

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

April 15, 1997 Hearing Room 343

1:00PM Tapes 53 - 54

MEMBERS PRESENT:

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Avel Gordly

Sen. Veral Tarno

MEMBER EXCUSED:

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURES/ISSUES HEARD:

SB 932 Public Hearing

SB 655 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 53, A		
005	Chair Lim	Calls meeting to order at 1:05 pm and opens public hearing on SB 932.
<u>SB 932 - PUBLIC HEARING</u>		
016	Jim Stembridge	Committee Administrator, explains provisions of SB 932 and distributes three letters in relation to SB 932 (EXHIBIT A).

023	Sen. Ted Ferrioli	District 28, SB 932 sponsor, testifies in favor of SB 932 (EXHIBIT B).
073	Sen. Ferrioli	Continues testimony, and states a very small project in a rural community can look like a lot of capital, but the statistical averages don't tell the real story, and rural communities need help, and need strategies such as this to help them.
099	Sen. George	Asks if there are places in Ferrioli's district that are fertile or good for on-the-ground improvements.
111	Sen. Ferrioli	States they are in need of help to do that and to accommodate the projected future population boom, and this bill could help them focus the economic development spending in those areas.
132	Sen. Gordly	States her concerns that the current jobless rate in Multnomah Co. is 3.8 percent, but they have some distressed areas where it is as high as 14.5 percent, and many are African-American unemployed people. Asks how they should deal with the issue of this bill diverting resources away from areas in counties that are in fact distressed, and where there is a great need.
151	Sen. Ferrioli	Explains this bill would only affect the new economic development spending, and the League of Oregon Cities will offer an amendment that deals with this issue. States he also represents a portion of Multnomah County that has distressed areas.
170	Sen. Gordly	Refers to Staff Measure Summary stating the Oregon Economic Development Department (OEDD) would eliminate lottery proceeds in Multnomah County, and asks if he intended for that to occur in this bill.
185	Sen. Ferrioli	States it is not his intention to exclude those places where the need is the greatest, but they need to focus on the host of counties that are not benefiting from this prosperity.
203	Sen. Gordly	Asks for and receives clarification in Section 3 about not affecting any ongoing economic development opportunities.
219	Chair Lim	Asks about the chart showing 1995-97 investments by county and if that is accurate.
233	Sen. Ferrioli	States he is familiar with the chart and it is extremely inaccurate.
244	Chair Lim	States his concerns about some of the counties having high unemployment rates.
258	Sen. Dukes	Asks if it was his intention to include Port Districts in this bill.
264	Sen. Ferrioli	States it is not his intention to bankrupt the ports, but rather to focus on the desperate counties in rural Oregon and the disparate allocation of resources in areas such as in Eastern Oregon, and he hopes the committee will see through the statistics and put the money where the need is greatest.
290	Sen. Dukes	Asks if he would mind working with them on this bill and consider exempting the ports from its affects.
		States he would be willing to work with anyone as long as overall goal

300	Sen. Ferrioli	stays the same.
331	Chair Lim	Asks what percentage of 110 million in 1995-96 went to rural areas, why certain areas still have a high unemployment rate, and asks if the program of enterprise areas is still working for those areas. States he would ultimately like answers to these questions.
339	Jim Whitty	Manager of Industry Development Division, OEDD, introduces Mary Pearmine, Association of Oregon Counties, and Arthur Ayre, OEDD Economist, and testifies in opposition to SB 932 (EXHIBIT C).
389	Whitty	Explains several counties will be cut off from these resources under this bill.
TAPE 54, A		
011	Whitty	Continues testimony.
027	Mary Pearmine	Association of Oregon Counties, Marion County, testifies in opposition to SB 932, and shares her personal experience with her children attending school in Gervais, which is not east of the mountains, but nevertheless is a very poor area.
061	Pearmine	States those counties that are located in urbanized areas are often overlooked.
075	Art Ayre	Economist, Oregon Economic Development Department, states he is here to answer any questions the members might have.
078	Sen. Gordly	Asks him to explain list on page eight of the handout regarding the labor market profiles.
083	Ayre	Explains page eight shows the labor market areas in Oregon since 1987 to 1996 ranked by their unemployment rates, and the counties at the top of the list have the highest unemployment rates for that year, the counties below the U. S. rate are the lowest, and they are listed in ranking order.
100	Sen. Gordly	Asks for the criteria used to calculate the average unemployment rate.
115	Ayre	Explains he is not intimately familiar with the methodology, but the U.S. Department of Labor does a survey each month on approximately 700 households in Oregon, and over 60,000 households nationwide. The survey asks about the employment status of each family member and uses the data to calculate the unemployment rate.
126	Sen. Gordly	Asks for and receives clarification that the survey does not include those who do not have telephones, or who may be homeless.
135	Allan Willis	Port of Portland, states he has no problem with the basic intent of SB 932, but states he wants to remind the committee that there are indeed areas with distressed pockets in Multnomah County mentioned earlier by Sen. Gordly, and that there are many projects inside areas such as the Portland Metropolitan area, which directly benefit distressed areas outside the tri-county area, and uses lower Columbia River Navigation Channel as example.
185	Willis	States section three of the bill needs to be clearer in terms of phased projects, and states the ports are very willing to work with the members

