori A. Long, Administrator

Diane M. Quinones, Administrative Support

MEASURE/ISSUES HEARD: HB 3310 Work Session

HB 2667 Work Session

HB 3564 Public Hearing

SB 397 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 107, A		
001	Chair Milne	Calls the meeting to order at 1:10 p.m.
HB 3310 WORK SESSION		
	Chair	

005	Milne	Opens work session on HB 3310.
007	Lori Long	Committee Administrator, summarizes the bill. Submits and discusses the -2 amendments dated 05/19/97. (EXHIBIT A)
037	Rep. Taylor	Regarding Section 9, comments on concerns received about the task force accepting private funds which may be construed as an influencing factor. Asks if that is an issue, or if there is anything that needs to be done.
046	Chair Milne	Her understanding is that is typical language for task forces and there are assurances that the funds would only be used for appropriate expenditures.
053	Long	Concurs with Chair Milne that this is standard language.
060	Rep. Devlin	Because of the lack of time, there will be a benefit to having nine legislators with knowledge on long-term care. This measure will resolve some issues and come out with some good legislation.
066	Rep. Piercy	MOTION: Moves to ADOPT HB 3310-2 amendments dated 05/19/97.
	Chair	Hearing no objection, declares the motion CARRIED.
072	Rep. Piercy	MOTION: Moves HB 3310 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
070	Chair Milne	Closes work session on HB 3310.
<u>HB 2667</u> <u>WORK</u> <u>SESSION</u>		
084	Chair Milne	Opens work session HB 2667.
085	Lori Long	Committee Administrator, summarizes the measure.
093	Grover Simmons	Representing Adult Foster Homes, submits and reviews -2 amendments to HB 2667. (EXHIBIT B)
132	Rep. Piercy	Asks for clarification on "compromised resident care needs."
135	Simmons	If a home is licensed as a Level 2 home with a prospective resident who would require Level 3 care, that prospective resident would have to be advised that the home is not licensed to perform that level of care.
142	Rep. Piercy	Asks how this language is narrowed down to what constitutes "compromising resident care needs."
150	Simmons	What constitutes Level 1, 2, and 3 care is defined by Administrative Rule.

152	Rep. Piercy	Asks if that language only refers to those levels of care.
152	Simmons	Not positive, but the intention is not other than what has been described.
156	Rep. Piercy	Expresses concern that this is not clear in the language.
160	Simmons	Continues review.
219	Rep. Piercy	Asks if the agency can inspect the private quarters of the provider who is, in essence, running a small business.
235	Simmons	Yes, and they have been doing it in the past to the resentment of the providers.
244	Rep. Piercy	Asks, if there is good cause for investigation, would inspection of the private quarters of the providers be allowable if this measure passed.
257	Simmons	If there is good cause based on serious concerns for the safety of resident, inspectors would be within their rights to inspect the private quarters of the provider. It is the random inspection that this measure provides for.
270	Rep. Lokan	Comments that agency staff could go through the police to obtain a search warrant if there were serious concerns.
281	Simmons	Concurs with Rep. Lokan's comments.
284	Rep. Piercy	Requests comments from the agency as to whether this measure would provide adequate protection.
288	Simmons	Continues review.
291	Rep. Lokan	Asks for additional comment on the 60 day requirement.
296	Simmons	The first proposal was 30 days. Target is to get reports submitted.
310	Rep. Devlin	Asks if Section 12 would preclude travel through the private quarters of the provider to inspect living areas of the resident.
331	Simmons	The inspector has the right to travel through the private quarters to access the areas of the resident, and this Section probably does not preclude that.
338	Rep. Devlin	Asks about the posting of the notice of the rights of the providers.
360	Simmons	There is a resident's bill of rights which must be posted. Our approach came from that current law. It is appropriate that the provider's rights be set and formally recognized by the government. Relates situations which indicate the need for this.
TAPE 108, A		
002	Gwen Dayton	Legislative Counsel. If the intent of Section 6 is to allow a provider to decline someone because they cannot provide adequate care based on the levels of care discussed, it will be necessary to tighten the language to state that.
008	Rep. Taylor	Suggests changing the language to "compromise resident level of care needs."

