

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

March 20, 1995 Hearing Room 357
1:15 PM Tapes 15 - 18

MEMBERS PRESENT:

Rep. Ken Strobeck, Chair
Rep. Sharon Wylie, Vice-Chair (Arrival: 1:50 p.m.)
Rep. Jerry Grisham
Rep. Bryan Johnston
Rep. Charles Starr

STAFF PRESENT:

Greg Moore, Committee Counsel
Kay C. Shaw, Committee Assistant

MEASURES HEARD:

HB 3389 Public Hearing
HB 2823 Public Hearing
HB 2764 Public Hearing
HB 3383 Public Hearing
HB 2988 Public Hearing & Work Session
HB 2293 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 15, A

007 CHAIR STROBECK: Calls the meeting to order at 1:20 PM. REP. WYLIE IS
ABSENT.

CHAIR STROBECK: Opens the public hearing on HB 3389.

HB 3389 - PUBLIC HEARING

Witnesses: Sen. Randy Leonard
Randy Hilderbrand, Office of the Speaker
Markley Drake, City of Portland Bureau of Fire Rescue and Emergency Service
Lori Hamm, CARE Ambulance

Proposed HB 3389-1 Amendments are hereby made a part of these Minutes
(EXHIBIT A). Proposed LC 3551 Amendments are hereby made a part of these
Minutes (EXHIBIT B).

SEN. RANDY LEONARD (D - District 9): Testifies in opposition to HB 3389-1
Amendments and Mr. Kafoury's proposed LC 3551 Amendments. Private
ambulance costs in Portland are currently subsidized by the taxpayers in
three ways:

> Portland Fire Bureau acts as a first responder to all medical
emergencies.
> First aids involving cardiac arrest or traumatic injury/life threatening
injury have a firefighter ride along with the private ambulance to the
hospital. Private ambulance companies are not charged for those services.
> Private ambulance companies are currently subsidized by the taxpayers of
Portland and
Multnomah County via the 9-1-1 dispatch system.

033 SEN. LEONARD: Continues testifying:
> Fire departments in Oregon provide all transports in Salem and Eugene.
> Situation in Portland is different. Amendment would cause Portland
taxpayers to continue to needlessly pay inflated ambulance transport costs
that taxpayers are currently subsidizing.
> Questions why the Portland should charge for firefighters already on
duty, being paid, on standby, and responding to medical emergencies.
> Firefighters arrive at the scene first, stabilize the patient, and
provide emergency medical care already.
> Why should the city charge for fire stations that are already in
operation?
> Bill and amendment suggest the ambulance rider would have to pay for all
costs already paid by the taxpayer.

058 SEN. LEONARD: Continues testifying. True charge/cost associated with
the city providing ambulance service is appropriately:
> Extra medic units that need to be purchased to provide the transport
service.
> Cost of extra personnel hired to provide that service.
> Time all personnel spend in transport functions.
> Cost of the medical supplies.
> Not some inflated cost that HB 3389 and Mr. Kafoury's amendment would
purport.
> Private ambulance companies argue the city shouldn't provide subsidies to

the ambulance transport while they've enjoyed huge subsidies for decades.
> Allow citizens of Portland and Multnomah County to decide the issue.
> Recommends rejecting HB 3389 and its amendment, because Portland taxpayers will be treated unfairly.

074 CHAIR STROBECK: Is it your belief that the same thing that happened in Eugene could also happen in Portland (i.e., an exodus from the city by ambulance companies)?

SEN. LEONARD: No, because of the larger population, of the current utilization level of the 9-1-1 system, and more transport requests.

CHAIR STROBECK: Comments that fire departments respond to every 9-1-1 call. What do you think the role of a private ambulance company should be regarding scene calls as opposed to transfers, etc.?

090 SEN. LEONARD: Firefighters respond to all medical emergencies anyway and perform the necessary level of care for each call.
> Issue becomes who should provide the second aspect of the operation -- transporting to the hospital.
> Communities realize when the fire department is already at the scene that

it is more reasonable for the firefighters to complete the last function.
> The private ambulance companies' role is transporting inter-hospital/non-medical emergency transports.
> Wasted resources result when a fire apparatus responds, fire rescue responds and then a private ambulance responds.

