

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

March 11, 1997 Hearing Room 343

1:00PM Tapes 33 - 34

MEMBERS PRESENT:

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Avel Gordly

Sen. Veral Tarno

MEMBER EXCUSED: Sen. Gary George

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURE/ISSUES HEARD:

Informational Meeting

Oregon Resource & Technology Development Fund

Oregon Small Business Development Network

Oregon Arts Commission

SB 152 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 33, A		
005	Chair Lim	Calls meeting to order at 1:13pm and opens work session on SB 152.
SB 152 WORK SESSION		
		Oregon Parks and Recreation Department, testifies the

030	James Hamrick	department has reviewed the proposed amendments and thinks the amendments are fine, and would support the committee's approval of them.
039	Chair Dukes	Introduces note from Chet Orloff, Oregon Historical Society which states that he, too, agrees with the proposed amendments.
041	Jim Stenbridge	Committee Administrator, explains intent of -1 amendments (EXHIBIT A), which direct the Oregon Heritage Commission to establish a committee to develop a plan for the celebration. One-half of the committee would be representing communities most directly influenced by the expedition. Also delete the reference to contractor and private non-profit corporation, but do allow the committee to work with a non-profit corporation to be created for that purpose.
053	Chair Dukes	Clarifies the effect of amendments and how it coordinates the celebration.
063	Sen. Tarno	MOTION: Moves to ADOPT SB 152-1 amendments dated 2/20/97.
067	Sen. Lim	Asks if the Oregon Heritage Commission approves of the amendments.
076	Hamrick	Explains the Oregon Heritage Commission is also in support of the amendments.
080	Sen. Fisher	Asks for clarification on criteria regarding what groups are involved.
093		Discussion held on language regarding who would be represent in the planning effort.
105	Sen. Fisher	Proposes conceptual amendment inserting the word "also" in Section 2 of the bill, so it reads "the committee shall also include but need not be limited to."
111	Sen. Tarno	Withdraws motion to adopt SB 152-1 amendments dated 2/20/97.
138	Sen. Tarno	MOTION: Moves to ADOPT SB 152-1 amendments dated 2/20/97 and that the measure be FURTHER AMENDED on page 1, line 8, by inserting "also" after "shall".
	Chair Dukes	Hearing no objection, declares the motion CARRIED.
145	Sen. Tarno	MOTION: Moves SB 152 to the floor with a DO PASS AS AMENDED recommendation.
149	Sen. Lim	Asks how many total members will now be serving on committee.
150	Chair Dukes	Explains it is up to the Heritage Commission to decide that, but half of them will be from local communities.

158	Sen. Lim	Asks for clarification of language on line 26 regarding who the money actually goes to-- the Heritage Commission or to the committee.
170	Chair Dukes	States that depending on how the committee is set up, the advisory committee would decide how the money is spent, but the Heritage Commission will ultimately have to approve the spending.
186		Discussion held among members on whether bill should go to the Ways and Means Committee.
		AYE: In a roll call vote, all members present vote Aye.
		EXCUSED: 2 - George, Gordly
	Chair Dukes	The motion CARRIES. SEN. DUKES will lead discussion on the floor.
<u>INFORMATION SESSION - OREGON RESOURCE AND TECHNOLOGY DEVELOPMENT FUND</u>		
232	Wayne Embree	Cascadia Pacific Management, LLC, gives overview of fund's focus (EXHIBIT B).
276	John Beaulieu	Cascadia Pacific Management, LLC. and Co-Manager, Oregon Resource and Technology Development Fund (ORTDF), continues overview of fund's focus and uses example of Antivirals, Inc. to illustrate how fund works.
314	Beaulieu	Updates committee on fund's investment/return, using overhead presentation (EXHIBIT C).
389	Embree	Continues presentation, explaining the role of universities in the different stages of technology transfer, product development, and licensing.
TAPE 34, A		
019	Beaulieu	Explains structure and management of the fund
032	Chair Lim	Asks for clarification regarding making a matching private fund available upon privatization of the ORTDF fund itself.
052	Embree	Explains they have invested 15 million dollars so far.
061	Chair Lim	Asks why total operating expenses on page three differ so much from 1995 and 1996, and why the management company fee went up so high.
065	Embree	Explains how the management fee is structured and attributes the difference to an incentive bonus that was figured in.
	Jim	