		on revisions which address their concerns.
192	Joni Low	League of Oregon Cities, explains the league has some concerns with this bill, and outlines those concerns.
226	Low	States they have proposed amendments that would change language which allows them to identify the areas within a given county which are battling high unemployment. States she, too, will be glad to work with Sen. Ferrioli on this bill (EXHIBIT D).
260	Chair Lim	Closes public hearing on SB 932 and opens public hearing on SB 655.
SB 655 - PUBLIC HEARING		
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270	Jim Stenbridge	Committee Administrator, explains provisions of SB 655.
279	Sen. Jeannette Hamby	District 5, SB 655 Sponsor, testifies in favor of SB 655 (EXHIBIT E).
319	Sen. Hamby	Introduces legislative aide, Mark Martin.
325	Martin	Explains details of SB 655 and reasons for Sen. Hamby sponsoring the measure.
375	Martin	Continues testimony.
TAPE 53, B		
012	David Hooper	Public Affairs Manager, Oregon State Lottery, states he is here to answer any questions, explains how the sports action games operate, and why the lottery is opposed to SB 655 (EXHIBIT F).
059	Sen. Dukes	Asks for a better breakdown of percent of sports action earnings distributions.
061	Hooper	Explains.
075	Sen. Dukes	Shares her confusion about intercollegiate scholarships and how colleges use the funds once they receive them.
080	Hooper	States they have no control over what the colleges do with the money once the transfer is made.
092	Chair Lim	States some of the testimony he is hearing is that to catch a small fish, they risk losing the big fish, and asks if that is the case here.
095	Hooper	Explains right now the game is earning money for the state of Oregon, and although he is hopeful, but he has no idea how likely it would be that Oregon will ever secure an National Hockey League (NHL) team or a National Collegiate Athletic Association (NCAA) final four event here, and states contrary to Sen. Hamby's testimony, sports action sales are not declining, the game just has a very small but loyal group of participants.

102	Sen. Dukes	Asks what the odds of winning are.
104	Hooper	Explains odds.
116	Chair Lim	Asks if they have any plans to expand.
118	Hooper	States no they do not.
130	Grattan Kerans	Oregon State System of Higher Education, testifies in opposition to SB 655, and states the six million dollar "fish" is a big fish to them, and this bill does not provide a mechanism for replacing these dollars, so it is a six million dollar loss to them.
180	Kerans	States they are already standing in a large "hole," and this only make it would make it six million dollars "deeper."
216	Jon Carey	Director of Athletics, Western Oregon University, gives brief history of school's athletic funding and testifies in opposition to SB 655 (EXHIBIT G). States the money goes to coaching stipends, talent grants, and program enhancement dollars, such as training equipment.
280	Carey	Continues testimony.
305	Sen. Dukes	Asks how they did it before they started receiving sports action dollars.
307	Carey	States they would have to ask students and community members to volunteer their time, or they simply had to go without, and these dollars have allowed them to grow.
330	Sen. Dukes	Asks if they have added any programs to their school.
333	Carey	States they have added intercollegiate soccer for women.
343	Chair Lim	Closes public hearing on SB 655.
344	Sen. Gordly	References meeting held on April 3, 1997 in which she amended SB 914 to include Africa as a possible Oregon Trade Office site, and states and states she has been invited to a National Consultation of U.S. Policy toward Africa in Washington D. C. this Thursday and Friday (EXHIBIT H).
286	Chair Lim	States he is glad she will be representing them and hopes she will report back to the committee on her experience. Adjourns meeting at 2:25 pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 932, letters to committee, staff, 3pp.

B - SB 932, Eastern Oregon counties' unemployment rates, Sen. Ferrioli, 2pp.

C - SB 932, unemployment statistics, Jim Whitty, 9pp.

D - SB 932, proposed -1 amendments, Joni Low, 1p.

E - SB 655, information packet, Sen. Hamby, 11pp.

F - SB 655, position statement, David Hooper, 2pp.

G - SB 655, written testimony, Jon Carey, 2pp.

H - SB 914, press release, Sen. Gordly, 2pp.
