

HOUSE COMMITTEE ON  
GENERAL GOVERNMENT AND REGULATORY REFORM  
SUBCOMMITTEE ON REGULATORY REFORM

February 20, 1995           Hearing Room 357  
1:15 p.m.                 Tapes 6 - 9

MEMBERS PRESENT:

Rep. Ken Strobeck, Chair  
Rep. Sharon Wylie, Vice-Chair  
Rep. Jerry Grisham  
Rep. Charles Starr

MEMBER EXCUSED:

Rep. Bryan Johnston

STAFF PRESENT:

Gregory G. Moore, Committee Counsel  
Kay C. Shaw, Committee Assistant

MEASURES HEARD:

HB 2269 Public Hearing and Work Session  
HB 2457           Public Hearing and Work Session  
SB 201           Public Hearing and Work Session  
SB 205           Public Hearing and Work Session

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 6, A

006       CHAIR STROBECK: Calls meeting to order at 1:35 p.m. Rep. Bryan Johnston is excused. Introductory comments.

011       CHAIR STROBECK: Opens public hearing on HB 2269.

HB 2269 - PUBLIC HEARING

Witnesses: David Yandell, Emergency Management Division, Oregon State Police

Dick Yates, Legislative Revenue Office  
Gary E. Bauer, Oregon Independent Telephone Association

015       GREG MOORE, Committee Counsel: Provides overview of HB 2269-2 Amendments. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT A). Proposed HB 2269-2 Amendments are hereby made a

part of these Minutes (EXHIBIT B) and Hand Engrossed HB 2269-2 with Amendments is hereby made a part of these Minutes (EXHIBIT C).

CHAIR STROBECK: Were you able to find out from the Revenue Office if there is a fiscal impact statement?

COUNSEL MOORE: No report at this time; however, the report is eminent.

CHAIR STROBECK: Do we know whether or not the 75( that was believed to be revenue neutral is the same as the five percent rate?

COUNSEL MOORE: We do not know that specifically -- that's the intent.

060 DAVID YANDELL, Emergency Management Division, Oregon State Police. Introductory comments that the HB 2269-2 Amendments do provide for a change

in the approach to be made with the respect to the cellular telephone tax dispute and specifically as it relates to any repayment of taxes paid. Explains that the HB 2269-2 Amendments would require that a subscriber who paid the tax submit a reimbursement request to Oregon Emergency Management that documents the amount of tax paid and the period in which the tax was paid. Thereafter Oregon Emergency Management would reimburse the cellular subscriber.

075 MR. YANDELL: Offers that not much has occurred since the first hearing other than an attempt to answer many of the questions asked by the Committee members. Describes a contact with the National Emergency Number Association which serves as a national clearing-house for information pertaining to 9-1-1 implementation throughout the country and about the amount of implementation of 9-1-1 throughout the United States in the amount of enhanced 9-1-1 implementation realized to date. Also, mentions the efforts to determine the cost of providing emergency telephone service in areas not served by 9-1-1 v. those areas served by enhanced 9-1-1.

094 CHAIR STROBECK: Announces that no action will be taken today about adopting the amendments, because there is no fiscal statement. Refers to Exhibit G of Committee Minutes dated February 6, 1995. Requests whether or not the report to define 9-1-1's system cost to be covered by the telephone tax by September 1, 1994, is completed and if the information is available.

MR. YANDELL: Responds that the information targeted is the amount of expenditure required to fulfill the mandate (i.e., money required to provide enhanced 9-1-1 service statewide) and the information is best represented in the charts provided at the February\_6, 1995, hearing.

130 MR. YANDELL: Continues testimony. Says there is a gap between what the telephone tax provides and what local government spends for 9-1-1 purposes.

Additionally, says the issue that is not in clear agreement is "What the telephone tax should be spent for." Explains about the administrative rules adopted following the 1991 session and the request for guidance on "What position we should take if you assume that the rules that we adopted aren't appropriate."

142 CHAIR STROBECK: Is it correct that the bottomline is what is the amount/cost to be covered by the telephone tax to provide enhanced 9-1-1 statewide?

