

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

January 28, 1997 Hearing Room 343

1:00PM Tapes 5, 6

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

MEASURE/ISSUES HEARD:

Public Hearings and Possible Work Sessions

SB 83

SB 122

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 5, A		
005	Chair	Chair Lim calls meeting to order at 1:08pm.
009	Chair	Chair Lim opens public hearing on Senate Bill 83.
<u>SENATE BILL</u> <u>83-- PUBLIC</u> <u>HEARING</u>		
		Certification Manager, Office of Minority, Women, and Emerging

016	Cheri Tebeau-Harrell	Small Business, testifies in support of Senate Bill 83. Explains it is a housekeeping bill to correct a scrivener's error which occurred in the 1993 agency transfer (EXHIBIT A) .
045	Sen. Gordly	Comments on the good work going on in the Office of Minority, Women, and Emerging Small Business and encourages other agencies and committees to utilize it.
059	Chair Lim	Asks for definition of minority.
061	Tebeau-Harrell	Explains definition.
074	Tebeau-Harrell	Continues testimony and answers questions from members on the issues of women as minorities and minorities receiving fair treatment.
086	Sen. Tarno	States that he hopes someday we will arrive at the point where there will no longer a need for minorities to be a separate class of people.
120	Tebeau-Harrell	Responds in agreement and summarizes testimony.
122	Chair Lim	Closes public hearing and opens work session on SB 83.
<u>SENATE BILL 83--WORK SESSION</u>		
124	Sen. Tarno	MOTION: Moves SB 83 to the floor with a DO PASS recommendation.
125		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. SEN. GORDLY will lead discussion on the floor.
129	Chair Lim	Closes work session on SB 83 and opens public hearing on Senate Bill 122.
<u>SENATE BILL 122 - PUBLIC HEARING</u>		
141	Chris Lyons	Director, Oregon State Lottery, introduces David Hooper.
157	David Hooper	Public Affairs Manager, Oregon State Lottery, testifies in support of Senate Bill 122 (EXHIBIT B) .
190	Lyons	Adds that she checked with the Attorney General who stated that the Lottery must either continue to use a CPA, or have the law changed.
199	Sen. Tarno	Asks if the State Auditor has any role in this process or has any aversion to this proposal.

202	Lyons	Answers that the State Auditors do not participate and it would not be an issue they would normally comment on.
221		Discussion held on the specific duties of the auditor with regard to examining the equipment and performing the financial, procedural, and operational functions.
249		Discussion held on fiscal impact statement (EXHIBIT C).
264	Sen. Fisher	Asks what type of a professional representative other than a certified public accountant would be eligible to witness the drawing.
276	Hooper	Explains it could be a number of professional representatives, but they have authorized whatever company is contracted to use its professional judgment on who or who not would qualify.
351	Sen. Gordly	Asks what evidence there is that the agency would get a better response to request for proposals by making this change.
364	Lyons	Explains the move is primarily to cut the costs associated with having a CPA provide the service vs. a professional representative.
426	Lyons	Continues answering questions from members and explains there are multiple safeguards in place to make sure the proper procedures are followed.
TAPE 6, A		
020	Sen. Fisher	Questions wording in line 18 of the bill.
035	Hooper	Explains the word "or" in between the words "existing" and "future" was inadvertently dropped from the line.
041	Chair Lim	Asks how much the cost will be reduced with new proposal.
049	Lyons	Explains contract currently costs \$33,000 per year, and this change would allow the price to drop to \$19,000, a savings of \$14,000 a year.
074	Chair Lim	Continues with discussion on overall cost of service as relating to per event cost.
082	Sen. Gordly	Asks when the next drawing will take place.
087	Hooper	Explains times and dates of drawings and other events and invites any member to come and view the event.
102	Chair Lim	Asks follow-up question regarding use of State Police instead of a CPA during event.
121	Sen. Dukes	Asks why the agency couldn't instead use representatives from other bookkeeping agencies to check the equipment.
138	Lyons	Explains an agency that deals with large amounts of money typically uses a CPA firm, and adds it would be unlikely that they would contract with anyone other than an auditor with a CPA firm to provide this service.
		Continues with follow-up questions regarding the specific duties of

161	Sen. Dukes	the professional auditor and what he or she actually observes during the drawing.
173	Hooper	Adds the procedure book on the drawings is very thick, with specific duties for the auditor to perform.
212		Discussion continues on the importance of using a CPA firm.
243	Sen. Fisher	Asks how the agency can be assured the overall cost will go back down to \$19,000.
250	Lyons	Explains while the agency cannot guarantee it will drop to exactly \$19,000, this proposal will allow them to arrive at the lowest possible price.
287	Chair Lim	Closes public hearing and states the work session will be rescheduled in the near future to discuss the elimination of the CPA issue.
337	Sen. Dukes	Asks if agency has an actual definition of "professional representative".
339	Hooper	Explains they do not have an actual definition at this point, but they will work to obtain one.
346	Chair Lim	Adjourns meeting at 1:59pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A -Testimony on SB 83, Cheri Tebeau-Harrell (2 pp.)

B-Testimony on SB 122, David Hooper (1 pg.)

C-Fiscal Impact Statement on SB 122 (1 pg.)