012	Rep. Piercy	Asks if the provider or the agency makes the determination regarding appropriate level of care.
018	Dayton	Would be helpful to know what the agency has in its Rules regarding the determination of care level.
026	Bill Fritz	Representing Senior and Disabled Services Division. For those residents who are Medicaid clients, the case manager would determine the level of care needed. For private pay, there is statutory requirement that the evaluation is done by the provider. It would be unlikely that a Medicaid client with high level needs would be placed in a foster home which was not adequately equipped.
047	Rep. Piercy	Asks if the language in the bill will give the providers another way to keep Medicaid or other clients out of their facility.
054	Fritz	It could be read that way. It is unclear whether or not this gives the provider more authority over Medicaid clients than they originally had.
060	Rep. Devlin	Asks if the agency has seen the -2 amendments.
062	Fritz	The agency has reviewed the amendments. There is great merit to them, but there are concerns including confidentiality and privacy issues for the residents. The agency is very sensitive to the privacy and the privacy desires of providers. Most foster homes are in converted multi-family homes, and the term "living quarters" is too broad and may limit safety inspections. The agency does support a written bill of rights for the providers.
103	Chair Milne	Comments that the -2 amendments do address some of those concerns.
108	Rep. Kruse	MOTION: Moves to ADOPT HB 2667-2 amendments dated 05/07/97.
110	Rep. Piercy	Cannot support this because of the vague language.
114	Rep. Lokan	It does not seem to be unusual to expect to have private quarters free from public view. An individual who must live in the area where a service is provided, should be entitled to an area which is not subject to inspections except as warranted by critical matters.
134		VOTE: 5-2 AYE: 5 - Harper, Kruse, Lokan, Taylor, Milne NAY: 2 - Devlin, Piercy
	Chair	The motion CARRIES.
141	Rep. Kruse	Leads discussion regarding potential fiscal impact and whether or not this measure needs to be referred to Ways and Means.
172	Rep. Kruse	MOTION: Moves HB 2667 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-2

	Rep. Devlin	AYE: 5 - Harper, Kruse, Lokan, Taylor, Milne NAY: 2 - Devlin, Piercy
	Chair	The motion CARRIES. REP. MILNE will lead discussion on the floor.
210	Chair Milne	Closes the work session on HB 2667.
<u>HB 3564</u> <u>PUBLIC</u> <u>HEARING</u>		
235	Chair Milne	Opens a public hearing on HB 3564.
240	Chair Milne	Stands committee at ease.
360	Chair Milne	Opens the public hearing on HB 3564.
361	Rep. Jane Lokan	District 25, submits and reviews testimony in support of HB 3564 (EXHIBIT C) and presents the -1 amendments dated 04/01/97. (EXHIBIT D)
411	Rep. Lokan	Continues review.
445	Rep. Kruse	Asks if the bill being presented is too late to make a difference since the prison siting decision has been made.
452	Rep. Lokan	Does not believe that there has been a final decision about prison placement, but if the legislature was to support this legislation it could be brought before the Governor. The Governor has stated in a public meeting that he is operating at the will of the legislature.
TAPE 107, B		
006	Rep. Taylor	Asks for clarification that HB 3564 -1 and SB 397 -1 are being combined into one measure.
008	Rep. Lokan	That is the intent.
009	Rep. Taylor	Comments that the measure calls for the sale of the property, asks if the state is restricted from transferring the property from one department to another.
011	Rep. Lokan	Prior to the -1 amendments, there was discussion of a \$1 transfer to the Department of Corrections.
018	Rep. Harper	Asks the reason for combining the two measures.
	Rep.	There is concern that the property will not be used properly and