MR. YANDELL: That is correct.

CHAIR STROBECK: Requests the progress of the MSAG (i.e., the Master Street Address Guide).

MR. YANDELL: Explains about MSAG as an integral part of an enhanced 9-1-1 system, because that information is used to provide the routing tables for the system to know where to route a call.

163 CHAIR STROBECK: Is it fair to say that part of enhanced 9-1-1 funds go to help develop MSAGs?

MR. YANDELL: Yes, that's correct.

CHAIR STROBECK: Discusses a letter from Wallowa County Court that in essence says the amount of money the telephone tax provides is not enough to run the entire 9-1-1 system and a complaint of unfunded mandates. Asks if it is the understanding of Wallowa County this is an enhanced 9-1-1 acquisition fund not an operational fund?

MR. YANDELL: Responds there are two distinct components involved with Oregon's program under the current 5% tax. Discusses the 2% component of the tax that is dedicated to implementing enhanced 9-1-1 by January 1, 2000. Discusses the other component of the current 5% tax (i.e., the 3% revenues initially authorized by the '81 legislative session). Explains these are "pass through dollars" that go to cities and counties on a per capita basis every three months for further distribution to the "9-1-1 jurisdiction." Comments that the issue primarily is making clear "What the state's obligation was and is to fund 9-1-1 and, more specifically, to identify what the actual costs of providing the service are."

208 MR. YANDELL: Continues testifying. Talks about dispatching. Explains that 9-1-1 requires a centralized approach to coordinating police, fire and medical services through the utilization of one telephone number. Says that prior to 9-1-1 mandate in Oregon it was consistently observed throughout the State of Oregon that many communities had a police center and also maintained a separate fire dispatch operation. Additionally, some jurisdictions may have a separate medical services operation. Explains the problems centralizing all operations under 9-1-1.

233 CHAIR STROBECK: Are you hearing from counties and statewide jurisdictions that they are unable to afford 9-1-1 and dispatch operations under current funding setup?

MR. YANDELL: No, although some jurisdictions need help due to the gap between what the tax provides and what is raised at the local level is more than they can handle.

255 CHAIR STROBECK: Refers to discussion in Exhibit G of Committee Minutes dated February 6, 1995, about the definition of "optimal" and the "optimal number of PSAP." Do you think there should be more "push" to consolidate operations in order to be more cost effective?

275 MR. YANDELL: Explains there needs to be some clear direction for local government in making decisions about how systems are structured and how the

services are provided to the public without unnecessary duplication. Questions whether or not "it is really the State's responsibility to step in and say 'No, you don't have that authority' without the State putting up

the "lion's share of the money." Necessitates evaluating whether the State's contribution to the service establishes the "playing field" for providing an increased expectation at the state level of how the money is spent (i.e., increased rules or expectations based on the system configurations).

CHAIR STROBECK: Are you saying that you use the influence of your office as a persuader to point out it is better to have consolidations when possible, but leave the final decision up to local control?

MR. YANDELL: Yes.

303 CHAIR STROBECK: Comments about the relationship between the Oregon State Police and 9-1-1. Requests an explanation of why the recommendation to encourage State Police to put 9-1-1 stickers on vehicles was removed.

MR. YANDELL: Responds that it was an administrative issue that the State Police didn't need to specially have in the report. Adds that some new State Police patrol cars do now carry 9-1-1 stickers.

340 CHAIR STROBECK: Talks about the sunset issue. What is the reason for the recommendation to include another sunset date for this telephone tax?

MR. YANDELL: Describes the last hearing with the House Interim Committee on Revenue and Finance before Chair Schoon. Explains about the suggestion for a sunset provision as a means for the program to continue with some degree of future certainty that would allow for accountability and periodic reporting about how the moneys are spent. Says it was at the direction of the Committee Chair that the sunset was added.

388 CHAIR STROBECK: Reads about "criteria-based matrix" from Exhibit G of Committee Minutes dated February 6, 1995. Asks if that has been completed and are local governments using that matrix?

