

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

Hearing Room
Tapes - 37

MEMBERS PRESENT:
Rep. Mike Lehman, Vice-Chair
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Rep. Lonnie Roberts
Rep. Barbara Ross
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBER EXCUSED: Rep. Ron Adams
Rep. Bob Tiernan, Chair

STAFF PRESENT:
Anne Tweedt, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD: HCR2 - Public Hearing and Work Session
HCR3 - Public Hearing and Work Session
HB 2106 - Work Session
HB 2057 - Work Session
HB 2157 - Work Session

Introduction of Committee Bill

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

006 REP. BILL MARKHAM: Calls meeting to order at 1:04 p.m. and opens public hearing on Government Efficiency.

GOVERNMENT EFFICIENCY - PUBLIC HEARING

Witnesses: Thomas S. Hamilton
Jerry W. Scott

013 THOMAS HAMILTON, speaking for himself: Testifies how he thinks government can be made more efficient:
> SB 1130 was labeled as a government efficiency act and had some guidelines on how to make government more efficient. Primarily it was to delegate more responsibility to line-level workers, to reduce hierarchy layers of bureaucracy and others.
> There is over abundance of managers to supervise line workers. In the Department of Justice and other agency budgets, line workers have been identified for layoff.
> The concern is managers have been employed who have no prior training or experience and have little understanding of the jobs of the people they supervise.
> Agencies have a high number of managers and a poor ratio. Criminal Justice Division has 46 FTE positions (49 employees); there are nine management level supervisory positions. The ratio is 4.2 line-level workers to each manager.
> If SB 1130, ORS 248.050, was implemented it would not identify line level workers for cutbacks, but rather managers who are also funded under the General Fund. > We wouldn't have to lay off managers; we could reduce management level employees where there is an over abundance back to the line level at line-level pay. More services would be provided to the public at no increase in cost.

060 MR. HAMILTON, in response to Rep. Roberts, explains the functions of the Criminal Justice Council.

085 MR. HAMILTON: Continues his presentation:
> when SB 1130 was passed there was no enforcement mechanism included. It

would be a step in the right direction to have some enforcement mechanism to increase line-level to management ratios.
> perhaps we can set a benchmark where we could establish a number of line-level people to be supervised by a certain number of managers, perhaps

10, 12 or 15 to 1. Enforcement in statute would require management level employees be reduced. If we were to randomly implement a process whereby a disinterested third party would randomly implement an evaluation process where the employee would evaluate the supervisor, instead of a supervisor evaluating a supervisor, we might get an idea of who the good supervisors are and who make good decisions.

110 REP. ROBERTS: I like the team concept where people make decisions on their own as long as they accept responsibility for those decisions. If you had a team effort, if that is what you want, would that work?

116 MR. HAMILTON: Explains a system used by Safeway.

140 REP. STROBECK: One of the questions that Ways and Means will be asking state agencies is how many layers of management they have. Those that have a high number will be asked how they can flatten their management structure.

149 REP. JOHNSTON: How many of the 49 employees are attorneys?

MR. HAMILTON: Explains staff positions.

160 REP. WILEY: Of the layers of management, would you say all of them have another person they supervise, or do some of them supervise projects, or are some of their ranks due to a career ladder, or is it a way of rewarding them for longevity by increasing their title and pay?

168 MR. HAMILTON: With the exception of program managers, I don't believe there are any who just manage a program. I don't want to give the impression it is just the Department of Justice. I see it in other areas as well. There are cases where managers supervise two people or four people or a manager who supervises two other managers.

185 CHAIR MARKHAM: Then, you feel if we had enforcement of SB 1130 it would take care of some of the problems you have brought to us.

MR. HAMILTON: Yes, it is ORS 240.850.

190 JERRY SCOTT, Salem: The state currently provides 70 percent of school busing costs. I was told by the Department of Education they do not require school districts to take this expense into consideration when deciding where to build schools. I believe school districts should be required to take into consideration the present value of bussing for the life of the school. The Salem school district made a decision recently that placed a middle school 2.1 miles from the center of the population it would serve. Over a 40-year life span of a school, it would cost the state

an extra \$4 million to provide the busing for the students. I am not suggesting this just for this particular school. I am suggesting it because I presumed other school districts make siting decisions and they should be taking into consideration the money the state provides them and how that impacts the total costs of the schools.

