

SENATE COMMITTEE ON TRANSPORTATION

March 26, 1997 Hearing Room C

1:15 P.M. Tapes 45 - 46

MEMBERS PRESENT:

Sen. Marylin Shannon, Chair

Sen. Ken Baker, Vice-Chair

Sen. Joan Dukes

Sen. Gary George

Sen. Mae Yih

MEMBER EXCUSED:

STAFF PRESENT:

Lin Ludwick, Administrator

Nora Carlson, Administrative Support

MEASURE/ISSUES HEARD:

Oregon Department of Transportation - Agency Overview

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 45, A		
003	Chair Shannon	Calls meeting to order at 1:29 p.m.
<u>OREGON DEPARTMENT OF TRANSPORTATION - AGENCY OVERVIEW</u>		
006	Grace Crunican	Director, Oregon Department of Transportation (ODOT), submits and presents overview on ODOT structure and access management (EXHIBIT A).
060	Crunican	Continues with discussion on central service charges, issues discussed: * allocation of overhead costs study

		* targeted audits
093	Sen. Dukes	Asks if she is looking into why ODOT's overhead costs are so high.
103	Crunican	Describes their efforts in identifying costs and comments that when compared to other agencies, ODOT's costs seem less expensive.
115	Sen. Dukes	Comments on ODOT's assessment charge for maintenance.
129	Crunican	Describes the overhead rates on services that are allocated versus services that are actually used.
142	Sen. Dukes	Comments on the lack of discussion within ODOT sections on services needed.
178	Chair Shannon	Asks to describe ODOT's Office of Productivity.
180	Crunican	Responds that the section does analysis for managers who are attempting to reduce costs.
199	Doug Manthey	Manager, ODOT Financial Services, submits and presents breakdown of central services charges (EXHIBIT B).
209	Chair Shannon	Questions regarding full time employees (FTE) charges.
260	Manthey	Continues with breakdown on central services charges.
247	Sen. Yih	Questions regarding ODOT auditors.
297	Sen. Dukes	Asks if internal audits are done annually.
303	Manthey	Responds that a risk assessment is done annually.
311	Sen. Dukes	Comments on highway items that are being assessed.
326	Crunican	Responds that ODOT is audited federally and describes sections with high exposure.
371	Sen. Dukes	Questions on auditing for specific funding sources.
420	Crunican	Continues with discussion on audits.
TAPE 45, B		
022	Manthey	Continues with explanation on central assessment charges, issues discussed: * financial systems * computer charges
035	Chair	Asks to describe ODOT's Human Resources

	Shannon	Information System.
040	Manthey	Responds that it is a system that tracks all of their employee positions and provides extensive employee information.
044	Chair Shannon	Asks how many FTE are assigned to the system.
045	Manthey	Identifies five FTE.
049	Sen. Dukes	Comments on tickler files and questions the need for so much automation.
069	Chair Shannon	Comments on the number of dangerous intersections throughout Oregon while money is being spent on personnel tracking systems.
074	Chair Shannon	Comments on the number of Aeronautics and Rail Safety employees who do not have any children currently placed in ODOT's child care facility.
084	Crunican	Explains that the day care center resulted from a study completed in 1988 which cited a loss of absenteeism due to child care responsibilities.
103	Sen. Dukes	Comments that day care should continue to be offered as an option; questions why ODOT chose to create their own facility.
129	Crunican	Responds that they are currently looking into their allocations to determine what services should remain.
146	Chair Shannon	Comments on the issue of child care and shares concern about paying gas tax to pay for child care.
154	Manthey	Continues with overview on human services.
159	Sen. Yih	Questions on the cost involved for personnel training.
193	Sen. Yih	Asks if ODOT has looked at electronic training to save cost on travel.
200	Crunican	Responds that there has been discussion on whether to take training into the field.
216	Chair Shannon	Asks if career development is available to all ODOT employees.
226	Manthey	Responds that it is available for all ODOT employees.
224	Chair Shannon	Comments on personnel assessment charges.
239	Sen. Baker	Comments on ODOT's breakdown of assessment charges.
253	Sen. Baker	Comments that there should be a unified accounting system in place.