MR. YANDELL: It has not been completed.

CHAIR STROBECK: Is there an estimated completion date?

MR. YANDELL: Optimistic that it should be completed before the end of the year.

394 REP. GRISHAM: Is it possible to connect an access fee or a "fine" to each individual call to prevent non-emergency calls (i.e., prevent abuse of the system)?

TAPE 7, A

004 MR. YANDELL: Explains about the follow-up work done and that information is still being gathered about the issue. Comments about local government's reaction to billing

9-1-1 callers and the administrative problem to collect from people who might not pay.

REP. GRISHAM: Is there a fine/penalty currently for abuse of 9-1-1.

MR. YANDELL: Remarks about a proposed bill that would impose penalties on abuse of 9-1-1.

REP. GRISHAM: Requests clarification between the difference in non-9-1-1, is- 9-1-1 and would-be-9-1-1- enhanced. Are there costs involved in employees' salaries, equipment, personnel, etc.?

030 MR. YANDELL: Explains about a meeting with the Wallowa County 9-1-1 Committee about the problem and the need to clarify the issue as it relates to the enhanced 9-1-1 mandate.

062 CHAIR STROBECK: Is the enhanced 9-1-1 Equipment Replacement Fund of one-half million dollars still needed or should the money be returned to the counties?

MR. YANDELL: Explains that, in order to cover the costs of enhanced 9-1-1 for the jurisdictions and ensure a systematic approach to replace aging equipment, that the Equipment Replacement Fund is an essential part of the program.

077 CHAIR STROBECK: Does EMD have the ability to reimburse GTE for the \$1 Million over collection?

MR. YANDELL: Yes

089 DICK YATES, Legislative Revenue Office. Presents testimony about the draft statement of the revenue impact for HB 2269-2 Amendments. Explains the basic division of the impact into three aspects (i.e., continued operation of the 9-1-1 tax, what the proposed tax would generate and what the current law generates). Submits (EXHIBIT D).

111 MR. YATES: Continues testifying about the fiscal impact. Explains who would be subject to the tax (i.e., cellular subscribers and other subscribers). Says HB 2269-2 Amendments are voiding any prior liability for cellular providers under the current law; however, the Department of Revenue has determined those cellular providers are liable for the tax under the current law -- the issue of cellular providers owing about \$2 Million is under appeal. Additionally, explains about a potential revenue loss.

159 MR. YATES: Continues testifying about the fiscal impact. Comments that the cellular owners would have to be able to identify their customers who were charged. There is a potentially \$1.4 Million paid taxes that could be refunded.

CHAIR STROBECK: Are these the same companies (i.e., ones who didn't pay the tax and those who did paid the tax)?

MR. YATES: They are the same companies; however some companies paid no taxes and some paid taxes for portions of the period and then stopped paying the tax.

191 GARY E. BAUER, Oregon Independent Telephone Association: Provides testimony. Describes background work around the issue. Requests an opportunity to review the proposed amendments and then review them with their companies.

CHAIR STROBECK: How much time do you need?

MR. BAUER: One week is sufficient.

CHAIR STROBECK: Closes public hearing and opens work session on HB 2269.

HB 2269 - WORK SESSION

225 CHAIR STROBECK: What is the consensus of the Committee? Are there any other suggestions for amendments on this bill?

236 Rep. Starr: Says nothing heard would prevent moving forward. Feels the explanation is clear.

MOTION: REP. STARR moves, if appropriate, that HB 2269 2 Amendments be sent to the Full Committee with a DO PASS recommendation.

CHAIR STROBECK: Explains that some changes are needed (i.e., legal problem about definitions). Directs Committee Counsel to request LC to redraft the amendments and then adopt/move the bill at the next meeting.

253 REP. WYLIE: Suggests it is appropriate that issues that reflect on the definitions be worked out before the bill returns to the committee.

258 CHAIR STROBECK: Agrees. Cites the proposed amendments that define 75( as an appropriate tax level and the sunset remaining at 2001. Additionally, suggests adopting some recommendations from the report.

REP. STARR: Withdraws his motion.