218 CHAIR MARKHAM: Have you been to your local school board?

226 MR. SCOTT: We have.

226 REP. ROBERTS: Do you believe this is permeated throughout the state?

237 MR. SCOTT: I have no experience beyond the Salem siting decision.

242 CHAIR MARKHAM: Is there some way you can appeal the decision?

255 MR. SCOTT: We have an appeal before LUBA (on the land use issue).

260 REP. JOHNSTON: How did you come up with the \$4 million figure?

263 MR. SMITH: There are approximately 330 students that will need to be bussed to the Pringle site that would not need busing to neither of the other two possible sites. It costs 25 cents per bus trip over a forty year period and adds up to \$4 million. The present value of that would not be that high, but the cost savings to the school district was only \$2 million (for acquisition of the chosen site). It might make some difference in their decisions if school districts have to consider the cost of bussing.

281 CHAIR MARKHAM closes the public hearing on government efficiency and

opens the public hearing on HCR2.

304 HCR2 - PUBLIC HEARING

304 REP. CEDRIC HAYDEN: Chief Sponsor of the measure, testifies in support of HCR2.

> has also submitted a similar resolution that relates to the duties of the state to the counties and cities

333 CHAIR MARKHAM: Invites all members to have their names added as a sponsor of the measure.

347 REP. ROBERTS: We don't like the idea of the federal government mandating without sending dollars. I hope this legislative body will have that kind of respect for the cities and counties. If we start mandating to cities and counties, we should have to send the dollars along with it.

356 REP. LEHMAN: I think this is a great resolution, but sometimes I wonder if we need to take it in light of HCR3 because if we see the balanced budget and see reduced federal revenue coming to the states, we need to seriously consider whether or not we are going to ask the feeds to back off mandates that are already in effect which they already send us money for.

372 CHAIR MARKHAM: If they withhold a bunch of money through a change in Congress, it may bring us back into special session to reduce our budgets.

380 REP. ROBERTS: Up until the time we got the \$800 million for the Westside Light Rail, for every one dollar we sent to D.C., we were only getting 27 cents back.

397 CHAIR MARKHAM: Closes the public hearing and opens the work session on HCR2

398 HCR2 - WORK SESSION

398 MOTION: Rep. Hayden moves that HCR2 be sent to the Floor with the recommendation that it BE ADOPTED.

412 VOTE: In a roll call vote, all members present vote AYE. REPS. ADAMS AND TIERNAN are EXCUSED.

419 CHAIR MARKHAM: Declares the motion passed. Rep. Hayden will lead discussion on the Floor.

TAPE 37, A

HCR3 - PUBLIC HEARING

013 CHAIR MARKHAM: Opens the public hearing on HCR3.

The Preliminary Staff Measure Summary is hereby made a part of these minutes (EXHIBIT C)

022 REP. BRYAN JOHNSTON: Testifies in opposition to HCR3:
> I think the nation needs to move this way, but this is what gave rise to the old Mexican curse, "may you never get what you wish for."
> if we tell Congress to balance the budget, we don't know upon what device

they will balance it.
> we would be buying a pig in a poke and it is foolish

036 REP. ROBERTS: Oregon has always had to have a balanced budget. Congress should at least begin the steps of beginning to balance the budget.

047 REP. CEDRIC HAYDEN: Testifies in support of HCR3. The President is being presented by Congress with a line item veto and I think is a very healthy situation and will do much to help balance the budget. This resolution calls for three-fifths of each house of Congress to override the necessity for a balanced budget, a majority of Congress may increase revenue, that this may be waived in the event of war, and all the receipts are included except those derived from borrowing. It goes into effect in 1999 and provides adequate time to work out the wrinkles.