263	Sen. Dukes	Asks about services the Department of Administrative Services (DAS) provides to ODOT that ODOT could provide for themselves.
273	Manthey	Respond that he is not certain if he can provide an answer.
287	Sen. Dukes	Asks to describe the AA Trainee program.
290	Manthey	Responds that it is an Affirmative Action program, funded by human resources, to help minorities get non-traditional jobs.
302	Sen. Baker	Asks if this is supplemental income for minorities.
305	Crunican	Explains that it is not supplemental income, the positions are reserved until they become part of the regular workforce and that they would be the first to be let go during layoffs.
317	Sen. Dukes	Questions concerning hiring and layoff process with affirmative action employees.
380	Chair Shannon	Refers to the affirmative action budget books and asks about the 19 minority women identified in maintenance and services and asks if these women were part of the AA program.
392	Crunican	Responds that they were not but that the woman could have been a result of the AA program.
390	Sen. George	Asks whether the AA program assessment charges of \$99,762 went toward wages for the employees.
405	Crunican	Responds that she is not certain but believes the charges are for the work that gets done in the field, not for program structure.
410	Sen. Baker	Asks if the assessment charges include benefits.
TAPE 46, B		
006	Crunican	Confirms that it is for wages; these are six months positions and equate to three FTE.
010	Manthey	Continues with overview on team development services.
019	Sen. Yih	Asks to describe team development.
023	Crunican	Describes team development as a concept that has moved from getting direction from a supervisor to the concept of allowing crews to get together to figure out a work plan.
070	Crunican	Continues with testimony on team development.
099	Sen. Yih	Questions concerning program facilitators.

143	Sen. Dukes	Suggests that ODOT needs to bring forward a strategy on how they are going to manage their sections differently.
180	Chair Shannon	Comments on the \$9 million budgeted to repair the computer for the year 2000.
200	Chair Shannon	Asks to describe some of the possible computer problems.
208	Crunican	Identifies some the possible year 2000 problems, issues discussed: * license plates not having codes in place with four digits * reprogramming signal chips in traffic signal structures
232	Sen. Dukes	Suggests that there should be discussion with the Oregon Institute of Technology (OIT) to address the computer issue.
251	Manthey	Continues with overview on ODOT's Communication section assessment charges.
264	Sen. Baker	Asks about the contingency reserve for ODOT.
269	Manthey	Responds that the reserve is the amount set aside to cover emergencies.
279	Sen. Yih	Asks about the \$2.9 million reserved for communications.
282	Manthey	Explains that it covers the cost of the director and support staff.
291	Sen. Yih	Asks why the deputy director expenses are higher than the directors.
294	Manthey	Explains that the deputy director has more support staff.
300	Sen. Yih	Asks about the number of support staff.
302	Crunican	Asks if she can report back to the committee with the FTE numbers.
303	Sen. Baker	Asks Ms. Crunican to also include in her report other agencies that have reserve funds and why ODOT's reserve funds are not included with the Treasurer's office.
310	Sen. Yih	Asks if the director's costs include staff.
		Responds that there is some staff attributed to the

315	Crunican	director and the deputy and that in total there are about 30 positions.
336	Sen. Yih	Asks Ms. Crunican to also include in her report to the committee the number of support staff for each director.
345	Sen. Dukes	Asks about a new in-house communication system where employees can call in and find current ODOT news.
359	Crunican	Responds that earlier studies had shown that information was not getting out to employees, so they installed an in-house telephone line.
396	Sen. Dukes	Asks to provide cost for the installation.
400	Crunican	Responds that she did not know the cost involved and offers to report back to the committee with the requested information.
415	Manthey	Continues with overview on Government Relations section.
420	Sen. Yih	Asks about the number of FTE in Government Relations.
TAPE 45, B		
002	Crunican	Identifies five FTE.
010	Manthey	Continues with overview on program support section which supports travel cost for the Oregon Transportation Commission meetings.
016	Chair Shannon	Asks how many times a year the Commission meets.
018	Crunican	Responds that they meet monthly.
020	Chair Shannon	Comments on staff development travel.
035	Chair Shannon	Asks if ODOT's new budget has been released.
038	Crunican	Responds that the spreadsheet (EXHIBIT B) represents the adopted budget and allocated costs.
041	Sen. Yih	Asks about the 1997-99 governor's budget.
044	Crunican	Offers to report back to the committee with the requested information.
048	Sen. Dukes	Displays a book she received and asks if it is ODOT's 1997-99 budget.
		Identifies the book as ODOT's draft budget and

0556	Crunican	comments that there is no accuracy to the figures provided.
061	Chair Shannon	Reconfirms the varied information requested by the committee. Reads letter submitted to the committee from Henry Hewitt, dated March 25, 1997, that responds to some of the issues raised by the committee (EXHIBIT C).
078	Chair Shannon	Adjourns meeting at 2:58 p.m.

Submitted By, Reviewed By,

Nora Carlson, Lin Ludwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A - ODOT, written materials, Grace Crunican, 15 pp

B - ODOT, written materials, Doug Manthey, 1 pp

C - ODOT, submitted testimony, Henry Hewitt, 2 pp