114 CHAIR STROBECK: Why do you think a taxpayer-supported entity should be in the position of taking that business away from private companies?

SEN. LEONARD: Believes in a competitive society except for certain conditions:
> Let the market determine the price of a service or good.
> There is not true competition for the best option for service, because of the need to preserve the health, welfare of the public.
> Government leaders need to ensure the most efficient and well-trained resource to transport people to hospitals in emergency, medical situations for the least amount of money possible.
> Nationwide, cities are moving to have fire departments provide this type of service.

144 CHAIR STROBECK: Does the city charge a patient for the services rendered?

MR. LEONARD: No.

CHAIR STROBECK: Is there a charge for transporting to a hospital?

SEN. LEONARD: Yes.
> Point of the bill is to have the City of Portland bid, based on the full cost of a fire station, firefighter, and delivering medical services.
> Taxpayer should not be charged those full cost, nor does the city want to charge full cost.
> Incremental costs associated with providing the service should be charged to the patient (i.e., extra personnel hired, extra equipment purchased, and extra rescues purchased).
> No charge for on-scene firefighters; however, that would be required under HB 3389 and the amendment.

CHAIR STROBECK: Opens public hearing on HB 2823.

HB 2823 - PUBLIC HEARING

Witness: Randy Hilderbrand

180 RANDY HILDEBRAND, Chief of Staff, Office of the Speaker: Testifies in support of HB 2823. Points out concerns:
> Difficult to compare job cost figures of the State Printer with private sector.
> State Printer does not "factor in" revenues on income that would be generated by having the business in the private sector.
> Philosophical problem that if it can be done in the private sector, why isn't it.
> Strong message from the voters during the last election cycle of "less government".

197 MR. HILDEBRAND: Continues testifying. HB 2823 is representative of the change the voters desire. Urges support for HB 2823.

203 REP. JOHNSTON: Do you know when the Speaker first became interested in the printing business?

MR. HILDEBRAND: Yes. Provides history beginning with the 1991 session as Chair of the Agency Reorganization Reform Committee.

224 REP. JOHNSTON: Were there hearings/usual committee panoply of events

around HB _2890 during the former session? Was a lot of work done before it came to the floor?

MR. HILDEBRAND: Extensive work that included months of follow-up or developing background information.

241 MARKLEY DRAKE, EMS Program Manager, City of Portland Bureau of Fire Rescue and Emergency Services: Testifies in opposition to HB 3389 as amended.

- > Ambulance services is the ability of a system and resources to respond to citizens' needs.
- > Emergencies require a large group of resources available to respond at a moment's notice.
- > Fire Bureau must have a "standing army" ready to respond to a variety of needs.
- > Refers to history since 1991 that EMS (Emergency Medical Services system planning and development) should be left under county government the control.
- > Cites codification under ORS 823.180.
- > Proposed bill attempts to involve the state legislature in a local problem that is not a statewide problem.

270 MR. DRAKE: Continues testifying:

- > Quotes Section 4 of HB 3389-1 Amendments. Interprets that to mean the Police Department cannot expand services if private security guards are available.
- >Other ramifications need to be explored.
- > Proposed bill would unnecessarily "tie the hands of government when government and private agencies should be working together in concert to provide services."
- > Proposed bill does not have the support of the Oregon Ambulance Association (private ambulance provider group). Only one private provider (AMA) supports the proposed bill.
- > Objection of Fire Bureau is providing community services cost effectively

and efficiently.

- > Explains public policy decision of Multnomah County for 9-1-1 emergency bid services that allowed public agencies to bid. System is working well -- no reason to reverse it.

301 CHAIR STROBECK: How do you respond to the criticism of unfair competitiveness between the county and a private company in a profitmaking business and an unfair subsidy?

MR. DRAKE: Fairness continues all the way through:

- >AMR is a national company with over 600 units on the street who competes against a local private provider with less than 20 units.
- > Allow county government to choose (i.e., evaluate cost and reject bids) as to whether or not it is cost effective/good service for the citizens.
- > Problems may result if state government gets involved in local issues.