CHAIR STROBECK: Asks if there are any disagreements to defining 75( as being appropriate and that the sunset remain? No disagreements.

287 CHAIR STROBECK: Closes the work session on HB 2269 and opens public hearing on HB 2457.

HB 2457 - PUBLIC HEARING

Witnesses: Rep. Cynthia Wooten (D-District 41)  
Lotte Streisinger  
Rep. Liz Vanleeuwen  
Christine D'Arcy, Oregon Arts Commission  
Tom Rudd, Oregon Arts Commission  
Jim Craven, Oregon Advocates for the Arts  
Michael McCulloch, Architect and Artist  
Hal Bond

GREG MOORE, Committee Counsel: Provides an overview of HB 2457. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT E).

342 REP. CYNTHIA WOOTEN (D-District 41): Testifies in opposition to HB 2457. Explains the arts are extremely "close to my heart and very important to the people of my district." Introduces Lotte Streisinger. Says the reduction of one percent for art in public buildings to one-half percent and to one-eighth percent from quarter in corrections facilities is

"absolutely a retrograde action on the part of the State of Oregon."

370 REP. WOOTEN: Continues testifying in opposition to HB 2457. Emphasizes that the construct of the bill is at odds with reality especially under Section 1(2). Explains that the installation and cite preparation are already included in the cost of the art. Refers to Section 2(1). Says there are no definitions by which to create standards for acceptance/refusal of art and it won't hold with contractual law in the State of Oregon.

TAPE 6, B

003 REP. WOOTEN: Continues testifying in opposition to HB 2457. Cautions to not avoid overlooking the economic impact of 1% for art in public buildings. Introduces Lotte Streisinger.

011 LOTTE STREISINGER (Eugene): Testifies in opposition to HB 2457. Provides background including with art in public places, particularly in Eugene. Explains that she is an independent contractor on the "percent for art" with the State Board of Higher Education's science projects on the U of O campus and the library.

034 MS. STREISINGER: Continues testifying in opposition to HB 2457. Directs comments to the section of the bill which mandates a change in the art selection process. Says "No change is needed. We are already doing what it says we should do." Submits (EXHIBIT F).

080 MS. STREISINGER: Continues testifying in opposition to HB 2457. Explains in her experience on art projects, the head of the agency has always been a member of the selection committee and that art is relocated or exchanged when it isn't a "good fit" for the work environment.

116 MS. STREISINGER: Continues testifying in opposition to HB 2457. Reads a letter from Kathy Caprario (Eugene painter and member of the Selection Committee for the library art project) in opposition to HB 2457. Ms. Caprario writes that the amendment would cut the percentage for art in half

and the structuring of the selection process is unnecessary. States that "past cultures are very often known through their art, only through their art in many cases. We are doing this now for future generations."

184 CHAIR STROBECK: Refers to Exhibit F. Asks how much of the cost of the library building was expended for works of art?

MS. STREISINGER: Doesn't have any figures, but emphasizes there is a lot of art in the original building.

CHAIR STROBECK: Can you speculate that it might have been more than one percent of building cost that was actually dedicated to artwork?

MS. STREISINGER: Yes.

CHAIR STROBECK: What was the total budget for this renovation project?

204 MS. STREISINGER: Explains the art selection process and that it must have been approximately \$180,000 since some money is for administrative/other costs.

CHAIR STROBECK: You say that the one percent includes cite preparation?

MS. STREISINGER: Yes.

CHAIR STROBECK: How are the committee members selected?

MS. STREISINGER: Explains there is a general plan followed. The committee's composition usually includes the project architect, some representatives of the owners (i.e., U of O), users of the facility, a representative of the Oregon Arts Commission and/or Office of Higher Education, an arts professional and some artists.

231 CHAIR STROBECK: Is this ever opened to interested citizens?

MS. STREISINGER: No, although the "users" are citizens who use the library.

261 REP. GRISHAM: Do lay, non-artist people, ever participate in the selection?

MS. STREISINGER: Yes -- the users and three librarians who are not artists.