070 REP. BARBARA ROSS: Testifies in opposition to HCR3. I have long been very unhappy with the federal government about their blasE attitude toward the deficit. I think it is time we as a country decided the deficit is important to us and that we respond to this. I think there are pieces of our federal expenditures that could be put under a capitol budget that would be appropriate to pay off over time. I think the reality is we have

gotten ourselves into a debt that we will have to take time to work on. I will vote against this because I think we are indulging in wishful thinking

if we think we can balance the budget, have a strong military, hold social security harmless and give a tax cut to the middle class taxpayer. I think

it will take more reality and I think it will take some very disciplined kinds of thinking on the parts of the state and local government and entities not to regard the federal government as a cash cow that we have in the past.

101 REP. STROBECK: An issue that came up in State and School Finance Committee in the reconnect bill is one of the incidental lines to raise the

national debt from \$4.7 trillion to \$4.9 trillion. We are just borrowing on the future. Unless we begin the process to start to recognize that and start to control our spending we are going to continue to do things that are popular with voters without doing the things that really are in the long term going to be in the best interest of everyone.

136 REP. LEHMAN: I will vote against the resolution as it is written for a couple of reasons. One is I am slowly growing weary of the feel-good hero resolutions that we are adopting that don't do anything. Congress is moving on it; they have a mandate and they will do something. This is another measure that is becoming increasingly frustrating. It is a protect-us-from-ourselves type issue. I would be willing to vote for something that says we want a balanced budget and we want, within the next

couple of years, a prescription on how they will balance the budget.

166 REP. STROBECK: This does have some effect. The states do vote to ratify constitutional amendment. I think if this goes back to Washington as a decision of the legislature there is an indication there is state support for something the states will have a role in ultimately.

174 CHAIR MARKHAM: Reads a letter from AFL-CIO in opposition to HCR3 (EXHIBIT B)

185 CHAIR MARKHAM: Closes the public hearing and opens the work session on HCR3.

186 HCR3 - Work session

189 MOTION: REP. JOHNSTON moves that HCR3 BE TABLED.

191 VOTE: In a roll call vote, REPS. JOHNSTON, LEHMAN, AND ROSS vote AYE.
REPS. GRISHAM, HAYDEN, MARKHAM, ROBERTS, STARR, STROBECK, AND WYLIE vote
NO. REPS. ADAMS AND TIERNAN are EXCUSED.

199 CHAIR MARKHAM: Declares the motion FAILED.

205 MOTION: REP. STROBECK moves that HCR3 be sent to the Floor with the recommendation that it BE ADOPTED.

214 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, MARKHAM, ROBERTS,
STARR, STROBECK AND WYLIE vote AYE. REPS. JOHNSTON, LEHMAN AND ROSS vote
NO. REPS. ADAMS AND TIERNAN are EXCUSED.

222 CHAIR MARKHAM: Declares the motion PASSED.

223 REP. JOHNSTON serves notice of possible Minority Report on HCR3. REPS.
LEHMAN AND ROSS join.

230 CHAIR MARKHAM: Rep. Strobeck will lead discussion on the Floor.

233 CHAIR MARKHAM: Closes the work session on HCR3 and opens the work session HB 2106.

235 HB 2106 - WORK SESSION

The Preliminary Staff Measure Summary and Fiscal Impact Statement are hereby made a part of these minutes (EXHIBIT D).

235 REP. STROBECK: Explains the provisions of HB 2106.

261 MOTION: REP. LEHMAN moves that HB 2106 be sent to the Floor with a DO
PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. REPS. ADAMS AND TIERNAN are EXCUSED.

271 CHAIR MARKHAM: Declares the motion PASSED. Rep. Strobeck will lead discussion on the Floor.

274 CHAIR MARKHAM: Closes the work session on HB 2106 and opens the work session on HB 2057.

275 HB 2057 - WORK SESSION

The Preliminary Staff Measure Summary is hereby made a part of these minutes (EXHIBIT E).

REP. ROBERTS: Explains the provisions of the bill.

314 CHAIR MARKHAM: Explains the light that says "exit to weigh station" only comes on if the truck is overweight. It is a savings to the state of not having to weigh all the trucks and is a savings to the trucking industry.