330 REP. JOHNSTON: Illustrates an accident in Portland with injuries. Who gets to the scene first?

MR. DRAKE: Through 9-1-1, both agencies are first responders (i.e., a private transport provider and the Fire Bureau or the City of Gresham); however, generally and due to more stations/units, the Fire Department arrives first and begins to provide services.

REP. JOHNSTON: Did you say that private providers as well as the Fire Department receive notice?

MR. DRAKE: Yes.

REP. JOHNSTON: What is the estimated percentage of time the Fire Department is the first responder?

MR. DRAKE: Difficult to say.

- > Fire Bureau's average arrival time to scenes within the City of Portland is over three minutes.
- > Transport agency per county requirement is arrival in eight minutes or less, 90% of the time.
- > Fire Department's goal for 90% of the arrival time is four minutes or less; however, only 78% of the arrival time met is four minutes or less.

367 REP. JOHNSTON: Refers to Sen. Leonard's testimony. When should the break occur in one transaction from an accident to delivery at the hospital that would allow a private entity to take over, because the possibility of generating profit has presented itself?

MR. DRAKE: Explains medical protocols for transporting or not transporting.

395 CHAIR STROBECK: Are there cases when the Fire Department completes the first responder role and no private ambulance arrives?

MR. DRAKE: Yes.

CHAIR STROBECK: Is the protocol that if a private ambulance is not on the scene within the eight minutes limit, that the Fire Department transports anyway?

MR. DRAKE: No. Describes the protocol in Multnomah County that the public agency transports if a private provider is unable to arrive within 10 minutes of the first responder's arrival or medical conditions warrant it.

TAPE 16, A

005 LORI HAMM, CARE Ambulance & CARE Medical Equipment: Testifies in opposition to HB_3389:
> Provides history of 25 years in the business.
> Says the bill focuses on a specific issue of competition in the ambulance or medical transportation business.

022 LORI HAMM Continues testifying. Suggests consideration of three issues:
> Refers to Section 1(2)(e). Problem of the automatic impact on every health care provider that receives a majority of funding from Medicare or Medicaid. Opines the intent of the proposed bill is to prohibit private sector businesses from growing or expanding. Careful consideration should be given to how a private sector-business is defined.
> Proposed bill focuses on a local situation in Multnomah County that prohibits/limits flexibility. There is a need for public/private partnership in providing medical transportation that allows utilization of existing resources, avoids duplication and reduces the cost to the consumer.
> Only one ambulance company (AMR - American Medical Response), the largest national conglomerate for ambulance companies, supports the legislation and would clearly have an unfair advantage over other ambulance providers.

REP. WYLIE: Arrives at 1:50 PM.

085 MS. HAMM: Continues testifying.
> Proposed bill has real impacts that are contrary to the free market philosophy.
> Urges careful understanding of the implications of the legislation and whether the State needs to be involved in a local issue.

093 CHAIR STROBECK: Do you operate in any particular section of the City of Portland?

MS. HAMM: Explains there are defined territories in the current 9-1-1 system that are crossed fairly frequently.

CHAIR STROBECK: Has there always been territorial limits?

MS. HAMM: Yes, multiple provider system has operated in Portland for over 20 years. For the past five years there has been some informal districting.

CHAIR STROBECK: Will your company bid for ambulance services against the City of Portland?

MS. HAMM: No. Plans to bid with the cities of Portland and Gresham for a public/private partnership to end duplication, maximize efficiency and use cost-effective resources.

129 REP. JOHNSTON: The proposed bill won't level the "playing field".
> Will it tilt it?
> Who will it tilt it toward?
> Is it a big business bill?

MS. HAMM: Yes, it will tilt the "playing field" toward American Medical Response; however, it is a single big business bill.

CHAIR STROBECK: Closes the public hearing on HB 3389 and opens public hearing on HB_3383 (see tape at 203)

HB 3383 - PUBLIC HEARING

Witness: Stephen Kafoury, American Medical Response

144 STEPHEN KAFOURY, American Medical Response: Testifies in support of the LC 3551 Amendments to HB 3383 (see EXHIBIT B).

