

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

Hearing Room
Tapes - 23

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice-Chair
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Rep. Barbara Ross
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBERS ABSENT:

Rep. Ron Adams
Rep. Lonnie Roberts

STAFF PRESENT:

Anne Tweedt, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD:

Government Efficiency
Department of Human Resources
Overview of West-Side Light Rail/Tri-Met

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

004 CHAIR TIERNAN calls the meeting to order at 1:00 p.m. REPS. ADAMS, HAYDEN and ROBERTS ARE ABSENT.

022 KEVIN CONCANNON, Director, Department of Human Resources: Submits and reviews portions of a prepared statement on efficiencies (EXHIBIT A).

094 MR. CONCANNON: Reviews charts on pages 3 and 5.

135 MR. CONCANNON: Continues his presentation on efficiencies on page 5.

183 REP. HAYDEN arrives at 1:16 p.m.

184 MR. CONCANNON: Reviews charts and information on page 6 on health care.

220 MR. CONCANNON: Continues his presentation on health care and managed care efforts.

235 CHAIR TIERNAN: I would like to focus on last page on efficiencies and find out how you would change the structure of your agency.

257 MR. CONCANNON: I would resist attempts to split out pieces.

REP. MARKHAM: Do groups come to you asking for that?

MR. CONCANNON: The disabled services recipients have. It is a challenge to coordinate the agencies. Let's resist the issue of splitting off programs. I think the extent to which Oregon can continue to be relieved of some of the federal regulations--we spend a lot of money adhering to federal regulations that aren't known to the citizens--I am anxious to see what proposals emerge from Congress about relieving states of those regulations.

349 We have been trying to combine some of the six divisions under a single personnel director. Our goal is to create better efficiencies and assure accountability. They have to account to federal government. One federal agency said they would not allow the agency to move. We have been in the building for more than two years. Sometimes we have to assert ourselves. We are also proposing reductions in juvenile corrections. We have taken out some layers of management. We have self-managed teams. We are proposing increasing the case load sizes in CSD. We still think it is a workable number for the workers.

423 MR. CONCANNON reviews the caseload information on page 7 (EXHIBIT A).

TAPE 22, A

019 MR. CONCANNON: We will continue to work on integration.

030 CHAIR TIERNAN: If you had an opportunity, write some things down, that you would change and send them to me.

040 CHAIR TIERNAN: Do you believe Dammasch could be turned into a juvenile facility

MR. CONCANNON: Yes.

041 CHAIR TIERNAN: Do you think our policies encourage women to have children?

MR. CONCANNON: We have not held men accountable for women having children.

059 CHAIR TIERNAN: I have heard comments the Oregon Health Plan is bringing people to the state. Is that true?

MR. CONCANNON: No.

CHAIR TIERNAN: Do you have any feeling about DAS's involvement with agencies.

MR. CONCANNON: DAS assists our agency. We rely on them for union negotiation, accounting services. I find Oregon much more decentralized

than in other states.

079 CHAIR TIERNAN: Why are there more disabled?

080 MR. CONCANNON: People are living longer and the numbers of people who are disabled at birth or by accident. While the causes of disabilities are different, the numbers have not been reduced.

102 CHAIR TIERNAN: How many beds could be in the juvenile facility at Dammasch?

MR. CONCANNON: It could handle several hundred juveniles as an interim.

114 REP. HAYDEN: Are benefits in other states equivalent to the Oregon Health Plan?

116 MR. CONCANNON: I think the cash benefits in other states are considerably higher.

REP. HAYDEN: In seeking paternity I can see how an aggressive policy could affect a social change. With the use of DNA, I think we are seeing the benefit of viable science.

144 REP. STROBECK: What are your comments on a waiting period as well as a co-pay for people who apply for the Oregon Health Plan.

MR. CONCANNON: I would support a longer time period. I think there is a consideration to make it a six-month waiting period and I would support that. I also support co-pays.