089	Stembridge	Committee Administrator, further clarifies additional fees.
102	Chair Lim	Ask for clarification regarding accumulated deficit.
118	Beaulieu	Explains bookkeeping method takes into account the losses vs. the returns.
130	Chair Lim	Asks if he sees more economic development providing more jobs in the future.
140	Beaulieu	Explains future benefits will continue only as long as they are successful in choosing successful investments.
SMALL BUSINESS DEVELOPMENT CENTER NETWORK		
150	Sandy Cutler	State Director, Oregon Small Business Development Center Network (SBDC), gives overview of network and survival rates of small businesses (EXHIBIT D) .
200	Cutler	Explains results of a study on job creation and wages.
250	Cutler	Continues, giving statistics regarding employment growth by age, industry, and employment status.
289	Cutler	Continues, explaining it is a myth that all large businesses pay high wages and all small businesses pay low wages.
323	Cutler	Explains Oregon SBDC's mission is to help build the best run businesses in America, and summarizes various stages of assistance.
370	Cutler	Explains the types of businesses they served in 1996, and gives demographics of their clientele.
400	Cutler	Summarizes the SBDC's return on investment.
TAPE 33, B		
010	Cutler	Continues explaining return on investment and highlights operating budget.
027	Sen. Fisher	Asks if this is in governor's recommended budget for 1997-99.
		Explains.
041	Sen. Fisher	Asks if there's any indication of potential acceptance by Ways and Means.
045	Cutler	Explains they start hearings next week and is cautiously optimistic.
052	Cutler	Explains the number one concern out there is to further simplify, coordinate, and streamline government regulations.
075	Sen. Fisher	Explains he has worked long and hard to try and accomplish this, but was left very frustrated by the lack of progress and shares his concerns regarding this issue.

090	Cutler	Offers to put him in touch with small business advocate at Oregon Economic Development Department to brainstorm ideas without creating another organization or agency to do that.
098	Sen. Gordly	Asks if this position is being duplicated with the Women, Minority and Emerging Small Business Office..
120	Cutler	Explains he thinks they are complementary to each other, and he hopes they will work closely with each other.
131	Sen. Gordly	Asks about SBDC Services regarding international trade and how and where it is being utilized.
145	Cutler	Introduces Tom Nyland and states he could do a much better job answering that question..
151	Tom Nyland	Small Business International Trade Program Director, explains international SBDC's role in the state.
201	Nyland	Explains they are now exporting very heavily to over 35 countries.
204	Sen. Gordly	Asks if there are any African countries within these 35.
	Nyland	Gives examples of their recent hosting of delegations from African countries, including Consul General F.W. de Klerk.
244	Chair Lim	Refers to Sen. Fisher's earlier question regarding streamlining regulations and asks for recommendations from Cutler regarding this issue.
<u>OREGON ARTS COMMISSION</u>		
269	Christine D'Arcy	Executive Director, Oregon Arts Commission, introduces Barbara Mahoney, Chair, and Art Alexander, Vice-Chair. Gives overview of commission (EXHIBIT E).
319	D'Arcy	Explains the commission's evolving role and the contributions and services the commission provides.
369	Mahoney	Gives overview of programs which provide operating support for small and medium size businesses throughout Oregon.
<u>TAPE 34, B</u>		
013	D'Arcy	Explains funding structure of commission and what the money is used for.
039	D'Arcy	Highlights special projects and partnerships the commission is currently collaborating with others on.
076	Alexander	Gives overview of commission's effort to establish a sense of culture, family and community through the arts.
		Explains commission's current and future goals, and explain

113	D'Arcy	they often overlap with many other groups. States the commission is working directly with them to make their limited resources go even farther without duplicating.
161	Sen. Gordly	Asks D'Arcy to relate where they are going in relation to the Oregon Benchmarks.
170	Cutler	Explains there is currently only one benchmark directly relating to the arts in Oregon, and it is not really one the Oregon Arts Commission can address.
190	Sen. Gordly	Comments it is a pleasure to see Art Alexander on this commission because he has traditionally been a strong advocate of the arts and is a real asset.
193	Chair Lim	States he hopes the commission can be a part of the 2005 Lewis and Clark Celebration that was addressed earlier in this meeting through the committee's passage of SB 152, which creates a committee to plan the celebration.
212	Sen. Gordly	Echoes Chair Lim's comments about the importance of having all the voices in Oregon involved in the "telling of the story," and how the arts commission is one of those voices.
229	Cutler	States that is exactly what the commission is planning in terms of its partnerships.
240	Chair Lim	Asks about the status of "Artquake" in Portland.
245	Alexander	Explains the original is no longer occurring but plans are in the works for a similar event that is larger in scope.
258	Sen. Gordly	Asks to record her vote on SB 152.
265	Chair Lim	States they can record it on the floor or at a future committee meeting.
268	Chair Lim	Closes information session and adjourns meeting at 2:55pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 152, proposed amendments, staff, 2pp.

B - Oregon Resource and Technology Development Fund Audits and portfolio, John Beaulieu, 19pp.

C - Oregon Resource and Technology Development Fund overhead transparency, John Beaulieu,

2pp.

D - Oregon Small Business Development Center Network briefing packet, Sandy Cutler, 55pp.

E - Oregon Arts Commission profile, Christine D'Arcy, 51pp.