CHAIR STROBECK: Requests clarification regarding the amendments, LC 3551 draft or HB_3383-1 Amendments.

MR. KAFOURY: Defers to Committee Counsel.

GREG MOORE, Committee Counsel: LC 3551 draft is the HB 3383-1 Amendments.

168 MR. KAFOURY: Explains the situation:

> Low bid competition process.
> Responds to Rep. Johnston's earlier question about whether there is a break in the process. Illustrates when emergency services are provided by the public and follow-up services provided by a private agency.
> Explains the issue of first responder and transport, how much to charge for an ambulance ride and that the bid shouldn't be subsidized?

203 CHAIR STROBECK: Opens public hearing on HB 3383.

205 MR. KAFOURY: Continues testifying in support of HB 3383-1 Amendments:
> Specific medical conditions (e.g., heart attacks) require very quick response, but not a full transportation piece of equipment or highly trained people as first responder.
> Reason Fire Bureaus provide the first response.
> Reason for private agency as the follow up.
> Concern when there is a fire.
> Bottom line is how much of the transport costs can be subsidized?
> Seeks a level playing field whereby the price of bids is unsubsidized.

CHAIR STROBECK: Why should the state be involved in a Multnomah County dispute?

MR. KAFOURY: The principles of proposed HB 3383-1 Amendments are statewide and involves more than ambulance service.

267 CHAIR STROBECK: Declares a recess until 2:15 PM.

CHAIR STROBECK: Reconvenes meeting at 2:15 PM and the public hearing on HB 2823 and HB 3383. Opens public hearings on HB 2764 and HB 3389.

HB 2764, HB 2823, HB 3383 and HB 3389 - PUBLIC HEARING

Witnesses: Steve Jacky, Administrative Services for Department of Forestry
Ed Edwards, Oregon School Employees Association
Rich Peppers, Oregon Public Employees Union/Local 503
Cameron Birnie, Department of Administrative Services (DAS)
Mike Freese, Acting State Printer
Grover Simmons, Independent Employers Association and Pacific Printing & Imaging Association
Bill Sizemore, Northwest Athletic Club Association
John Powell, Central Lincoln Peoples Utility District
Sarah Hackett, League of Oregon Cities
Tom O'Connor, Oregon Municipal Electric Utilities
Burton Weast, Special Districts Association of Oregon, Oregon Fire Chiefs Association, Oregon Fire District Directors and APCO (9-1-1 Managers)

292 STEVE JACKY, Assistant State Forester for Administrative Services for the Department of Forestry: Testifies from prepared testimony in opposition to HB 3383 and HB 3389-1 Amendments. Submits (EXHIBIT C). Testifies as follows:

> Systems already in place within government to assure the best, most cost-effective method of services is provided to the citizenry at state/local levels.
> Cites the budget processes, performance/financial audits, legislative studies/reviews and boards/commissions as ensuring that the best job possible is done for the greatest number of Oregonians, not a select few.
> Proposed HB 3383 and HB 3389 are directly opposed to what many of the other legislative committees are currently approving (i.e., new/improved buildings, increased automation and, if necessary, additional staffing).
> Department of Forestry contracts services to the private sector that are more cost-efficient than what is handled in-house (public/private partnerships).
> Concern about the cost factor involved if many functions are done by the private sector.
> Urges consideration and time devoted to adequately evaluate the outcomes of the legislation.

340 CHAIR STROBECK: Requests detailed explanation/examples about "past experience and solicitation of bids" that negate services being performed at less cost by the private sector.

MR. JACKY: Illustrates a situation in Coos County that involved contracting for radio-maintenance work for a two-way radio system. Provides statistics:
> Communication Section's price to provide the service was just over \$9,100 per year.
> Lowest bid offer was almost double (i.e., \$17,000 a year). Most difficult part of bid process is uncertainty of amount of work to be done.

382 MR. JACKY: Cites recent investigation for the next biennium into the cost of contracting for fire fighting labor on large-project fires.

CHAIR STROBECK: Do you include the entire cost that a private company would include (i.e., entire overhead)?

MR. JACKY: Most buildings are depreciated and are not included, nor are taxes included.