174 REP. STROBECK: I have been approached by agencies that are served by other agencies. Their comment is that there is quite a bit of communication but not between local service organizations and they may be going after the same population.

MR. CONCANNON: It is something to think about.

194 REP. WYLIE: In regard to the Oregon Option, how much money could be diverted from compliance to direct services if there were more federal waivers and reliance on program results rather than adherence to rules.

MR. CONCANNON: There are millions of dollars that could be better directed to the clients by federal waivers. Tens of millions could be shifted to better outcome.

229 REP. WYLIE: What would free up county and city resources from state control so they can shift their resources?

MR. CONCANNON: If they will say they will take on the population and made a commitment to reduce welfare, that would do it. They would have to agree to clear outcomes.

247 REP. ROSS: Which would be the cheaper, establishing youth authority as a separate division within the department or as a separate office under the Governor's control?

MR. CONCANNON: We believe there are some federal child welfare funds one can continue to access when it is part of the division that would not be available if it is a separate state department.

270 REP. ROSS: Would it be cheaper for DHR to run their own personnel office?

MR. CONCANNON: It might be. I am not sure how much that personnel function is. They have to deal with the collective bargaining.

284 REP. JOHNSTON AND MR. CONCANNON: Discuss employee morale and employee efficiency.

320 REP. GRISHAM: If we close Dammasch and transfer those, do you think we will need to build another institution later?

MR. CONCANNON: We have more empty rooms in general hospitals. There are more hospitals setting up units and it is a better way to address it. I don't believe we will be reversing course on the psychiatric side.

350 REP. GRISHAM: Can government do anything on the birth rate to mothers in the 20 year range?

MR. CONCANNON: I think our government and social policies have not put the responsibility on the male partners. If males knew they would be responsible for the child, it would make a difference.

399 CHAIR TIERNAN: Extends his appreciation to Mr. Concannon for his years of service to Oregon.

CHAIR TIERNAN declares the meeting in recess from 1:56 until 2:04 p.m.

TAPE 21, B

OVERVIEW OF WEST-SIDE LIGHT RAIL/TRI-MET

001 TAPE FROM 001 TO 100 IS NOT USED.

100 CHAIR TIERNAN: Instructs the witnesses on information to be provided.

112 PHIL BOGUE, Tri-Met Board Member: Explains history of West-Side light rail project and funding sources.

>\$944 million budget

> will be in downtown Hillsboro in 1998 and on budget

165 TUCK WILSON, TRI-MET : Nine agencies are involved.

> 22 contracts for West-Side light rail

> project is on time

> shows and explains slides of the project: will complete 32 miles, new vehicles are low-floor cars, 46 on order; construction is underway.

contractors are listed in brochure (EXHIBIT B). machine with gear, face of

machine, starter tunnel, inside of machine, rock formations embedded in

machine, cross section of Washington Park Zoo section, west vent shaft in

Sylvan to provide safety, west portal on north side of Highway 26, tunnel

has been mined by drill and blast techniques, have progressed over 3/4 mile

from the west, Washington county area showing preparation area for widening

Highway 26, 217 interchange, excavation for station, construction into Beaverton and construction out to 170th, last base mile advertised today and will be awarded in March. Last six miles is under design.

300 MR. GILDNER: explains construction phases and drilling of tunnel with the aid of pictures displayed on the wall.

386 MR. BOGUE: Further explains funding for the project.

TAPE 22, B

023 CHAIR TIERNAN: Regardless of where the dollars come from, we have a responsibility to see how the public's money is being spent. Will you spend \$40 of the \$80 million on the tunnel?

033 MR. BOGUE: Explains funding and adds they have no intention of coming to the Legislature for additional funds for the project.

045 MR. BOGUE: We just completed our first detailed "Cost to Complete" study (EXHIBIT C). One unknown when completing the study about six months

ago was what is the final extra cost of the tunnel; we have estimated that conservatively. It shows the project will come in under the \$944 million budget by probably at least \$10 million.