REP. WOOTEN: Explains that typically in state buildings the users inside the buildings are part of the selection process. Suggests it may be a refinement of the process to include the public at large as ongoing participants in the selection process.

REP. GRISHAM: Requests comments on the Oregon Trail statue refused in Portland at the cost of some \$600,000. Would it be your opinion that, if art is refused, the money should be rededicated/reused until an acceptable piece is located?

275 REP. WOOTEN: Comments that the bill was probably inspired by some unique controversies relative to public art that occurred in the last biennium, but unable to comment on the relevance of money being returned for refusal/non-acceptance. Describes artwork under scrutiny and controversy.

319 REP. LIZ VANLEEUEWEN (R-District 37): Testifies in support of HB 2457. Remarks that the law requiring the one percent for the arts in the state-related public buildings was in existence before 1975. Am I correct?

COUNSEL MOORE: The statutes indicate it was the 1975 Legislature that passed it.

361 REP. VANLEEUEWEN: Continues testifying in support of HB 2457. Says there is nothing in the law that prohibits a building from having artwork in it. Explains that the law now requires that one percent is spent for art. Describes artwork that is difficult to identify what it is. Explains

that the purpose of the proposed bill is to make better use of public dollars and to ensure there is more variety, mobility and changing opportunity for exposure to artwork. Cites the example of the Kropp Science Building at OSU.

TAPE 7, B

003 REP. VANLEEUEWEN: Continues testifying in support of HB 2457. Explains that current law allocates one-fourth of the money to be spent on administration parts of the prison. Proposed HB 2457 reduces the amount to



one-eighth so it is proportional with the one-half of the building cost. Expresses an understanding of the reaction from the art community, but these difficult times necessitate cutting down the amount. Adds that nothing prohibits spending more if it is in the approved plans.

016 CHAIR STROBECK: Was the intent of the redrafting of the bill to have one-half of one percent be an upper limit or a guideline?

REP. VANLEEUWEN: No. Responds that it was "so there was the requirement that only one-half percent of the cost of the building would have to be spent on artwork." Suggests that perhaps counsel should be asked if the bill was written incorrectly. Says the current law now mandates a minimum of one percent is to be spent on state buildings.

037 REP. GRISHAM: Do we know what money we are talking about (i.e., saving \$100,000 or \$5 Million)?

COUNSEL MOORE: Says that Legislative Fiscal is looking at the existing expenditures for capital construction and the current estimate, with a full

report to follow, is that the state is spending less than \$100,000 a year on art. The estimate is based primarily on responses from Economic Development of \$36,000, Department of Administrative Services of \$36,000 --

there is some question whether they are talking about the same number -- and Corrections of \$20,000. Obviously the fiscal impact changes dramatically depending on how many construction projects are going in any one year.

REP. GRISHAM: Is it possible to determine what the expenditures were spent for?

072 CHAIR STROBECK: Explains the statute says a state building does not include motor pools, heating plants, parking lots, etc.

REP. VANLEEUWEN: Adds that state law provides that any building under \$100,000 is not included.

097 CHRISTINE D'ARCY, Executive Director, Oregon Arts Commission:: Testifies in opposition to HB 2457. Submits (EXHIBIT G). Provides an overview of Oregon's Percent for Art program. Identifies the four issues in HB 2457 that affect the program. Testifies that reducing the percent for art allocation from one to one-half percent is unnecessary as the program is self-regulating; the statutory requirement that artwork commissioned or purchased through the program reflect the use of the building would prevent exquisite artwork from being commissioned; the integrity of the public selection process would be negatively affected by giving employees of the department occupying the facility the right to reject artwork; and a reduction to Corrections, that was previously addressed in a legislative session, does not warrant further reduction.

148 MS. D'ARCY: Continues testifying in opposition to HB 2457. Refers to Rep. Vanleeuwen's comments about public artwork in/around the Capitol. Remarks that Nancy Lindberg, who formerly worked with the Commission and helped structure this program, says "When the new wings were added to the Capitol, five percent of the construction cost was allocated to works of art."