020	Lokan	appropriately for the area.
024	Rep. Harper	Asks if SB 397 is merely a housekeeping measure.
028	Rep. Lokan	The -1 amendments to SB 397 dated 05/15/97 (EXHIBIT E) states how the property may be used. There is great need for community- based housing for the mentally ill, in addition to the developmentally disabled at Fairview. These needs must addressed now in order alleviate future problems.
050	Terry Withers	President, Oregonians for Responsible Prison Siting (ORPS), submits and reviews written testimony in support of HB 3564 -1 and SB 397 -1. (EXHIBIT F)
105	Long	Asks which population ORPS is referring to when they speak of community-based housing.
112	Greg Leo	Resident of Wilsonville, testifies in support of HB 3564. Concerned that the state gets the best return possible for this piece of real estate. There is an approved land use plan that sets up time frames for building which will ensure that the water and transportation problems will be addressed. Instead of gaining \$1 for the state, this could potentially gain millions of dollars. Support using the money received for providing for the most pressing of mental health needs. Dammasch has historically dealt with these human needs and focusing the resources garnered from the liquidation of this asset into human needs is very important.
130	Berry Cast	Administrator, Mental Health and Developmental Disabilities Services Division (MHDDSD). When operating, Dammasch State Hospital served individuals with chronic and severe mental illness. There is a population defined in Chapter 426 and the population mentioned in the -1 amendments refers to that population. As originally drafted, the proceeds would have been dedicated to the housing of people with developmental disabilities and mental retardation. These individual are served by Eastern Oregon Training Center and Fairview Training Center. With the amendment, the measure becomes targeted to people that were served at Dammasch.
158	Rep. Kruse	Comments on concerns regarding the Governor's position on this issue.
165	Leo	This measure was originally meant to be a house-keeping measure. More importantly, this is a state asset which has been on the books for a long time. There has been a considerable intergovernmental effort to determine the future of this asset. The city of Wilsonville, METRO, and the state, up to a point, all agreed on what the future of this property should be. Even if there had not been a "prison siting fiasco," this group would be still be before the legislature supporting this same issue. The plan was to present the intergovernmental memorandum of understanding to the legislature. Because of the prison siting situation, the circumstances have changed. Need to ask what the best use of this asset would be.
198	Rep. Harper	Asks why the money from the sale of this site wouldn't go to purchase another prison site in the metro area.
		The asset is a Mental Health Division asset. Dammasch was originally

203	Leo	provided by the state of Oregon to benefit the division and people served by that division. It is a matter of justice that the proceeds from that asset would be directed to those of greatest need to the Mental Health Division.
213	Rep. Lokan	The cost of purchasing land for mental health facilities will not be small. The cost of the facilities will be tremendous.
228	Withers	The property is worth several million dollars. As part of the 550 acre parcel, 190 acres are prime residential/light commercial real estate which currently sells for \$100,000 to \$125,000 per acre. As part of this plan, that property would become a liquidated asset in the hands of Mental Health. If used as a prison, this property will be removed from the tax rolls which may result in the loss of \$1 million per year.
255	Leo	Submits aerial photographs of the site. (EXHIBIT G) The cost of bringing services to this site will be extremely high. If there is not a sufficient economy scale to pay the system development charges for this, it cannot be built in an economic way. The Department of Corrections seems to have overlooked the true cost of the prison. The alternative is to sell this privately which will return the property to the tax rolls and result in several million dollars of tax revenue.
278	Rep. Lokan	Comments on the beauty of the area. The plan submitted here would be an appropriate use of the property. But also concerned about the cost of getting the mentally ill into community-based housing.
280	Jim Lockwood	Public Affairs Director, Oregon Department of Corrections. The Governor selected the Dammasch site last Thursday and informed the public officials the same day. If the siting process were to be revisited, that would have a fiscal impact too, but it would be nothing compared to the cost of land is in general in the tri-county area.
298	Rep. Harper	Assuming that the issues discussed today were discussed during the siting process.
319	Lockwood	The discussion regarding the mental health funding was not part of the funding process.
325	Rep. Kruse	Asks what would be necessary to override the Governor's decision.
330	Lockwood	Cannot answer this.
332	Rep. Kruse	Comments on other legislation relating to prison siting.
334	Lockwood	In this process there are measures and issues that get weighed on the basis of potential votes, override of veto, cost issues, and other factors.
350	Rep. Lokan	Comments on public meetings on the Dammasch site and public displeasure.
380	Chair Milne	Closes public hearing on HB 3564.