059 CHAIR TIERNAN: We are very concerned because we made an investment of \$130 million and we are being asked to make more investments in other light

rail projects. You have a \$40 million contingency fund and you are projecting to spend about one-half of that on the tunnel. Is that correct.

069 MR. WILSON: We started the project with \$150 million in plan contingency; that includes securing the additional \$34 million from the federal government. We have expended \$15 million of that to date. We have

programmed through the Cost to Complete report where the balance of the contingency is to be expended over the next three to four years. Approximately \$40 million will be spent to complete the tunnel project.

087 CHAIR TIERNAN: After the tunnel is completed, how much of the contingency fund will remain if you stay on track?

088 MR. WILSON: \$10 million for the project.

091 CHAIR TIERNAN: If the project exceeds the \$10 million, where will those funds come from?

MR. WILSON: We have an additional project contingency required by the federal government called CAPRA; that amount is \$25 million.

069 CHAIR TIERNAN: Are there other foreseeable problems that you did not anticipate six months ago?

MR. WILSON: Yes, and they have been included in the report

081 CHAIR TIERNAN: What will the station and elevators costs at the Zoo station?

MR. WILSON: \$25 million. All agencies participated and

133 CHAIR TIERNAN: If you didn't build the Zoo station, how much would it save.

140 MR. WILSON: The way the federal government participates is on the basis of agreed scope. If we were to reduce the project by major elements, they would reduce our funding. Any savings we might realize in the construction is offset by reduced funding.

150 CHAIR TIERNAN AND MR. WILSON continue discussion on the costs/savings relating to the Washington Park Zoo station.

172 MR. BOGUE We don't know what the surface alignment would have cost.

195 CHAIR TIERNAN: Did you look at the tourist activities?

210 MR. WILSON: We looked at the Blazer studies and those going to the Convention Center on MAX. It was predicated on attendance information provided by the zoo, forestry center and OMSI.

232 CHAIR TIERNAN: If you were to eliminate a station, you would get less federal dollars? Would that deter you from eliminating a station if you found that a station was too difficult to build or had some unforeseen problem.

MR. WILSON: Not by itself. It would be a factor in the analysis.

249 MR. BOGUE: The location of each station, including the zoo stop, resulted from extensive negotiations with the local jurisdictions involved.

Even minor changes can cause problems in terms of permits, etc.

267 REP. HAYDEN: What would have been the cost of the surface routes opposed to the tunnel?

273 MR. BOGUE: My recollection is that it was about \$125 for the surface and up to \$150 million for the tunnel.

239 REP. HAYDEN: I have followed this project since late 80's and particularly since 1991. I have been supporter of project, but not the tunnel. Was the tunnel a good choice?

292 MR. WILSON: The Department of Transportation is planning to build a climbing land in the canyon and to redesign and reconstruct the overpasses in the Sylvan area. Citizen opposition to those projects has stalled them

because of the ability of major projects to go forward without seriously disturbing people. For that reason people in the canyon area of Portland supported the tunnel. I think tunnels are difficult to build initially, but once completed they have long-term beneficial use. As we look back I think people will be glad we did it.

340 REP. HAYDEN: Are you expressing any interest in the cigarette tax for funding in the future?

MR. WILSON: We will have to talk to Mr. Feeney.

351 REP. HAYDEN: Why do we have overhead lines?

352 MR. WILSON: It is a light rail system and is intended to be run in a mixed environment; they can run in the streets and can also run at a high speed in the rural areas. The electricity has to be overhead in the downtown area.

380 REP. HAYDEN: Will Max, not the light rail service the Blazer area?

MR. WILSON: It is both.

398 REP. STROBECK: Another aspect of the project is the neighborhood impacts. One of the initial studies was that the construction of the rail will have no impact on traffic cutting through the neighborhood. We already have a huge problem with cut-through traffic. How many of these problems are arising?