156 REP. GRISHAM: Refers to Projects Underway on page two. Asks whether or not she is familiar with the projects?

MS. D'ARCY: Knows about them in a general way.

REP. GRISHAM: Refers to the Columbia River Corrections project. Do you know what that particular piece is for \$30,000?

MS. D'ARCY: Unable to personally answer; however, the information can be obtained.

164 REP. GRISHAM: Do you know the piece at Snake River Correctional?

MS. D'ARCY: No; however, says the piece may not yet be installed. Introduces TOM RUDD.

175 TOM RUDD, Visual Arts Coordinator, Oregon Arts Commission. Introductory comment.

177 CHAIR STROBECK: Can you answer Rep. Grisham's questions?

MR. RUDD: Refers to the Columbia River Corrections facility. Describes the artwork as a multiple sculpture, multi-environmental installation and its location. Refers to the Snake River Correctional artwork as a kinetic work of art located near the entry-road to the main facility.

198 REP. GRISHAM: States "We are unable to open 72 correctional beds, because of shortages of money and we are spending \$55,000 for a piece of art to set beside the entrance so that people who are arriving in chains and shackles . . . I just find it reprehensible."

205 CHAIR STROBECK: Is preference given in anyway to Oregon artists in your selection of artists since this is the Oregon Arts Commission?

MS. D'ARCY: Responds and explains that one of the mandates of the Commission is to help support Oregon artists through any number of ways; however, it is not limited to Oregon artists. Comments about reciprocity among states.

225 CHAIR STROBECK: Refers to the five percent spent on the Capitol remodel. Do you ever have an issue with this being perceived as a limit, one percent maximum? Is it taken into account that it's a minimum one percent up? What is the rationale?

MS. D'ARCY: Provides experience in the Portland area that the one percent mandated by the city for public art in public buildings there has been adopted on a voluntary basis by other agencies (e.g., TriMet). Unable to address whether or not this is a "springboard or a ceiling" in Oregon.

CHAIR STROBECK: Refers to testimony about Oregon being the first state to have a program like this and yet earlier testimony given is that Oregon was last of the 50 states in terms of per capita public art expenditures. Is there a conflict there?

MS. D'ARCY: You might think so. Refers to the earlier testimony that Oregon ranks last in terms of states and territories in respect to per capita public support for the arts; however, Oregon in reality is second to the last.

245 JIM CRAVEN, Oregon Advocates for the Arts. Testifies in opposition to HB 2457. Suggests consulting with people who work in the program. Submits (EXHIBIT G). Testifies from prepared statement.

291 MR. CRAVEN: Continues testifying in opposition to HB 2457. Directs comments to the two fundamental issues raised by the bill (i.e., process and financial -- see page two). States about the proposed percentage reduction ". . . you well may wind up with buildings having no art. You likely will not wind up with additional funds to spend on other legislative priorities."

349 MR. MICHAEL MCCULLOCH: Provides background as a program participant for about ten years. Makes four quick points. Point 1: As an architect/artist this program is a successful, respected and exported program nationwide. Point 2: Leverage is what this program is about (i.e., taking the smallest amount of money and leveraging that into the maximum amount of impact for art -- sensitization, humanization and development of a building). Point 3: The current percent for art is "absolutely the bare minimum" in order to make real progress and real impact within the building. Point 4: Reduction will not create more money available for lockers or other things and the money dedicated to art would be lost in the other systems of the buildings.

Program benefit is the ability to bring other thoughts/dimensions into the building.

TAPE 8, A

002 MR. MCCULLOCH: Comments that looking at the possibilities of how moneys are used in a project and focusing them in an accurate/appropriate way is a lot of what the program is about.

REP. GRISHAM: Asks for clarification as to how it could be appropriate to spend \$55,000 on a freestanding sculpture located at an entrance more than an half mile from a facility with windows that preclude participants in the program (i.e., inmates) to view the sculpture?

013 MR. MCCULLOCH: Unable to defend that particular project, because of lack of knowledge of or involvement in. Suggests there was probably an elaborate process that lead to the selection.