CHAIR STROBECK: Does that give at least a first step advantage v. bids by

private companies? Is that part of the function of the Department?

MR. JACKY: Yes. Doubt that is unfair. Do attempt to pass on savings.

TAPE 15, B

003 REP. GRISHAM: How did the Department of Forestry become involved in maintaining radio systems?

MR. JACKY: Explains the accidental history in the late 1940's that resulted in maintaining radio systems, initially for the Department of Agriculture, then Department of Fish & Wildlife, Department of Corrections and Parks & Recreation.

REP. GRISHAM: Are all five agencies on the same system or different systems?

MR. JACKY: There are three system -- the Departments of Agriculture and Corrections each have their own.

REP. GRISHAM: Three duplicate systems are being maintained?

MR. JACKY: No, the purpose for each system is different.

036 REP. GRISHAM: Cites the second to last paragraph of prepared testimony (page 2). Requests an example.

MR. JACKY: Gives example of prohibiting the department from expanding its work force within the Tillamook state forest area as that forest becomes in line for production.

REP. GRISHAM: Refers to testimony on page 1, paragraph 4. Requests an example of other committees discussing "adding new buildings."

054 MR. JACKY: Refers to the capitol improvement budget before Ways & Means.

CHAIR STROBECK: What private enterprises would offer competitive services in the Tillamook Burn area?

MR. JACKY: Proposed bills would necessitate a cost-benefit analysis of managing the forest.

CHAIR STROBECK: Are you talking, not about labor in the forest, but general management of the timber?

MR. JACKY: That's correct.

076 ED EDWARDS, Director of Government Relations, Oregon School Employees Association: Testifies from prepared testimony in opposition to HB 3389. Submits (EXHIBIT D). Provides history of representing nearly 16,000 professionals. Reasons for opposition:

> Appears to take away authority of school districts, local governments, counties and other political subdivisions in determining the best methods for developing/delivery of government services.

> Public employers perform cost comparisons frequently.

> Proposed HB 3389 is not needed -- public employers are doing the job now.

103 MR. EDWARDS: Shares examples of contracts or contract considerations:
> Medford's food services.
> Phoenix/Talent's bus transportation, custodians and food services.
> Lebanon School District's study of secretarial employees, custodial services, bus drivers and food services.
> Corvallis' bus transportation and possibly custodial services.

126 MR. EDWARDS: Continues testifying in opposition to HB 3389. Gives examples:

> An extensive process that concluded in-house services were as good, if not better, than what could be provided by the national contractors.

> HillSB oro's food services.

> Dallas School District's consideration of contracting out food services.

> States proposed HB 3389 is a mandate. Every time expansion or added staff are needed, the bid process is required and it rests at the state level.

FOR THE RECORD: Urges rejection of the bill.

153 RICH PEPPERS, Oregon Public Employees Union/Local 503: Testifies from prepared testimony in opposition to HB 2823, HB 2764, HB 3383 and HB 3389.

Submits (EXHIBIT E). Testifies that proposals to contract meet certain standards:

> Cost effective (page 2).

> Consider overall public policy and operational requirements.

> Quality of service and needs for frequency of service.

> Not used to reduce negotiated wages or take away benefits.

208 MR. PEPPERS: Continues testifying. Focuses on concerns with HB 2823:
> Does not assure standards are met when contracting out all state printing.

> Policy consideration should be that the State of Oregon have in-house capability to perform its own printing, when needed.

> Requires contracting out regardless of quality or other operational considerations (page 3).
> No assurance that the contracting out proposals would be evaluated on the basis of a level playing field (i.e., worker pay and benefits).
> Does not establish any mechanisms or standards for evaluating and monitoring the performance of the contractors.

237 MR. PEPPERS: Continues testifying. Proposed HB 3383 and HB 3389 describe a policy for contracting out, but do not include the safeguards cited in testimony.

FOR THE RECORD: OPEU opposes the bills as written.

MR. PEPPERS: Continues testifying. Opines that HB 2764 is not exactly a contracting out bill, but a bill that deals more with the degree of centralization required within the operations of the state (page 3). Suggests creating a framework that allows state administrators and agency heads to work through tension between centralized and decentralized operations in a constructive way.