429 MR. WILSON: Explains it is difficult to get local permits. Each jurisdiction, including Beaverton, asked that they provide a construction plan, anticipated impacts of the project during construction and following construction. Those impacts were reviewed with Beaverton as a part of the process to get the permits. We caught a number of them that were not perceived initially. We have not identified them all and we are continuing

to learn the unintended consequences of the construction activities. We will have to work continually with each jurisdiction to adjust those problems.

456 REP. STROBECK: What do you expect the ridership to be?

421 MR. BOGUE: The forecast ridership by 2005 is approximately 25,000 per day.

467 REP. STROBECK AND MR. WILSON: Discuss ticket prices and recovery of operating costs.

TAPE 23, A

048 REP. JOHNSTON: What causes the optimism that Bore-Regard is going to achieve the target?

MR. GILDNER: The further we get under ground the better it is. We are projecting that Bore-Regard will do about 20 feet a day in the current basalt and should increase to about 70 feet a day.

070 REP. GRISHAM: Did studies of the automobile tunnels have the same problems in construction overruns?

MR. GILDNER: I can't answer the questions in terms of finances. The Vista tunnel had significant problems in terms of ground stability but their problems were related to the shape of the opening.

085 REP. GRISHAM: Given the earthquakes on the West Coast, if the zoo shaft is 20 stories with a tolerance of 1/16 and the fact the land mass is slipping, how can we expect that tunnel to act in the event of a minor or major earthquake?

092 MR. GILDNER: We have designed the underground system for two types of earthquakes. He explains the design and the protections that will be

provided.

111 REP. GRISHAM: Are the low rider cars running on other systems and have they completed their testing for collision, earthquake or dislocation?

119 MR. WILSON: Low-floor cars have been in use in Europe for a number of years. We had questions of how to address the ADA issues. While looking at the alternatives, someone directed us to the design.

148 REP. GRISHAM: Has Max ridership increased or leveled off.

150 MR. BOGUE: Ridership is flat because the cars are full. He explains efforts to order additional cars due to custom designs.

166 CHAIR TIERNAN: Why didn't you order a car that was already in existence?

MR. BOGUE: Comments he does not know why standards have not been set.

178 MR. WILSON: Explains why different designs are needed in different systems.

181 CHAIR TIERNAN: Get back with information on costs for the shafts, the total costs for the zoo station, ridership based upon statistics.

197 CHAIR TIERNAN: How many employees will be hired to run the new line? Would you get back to me with number of employees, including administrative if Tri-met intends to hire more.

206 MR. BOGUE: The payroll tax paid by local jurisdictions will pay for operations.

216 REP. GRISHAM: Are any of the funds being spent on realignment of the zoo entrance and the Forestry Center entrance included in the budget?

220 MR. BOGUE: No.

224 CHAIR TIERNAN: Will you also provide information on what the fares for the system for the various stops will be.

228 MR. BOGUE: They will all be the same as the fares for the entire system. We are doing a complete study of the fare system. Our approach to

fares generally has been just to try to keep up with inflation. The base fare is now 95 cents and will probably go to \$1.00 next fall. The all zone

fare is \$1.25; it goes from downtown to Gresham. We have not started thinking about where there will be a fourth zone that goes from Gresham to HillSB oro.

237 CHAIR TIERNAN: Do you anticipate the payroll tax going up?

238 MR. BOGUE: We have no intention of changing the percentage.

242 CHAIR TIERNAN: We will have someone come back and talk about labor relations problems and what you have done in the recent past.

249 CHAIR TIERNAN: Declares the meeting adjourned at 3:09 p.m.

Submitted by, Reviewed by,

Annetta Mullins Anne Tweedt
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

- A - Government Efficiency, outlines and graphs on efficiency, Kevin Concannon, 11 pp
- B - West-Side Light Rail, questions and answers, Reporter, Volume 2, Number 1, and project briefing document, Phil Bogue, Tuck Wilson and Joe Gildner, Lyndon "Tuck" Wilson, Phil Bogue and Joe Gildner
- C - West-Side Light Rail, "Cost to Complete, Report #1", Lyndon "Tuck" Wilson, Phil Bogue and Joe Gildner, 48 pp