324 REP. ROSS: Asks for an explanation of the truckers objections to the fine.

329 REP. ROBERTS: They thought the \$2,000 fine is excessive and it is. It does not affect the bill. If they are overweight and go over a scale, the fine is the same.

339 REP. ROSS: If they were going to try to get a change in the fine, it would not be a part of this bill.

341 CHAIR MARKHAM: That is right.

342 MOTION: REP. ROBERTS moves that HB 2057 be sent to the Floor with a DO PASS RECOMMENDATION.

359 VOTE: In a roll call vote, all members present vote AYE. REPS. ADAMS AND TIERNAN are EXCUSED.

365 CHAIR MARKHAM: Declares the motion PASSED. Rep. Roberts will lead discussion on the Floor.

HB 2157 - RECONSIDERATION AND WORK SESSION

371 CHAIR MARKHAM: Reads a staff memo to the committee explaining why reconsideration of HB 2157 is necessary (EXHIBIT F).

381 MOTION: REP. ROBERTS moves that the rules be suspended for the purpose of reconsidering the vote on HB 2157.

384 VOTE: CHAIR MARKHAM, hearing no objection to the motion, declares the motion PASSED. REPS. ADAMS AND TIERNAN are EXCUSED.

385 MOTION: REP. ROBERTS moves that HB 2157 be sent to the Floor with a DO PASS RECOMMENDATION AND THAT THE SUBSEQUENT REFERRAL TO WAYS AND MEANS BE RESCINDED.

395 VOTE: In a roll call vote, all members present vote AYE. REPS. ADAMS AND TIERNAN ARE EXCUSED.

406 CHAIR MARKHAM: Declares the motion PASSED. REP. JOHNSTON will lead discussion on the Floor.

INTRODUCTION OF COMMITTEE BILL

415 MOTION: REP. HAYDEN moves that LC 2892 be introduced as a committee bill (EXHIBIT G).

428 REP. HAYDEN: The bill relates to auto transporters. The weights and measures people can almost do this themselves but are reluctant to take the

authority and therefore they are asking us to do it. The trucks are manufactured to carry four cars and they are about 6-18 inches over length.

453 VOTE: Chair Markham, hearing no objection to the motion, declares the motion PASSED. REP. ADAMS, ROSS AND TIERNAN are EXCUSED.

TAPE 36, B

020 CHAIR MARKHAM: Explains over two thirds of the liquor agents would like to have two bills introduced but they have not shown up.

031 REP. JOHNSTON: Will the committee be drafting legislation pursuant to the testimony the committee has heard similar to what the committee heard today?

039 REP. HAYDEN: Comments the time has passed for requesting drafts of bills, except for the members' two priority bills.

056 REP. STROBECK: I would second Rep. JOHNSTON's comments about asking the Committee Counsel to compile a list of suggestions the committee is receiving. Some may be dealt with by contacting the agencies or by administrative rule rather than requiring a bill.

064 CHAIR MARKHAM: Asks if a committee can get approval from the Speaker to introduce a bill.

065 RAMONA KENADY, Chief Clerk of the House: There is a provision, however, the Speaker has made a statement that her intent is not to provide that exception. All concept drafts or requests had to be in Legislative Counsel this past Monday for introduction this next Monday.

093 CHAIR MARKHAM: Declares the meeting adjourned at approximately 2:08 p.m.

Submitted by, Reviewed by,

Annetta Mullins Anne Tweedt
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - HCR2, preliminary Staff Measure Summary and Statesman Journal news clipping, staff, 3 pp
B - HCR3, letter from Irv Fletcher, 1 p
C - HCR3, preliminary Staff Measure Summary, staff, 1 p
D - HB 2106, preliminary Staff Measure Summary and Legislative Fiscal Analysis, staff, 2 pp
E - HB 2057, preliminary Staff Measure Summary, staff 1 p
F - HB 2157, staff memo, staff, 1 p
G - Bill Introduction, LC 2892, Rep. Hayden, 4 pp