255 MR. PEPPERS: Continues testifying. Provides examples of contracting-out studies within state government:
> Vocational Rehabilitation Division's 1990 review.
> Cost-comparison of medical claims processing by Blue Cross v. the State's

Office of Medical Assistance Programs (OMAP).
> Oregon Department of Veterans' Affairs' 1989 study.

CHAIR STROBECK: Asks whether Mr. Edwards supports the various contracting out issues mentioned earlier about school districts, etc.?

297 MR. EDWARDS: Do not support contracting out; however, has been involved in the process.

CHAIR STROBECK: Quotes testimony: ". . . contracting out occurs when there is a shortage of revenue." Why would that happen?

MR. EDWARDS: Illustrates a short fall in a school district to cut costs without cutting programs. Opines that focus is on a short-term basis when there is a short fall in local government; however, contracting out ultimately results in a long-term arrangement.

335 CHAIR STROBECK: Summarizes that when revenues are "tight, when times are tough" people evaluate and discover contracting out is less expensive.

MR. EDWARDS: Contracts are not always cheaper. When specs for bids are developed at the local level, almost always, all the services provided are not included.

TAPE 16, B

001 MR. EDWARDS: Proposed bill transfers decision making authority level away from the local lever to the state.

008 REP. JOHNSTON: Asks Mr. Peppers how HB 2764 affects "you and your concerns"?

MR. PEPPERS: View of HB 2764 is that in a similar way as the other bills it tries to set an overall "blanket" answer that is too simple to fit the specific circumstances that need to be considered in most cases. Administering public agencies, whether local or statewide, need to be dealt

with in a flexible way rather than putting out blanket dictums.

CHAIR STROBECK: Comments about the standards for contracting out (EXHIBIT E, Page 2).

037 CAMERON BIRNIE, Administrator of the Transportation, Purchasing & Print Services Division, Department of Administrative Services (DAS): Testified from prepared testimony in support of HB 2764. Submits (EXHIBIT F).
> Background areas of oversight responsibility.
> Focuses on the role of DAS in state purchasing and the impact of HB 2764.
> Focuses on DAS' print services program and the impact of HB 2764 (Page 2).

073 MIKE FREESE, Acting State Printer: Testifies from prepared testimony in support of HB 2764. Submits (EXHIBIT G).

> Cites ORS chapter 282 as the mandate of "managing and controlling the state's printing."
> Explains reasons for support of HB 2764 (i.e., enables free market pressures to work, forces the printing program to continue focusing on providing products/services delivered most effectively, and elimination of waste and inefficiencies).
> Opines some customers would be lost if HB 2764 is enacted as written.
> Comments about progress over the past 4-5 years (i.e., major equipment acquisition funded, equipment leasing, appropriate cost representation, increased efficiency).
> Suggests considerations of the legislature's reliance on State Printing, the capability to purchase all state government's contracted printing with

a staff of three highly-skilled people, cost in real dollars to the vending community, and private-sector printers would be required to manage business relationships with dozens of state agencies at greater expense.

123 CHAIR STROBECK: Refers to last paragraph of EXHIBIT G. Requests an explanation whereby the State Printer gives local authority to procure printing in the local communities.

MR. FREESE: Explains instances for using delegated authority. Some agencies are statutorily exempt from the State Printing Law (e.g., Judicial Branch). Illustrates an Ontario field office whereby it is more reasonable to give delegated authority up to a specific dollar limit to procure printing from local/private vendors v. sending in a printing order to the State Printer.

140 CHAIR STROBECK: They are doing their own local contracting under the State Printer's authority?

MR. FREESE: Yes, plus the requirement that information is provided to the State Printer (e.g., product coding).

CHAIR STROBECK: When new equipment is purchased for the State's printing operation, is consideration given to what the marketplace currently offers before there is a decision to purchase or is the consideration just about what the agency can do in terms of providing a service to clients before there is a decision to purchase?

MR. FREESE: Process is ongoing in terms of private-sector comparison. A cost-benefit analysis drives the purchase of any new equipment; however, most modern equipment is through a lease agreement.