SB 397 WORK SESSION		
381	Chair Milne	Opens work session on SB 397.
405	Lori Long	Committee Administrator, summarizes the measure.
408	Rep. Lokan	Discusses the -1 amendments and how they may be combined with HB 3564-1. (EXHIBIT E)
TAPE 108, B		
005	Long	Comments that there will need to be different amendments drafted.
010	Gwen Dayton	Legislative Counsel. Concerned about a relating cause problem. HB 3564 relates to the establishment of the mental health fund and SB 397 relates to Dammasch State Hospital.
015	Rep. Lokan	There were discussions with Legislative Counsel and it was her understanding that this issue had been resolved.
018	Dayton	The issue of the relating clause was resolved as seen in the -1 amendments to SB 397. However, these amendments do not expressly put the mental health fund into SB 397.
024	Rep. Lokan	Asks if both measures would need to be used.
025	Dayton	Responds affirmatively.
026	Rep. Lokan	Asks if HB 3564 could be amended, or be passed as it is, in order to get the trust fund.
028	Dayton	Responds affirmatively.
031	Chair Milne	Both measures are needed to move the idea. The -1 amendments address the sale of property, but do not address the mental health fund.
032	Rep. Kruse	Asks if it would be simpler to leave SB 397 as it is and amend HB 3564.
040	Long	Asks if HB 3564 could be amended to address the sale of the Dammasch property, and leave SB 397 as it is.
047	Dayton	No. Dealing with issues beyond the mental health trust fund. The reason that the provision for sale of Dammasch State Hospital fits within the relating clause of HB 3564 is that those proceeds were originally meant to go to the mental health trust fund.
059	Rep. Kruse	Asks if there needs to be further reference to the sale.
061	Dayton	No, HB 3564 does provide for the sale, but the issue of where the proceeds of that are to go still remains. In its original version, HB 3564 does provide that the proceeds of the sale goes to the trust fund established in that measure.
		Recommends that the committee amends SB 397 with the -1 amendments

065	Leo	which would take care of removing Dammasch State Hospitals from the rolls with a provision that it would be sold for the purpose of the urban village which implements the memorandum of understanding. Move HB 3564, which establishes the trust fund and addresses the disposal of the assets from that sale. The measures should move in tandem and together they make a wonderful package that optimizes the amount of return from this investment.
080	Long	Asks if the intent of -1 amendments to SB 397 is to provide what the land will be used for.
083	Leo	Yes. The reason for doing that is to make it the most valuable land possible. If the land was sold as straight exclusive farm use (efu) land, without an existing land use plan or the building approvals implied in the memorandum of understanding, it would not provide \$100,000 to \$200,000 per acre return on investment.
080	Rep. Harper	Asks the sale price which could be realized.
095	Leo	There will be a sealed bid process.
105	Rep. Harper	Asks the costs of alternative prison sites in the metro area.
110	Lock wood	Does not have that information.
132	Rep. Lokan	Asks the cost of providing community based housing for the mentally ill.
139	Kast	Does not have that information. The cost of hospital care was approximately \$100,000 per year. Community costs have been less than that. Part of that reason is federal participation through Medicaid benefits. The construction costs of community housing are approximately \$35,000 to \$50,000 per unit for housing. Community housing is expensive. The state investment is to leverage additional funds, whether they are provided by the banking community, or other sources. There is lots of money available for housing for people with mental illness. Under current statute, proceeds from the sale cannot be used for community housing.
173	Rep. Kruse	(Due to technical difficulties, the comments of Rep. Kruse were not recorded.)
175	Kast	Depending on how the proceeds can be spent. The dollars from the sale of a portion of Fairview to the Salem-Keizer School District have been reserved for capital improvements on state owned facilities.
180	Rep. Kruse	(Due to technical difficulties, the comments of Rep. Kruse were not recorded.)
181	Kast	Will need similar statutory direction if, and when, Fairview is sold.
185	Rep. Lokan	Asks if there has been planning for future budget requirements of community based housing.
190	Kast	Since 1991, about 800 units have been built or rehabilitated for a cost of approximately \$ 1.5 million. Each dollar has leveraged an additional \$13 to

		\$14 in matching funds.
210	Rep. Lokan	Asks for clarification on the number of units.
211	Kast	Each unit is a living area. A 15 bed apartment would consist of 15 units.
219	Long	Asks the difference between having a trust fund or just specifying distribution in statute.
227	Kast	Does not know the difference.
243	Chair Milne	Closes work session on SB 397.
245	Chair Milne	Adjourns the meeting at 3:00 p.m.

Transcribed By, Reviewed By,

Rebecca M. Scott, Lori A. Long,

Administrative Support Administrator

Submitted by,

Diane M. Quinones

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EXHIBIT SUMMARY

A - HB 3310, -2 amendments dated 05/19/97, Staff, 3 pp.

B - HB 2667, -2 amendments dated 05/07/97, Grover Simmons, 2 pp.

C - HB 3564, written testimony, Rep. Jane Lokan, 2 pp.

D - HB 3564, -1 amendments dated 04/01/97, Rep. Jane Lokan, 1 p.

E - SB 397, -1 amendments dated 05/15/97, Rep. Jane Lokan, 1 p.

F - HB 3564, written testimony, Terry Withers, 11 pp.

G - HB 3564, written testimony, Greg Leo, 2 pp.