029 HAL BOND, Glass Artist in SE Portland: Testifies in opposition to HB 2457. Provides background as a subcontractor in Percent of the Art projects. Describes specifics about participation in the Portland State Office Building project.

054 MR. BOND: Continues testifying in opposition to HB 2457. Comments about labor-intensive projects that flow from the Percent of Art program creating jobs and the educational benefits to the process.

CHAIR STROBECK: Did you have anyone who objected to these works of art in the building (i.e., any agencies)?

MR. BOND: Says the committee was well represented by building staff (i.e., 14 members).

107 CHAIR STROBECK: Asks Mr. McCulloch: "What's the general rule of thumb, if there is one, for a large building when you are considering the design and all of the elements . . .? Do you have some sort of figure in mind that includes works of art?"

MR. MCCULLOCH: Says that it depends on the public and private spread. Private sector construction programs typically allot from one to five percent for artwork. With respect to public projects, and without this type of program that establishes the need, moneys frequently are contested by someone on the committee or administration who wants to spend all the money on the mechanical system, etc.

CHAIR STROBECK: There is a great deal of art embedded in projects (i.e., buildings have a great deal of decorative materials on the outside, etc.).

What is the change?

MR. MCCULLOCH: Says that over time society "hammered all of that out of its public buildings . . . they had a hard time rationalizing it . . . understanding what it was for . . . really believing that it was important until it was gone." The program begun in 1975 has helped revive it.

145 CHAIR STROBECK: Is there some inflexibility in this one percent that should not be there? Are there some buildings in which five percent of the buildings would have virtually nothing and is this really needed?

MR. MCCULLOCH: Replies this is the minimum amount of leverage to start this process and nothing in budgets limit it to one percent.

CHAIR STROBECK: If the minimum was one-half percent, couldn't you still go beyond that?

MR. MCCULLOCH: It is possible; however, suggests that one-half of a percent on projects other than extremely large projects is almost too small to mobilize the forces that make these programs work and give the art enough of a position to have any noticeable impact.

CHAIR STROBECK: Refers to how some buildings use this one percent provision for integrated things. How would those elements be different if this provision wasn't here or if it was one-half a percent? Wouldn't those elements still be included in the building design?

MR. CRAVEN: Provides input about the OSU Science Building project and artistic marble pieces. Explains that the Dean solicited from the private sector to raise money above the one percent to ensure the desired project (i.e., the one percent was viewed as the minimum).

207 MR. CRAVEN: Follows up issue about corrections. Refers to bill language.

230 REP. GRISHAM: Requests comment about the concept of using a cumulative figure whereby the money is pooled and then allocated into projects.

MR. CRAVEN: Suggests exploration of some options with the Arts Commission, especially Ms. D'Arcy, as to how that program works in other states.

264 REP. GRISHAM: Requests a copy of the report that authorized, selected and installed the art project at Snake River.

287 CHAIR STROBECK: Announcement that no action to be taken on the bill today.

298 CHAIR STROBECK: Closes the public hearing on HB 2457.

324 CHAIR STROBECK: Opens the public hearing on SB 201 and SB 205.

SB 201 and SB 205 - PUBLIC HEARING

Witnesses: Gary Bruebaker, Deputy State Treasurer, Oregon State Treasury

The Preliminary Staff Measure Summary for SB 201 is hereby made a part of these Minutes (EXHIBIT I).

319 GARY BRUEBAKER, Deputy State Treasurer, Oregon State Treasury: Testifies in support of SB 201 by reading from prepared statement. Submits

(EXHIBIT J).

379 CHAIR STROBECK: How long has this provision been in the Oregon statutes?

MR. BRUEBAKER: Since about 1979 or 1981.

CHAIR STROBECK: Why was the statute written the way it was written?

MR. BRUEBAKER: Explains that when it was written, it was perceived that the pool of the Local Government Investment Pool could be a separate pool; however, it has never been a separate pool -- it has been co-mingled in order to get the economies of scale.

The Preliminary Staff Measure Summary for SB 205 is hereby made a part of these Minutes (EXHIBIT K).