162 CHAIR STROBECK: If HB 2823 were enacted, why couldn't you continue to use your three print buyers on a contract basis?

MR. FREESE: No reason that couldn't be done and probably would be done. Contract Services Unit is currently supported by its own revenues. State agencies are assessed for that service based on a mixture of dollar value of the work procured and the number of jobs.

CHAIR STROBECK: Is it correct that in those cases, if private-sector printers knew the State Printer managed the printing for state agencies, there would not be a duplication of effort, because private-sector printers would not be calling on 50 different agencies?

MR. FREESE: Yes, that's correct.

REP. GRISHAM: Requests a description of Mr. Birnie's duties regarding the motor pool.

MR. BIRNIE: Describes oversight of the motor pool operations of over 3,350 vehicles and audit responsibilities. Cites responsibility for oversee of the performance, use and disposal of all agency vehicles per ORS chapter 283.

193 REP. JOHNSTON: What are the corresponding staffing levels due to the shrinkage of space?

MR. FREESE: In 1991 there was a staff of about 89 employees, there are now 64 due to entirely to increased efficiency and streamlining the product mix.

REP. JOHNSTON: Has there been a corresponding reduction in work flow over that period?

MR. FREESE: No. The work flow volume has increased.

REP. JOHNSTON: If "we were to go with a contracting arrangement, would we be able to maintain" the interconnectedness between printer and customer?

MR. FREESE: Confusion about that issue. Illustrates an example of support provided through connectivity -- fiber optics that run throughout the mall.

234 REP. JOHNSTON: What is the impact, if the printing function is moved out to the private sector, on the arrangement of several state agencies sharing space and work in conjunction with the State Printer?

MR. BIRNIE: Hasn't looked at cost in general. Explains there is a "good marriage" with two other agencies in the building (i.e., Adult & Family Services Food Distribution Program and State Mail Program). There is "great attachment, great flow between the Print Plant and the State Mail operation".

281 GROVER SIMMONS, Independent Employers Association and Pacific Printing &

Imaging Association: Provides additional testimony (see Subcommittee on Regulatory Reform Minutes dated March 13, 1995 at Exhibit M):

> Suggests technical amendments to HB 2823 to keep public printing in Oregon instead of allowing out-of-state printing.

> Amend Page 3, Line 40 to not repeal ORS 282.210, 282.220 and 282.230 and on Page 3, Line 30-31, to re-insert "(f) Notwithstanding paragraph (a) of this subsection, the provisions of ORS 282.210 shall apply to the Oregon State Lottery Commission."

> Public printing used by the Oregon State Lottery Commission should be performed in Oregon, if possible, although still affected by the Oregon Public Printing statute.

> FOR THE RECORD: Opposes HB 2187 which would allow all public institutions in Oregon, including the Federal Government, to send work to Salem for printing in the Public Printing Plant.

> Suggests a benefit to the Legislature doing an intensive, long-term audit

on a job-by-job basis to determine what it costs to produce work in the Public Printing Plant.

372 CHAIR STROBECK: Agrees with the comments about the philosophical approach.

389 PETER GRUNDFOSSEN, Association of Oregon Housing Authorities: Testifies

from prepared testimony in opposition to HB 3389. Submits (EXHIBIT H).

> Recommends that neither HB 3389 or the HB 3389-11 Amendments be passed in

the present form as it would substitute the judgment of a state bureaucracy

for that of the state legislature.

> Describes the structure of the 22 housing authorities in Oregon.

> Refers to other, previous testimony about contracting out. Says that HB 3389 does not mention "contracting out," because the proposed bill says "may not provide a product or service" (i.e., precludes operating in a field).

TAPE 17, A

006 MR. GRUNDFOSSEN: Continues testifying in opposition to HB 3389:

> Points out that it will be a "simple matter for any disgruntle citizen to

appeal a decision of the legislature or a city council . . . to the State Department of Administrative Services" -- all things that our duly-constituted local governing bodies now do will have to be done again by a department of state government that has none of the immediate contact with local citizenry.