395 GARY BRUEBAKER, Deputy State Treasurer, Oregon State Treasury: Testifies in support of SB 205 by reading from prepared statement. Submits

(EXHIBIT L).

464 CHAIR STROBECK: When somebody wants to post a deposit to use for future financial responsibility filings now they have to go to two agencies. Do they have to fill out two separate forms and actually present them to two different agencies? What is the process?

TAPE 9, A

021 MR. BRUEBACKER: Yes, today they would go to the Oregon Department of

Transportation, find out the requirements, ODOT would direct them to the Oregon State Treasury (OST) to find out what instruments are acceptable, deposit the instruments with OST, get the evidence from OST and then return to ODOT.

CHAIR STROBECK: Interprets that under the proposal the deposit would be made with the Department of Transportation which would then transfer it to the Oregon State Treasury for the safekeeping role. Is that correct?

027 MR. BRUEBAKER Yes, that's correct. Explains that it is the same way, everywhere else in the statutes relating to safekeeping, deposits are maintained.

CHAIR STROBECK: Would it be necessary to write a new booklet/pamphlet or create a new form to accomplish that?

MR. BRUEBAKER: Responds that a couple of processes will require streamlining, but it won't be that major -- removes OST from an administrative role that is not normally performed and it is a savings for the taxpayer.

032 REP. GRISHAM: Did you mention how many times this occurs -- the volume?

MR. BRUEBAKER: Unsure of the number of people who use this.

REP. GRISHAM: Is it your understanding it would not entail adding employees to handle it?

MR. BRUEBAKER: No additional employees needed.

037 CHAIR STROBECK: Closes the public hearing on SB 201 and SB 205 and opens the work session on SB 201 and SB 205.

SB 201 and SB 205 - WORK SESSION

041 MOTION: REP. STARR moves that SB 201 be sent to the Full Committee with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. REPS. JOHNSTON AND WYLIE ARE ABSENT. REP. WYLIE arrives late and votes AYE (see tape at 065).

CHAIR STROBECK: Declares the motion PASSED.

048 MOTION: REP. STARR moves that SB 205 be sent to the Full Committee with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. REPS. JOHNSTON AND WYLIE ARE ABSENT. REP. WYLIE arrives late and votes AYE (see tape at 065).

CHAIR STROBECK: Declares the motion PASSED.

058 CHAIR STROBECK: Declares the work session closed and the meeting adjourned.

061 CHAIR STROBECK: Reopens the work session on SB 201 and SB 205.

CHAIR STROBECK: Asks Committee's consent that REP. WYLIE be allowed to vote on SB 201 and SB 205.

064 CHAIR STROBECK: No objections. Calls for REP. WYLIE's vote.

065 REP. WYLIE: Votes AYE on both SB 201 and SB 205.

CHAIR STROBECK: Declares the work session closed and the meeting adjourned at 4:00 pm.

Submitted by,      Reviewed by,

Kay C. Shaw          Gregory G. Moore  
Committee Assistant      Committee Counsel

EXHIBIT SUMMARY:

- A - Preliminary Staff Measure Summary on HB 2269 -- staff -- 1 page
- B - Proposed Amendments to HB 2269 -- staff -- 6 pages
- C - Hand Engrossed with HB 2269-2 Amendments -- staff -- 10 pages
- D - Revenue Impact of Proposed Legislation -- Dick Yates -- 2 pages
- E - Preliminary Staff Measure Summary on HB 2457 -- staff - 1 page
- F - Brochures -- Lotte Streisinger -- 4 pages
- G - Prepared Testimony on HB 2457 -- Christine D'Arcy -- 4 pages
- H - Prepared Testimony on HB 2457 -- Jim Craven -- 2 pages
- I - Preliminary Staff Measure Summary on SB 201 -- 1 pages
- J - Prepared Testimony on SB 201 -- Gary Bruebaker -- 2 pages
- K - Preliminary Staff Measure Summary on SB 205 -- 1 page
- L - Prepared Testimony on SB 205 - Gary Bruebaker - 3 pages