> Result of such legislation will be an increase in size and authority of the state department for a purpose already well-performed by the state legislature and locally-elected officials of the political subdivisions of the state.

019 REP. GRISHAM: Refers to paragraph 2. What is the most pressing housing service needed?

MR. GRUNDFOSSEN: Low income, affordable housing in the State of Oregon.

Adds:

> 100,000 or 110,000 households in Oregon that earn less than 50% of median income and spend more than 50% of that income on rent and utilities.

REP. GRISHAM: Any idea why the private sector, the homebuilder, doesn't provide low income housing in those areas?

MR. GRUNDFOSSEN: They cannot make a profit in those areas by developing low-income housing for low-income people

REP. GRISHAM: Why is that?

MR. GRUNDFOSSEN: Responds:

> Cost of materials, labor, and financing.

> People at low income levels can afford housing at a reasonable amount of family's income if it is subsidized by some source, generally some level of government.

037 BILL SIZEMORE, Northwest Athletic Club Association: Testifies in support of HB _3389:

> Refers to testimony about the ambulance controversy in Multnomah County.

Says problems with a single provider and lack of competition with a single-provider system has nothing to do with HB _3389.

> Refers to testimony about the fire department as proof that perhaps the fire department in Portland needs to evaluate downsizing.

> Concludes that testimony in opposition to HB 3389 generally seems opposed

to contracting unless forced to contract out because of budget constraints.

> Illustrates a Townhall show on school budget cuts in the City of Portland

due to Measure 5.

> Intent of HB 3389 is that government should do those things that private sector cannot do and create a smaller, more efficient government,

privatization and more competition.

> Cites survey that 70% of all government services would be subject to competition from the private sector, excluding police, resulted in responses of 66% yes and 19% no.

071 MR. SIZEMORE: Continues testifying in support of HB 3389. Government needs to be "bold . . . acquiesce or accept this is what the people of this state want. . . the bill says . . . no more." Submits amendments to HB

3389 (EXHIBIT I) that exempts school district from expanding.

CHAIR STROBECK: Has the government, as illustrated by the fire departments, been involved in first response, emergency service to accident scene victims, etc.?

MR. SIZEMORE: Complicated issue, because there are so many fire stations throughout communities that they respond faster in many cases and do provide a first response service.

> Illustrates a potential life threatening event.

> Questions the present system of providing fire service and first response

to every call.

> Remarks about the problem of government expanding into more areas.

168 REP. JOHNSTON: Is the issue about service or jobs?

MR. SIZEMORE: Not about jobs. Opines that opposition to the bill appears to be an interest in legislation to protect jobs of government workers. Issue should be what is the most efficient, cost-effective way of providing

services to the public (i.e., efficient use of taxpayer dollars).

REP. JOHNSTON: Understands the issue is the ability to provide cost effective service.

> Quotes testimony "One of the problems is that we have so many fire stations." Do you see that as a problem? Was that in your survey?

181 MR. SIZEMORE: No.

> One contributor to the point the firefighters' make is they are often the first and fastest responder, because there are many fire stations.

> Problem is that private ambulance servers are not able to deliver similar

response services in all cases, because they do not have as many locations as the fire station.

> Solution should be to require the private ambulance service have more locations.

REP. JOHNSTON: So, the ability to respond quickly is part of that good service?

195 MR. SIZEMORE: Yes, absolutely.

REP. WYLIE: What is the public policy argument of why government should not provide a service that is/can be provided by the private sector?

MR. SIZEMORE: Opines there is not a problem with government providing a service. Private sector is asking for "an even playing field."

242 JOHN POWELL, Central Lincoln Peoples Utility District: Testifies about HB 3389:

> Provides historical profile of utility districts in the state.

> Points out problem with HB 3389 is that as a unit of government Central Lincoln PUD would be subject to the provisions. A utility cannot simply serve its customer bases and stop should there be competition.

> Cites contact with Rep. Tiernan and an amendment to exclude utilities.

283 SARAH HACKETT, League of Oregon Cities. Testifies in opposition to HB 3389:

> Agrees with Mr. Grundfossen's testimony about difference between contracting and HB 3389.

> Views bill as not allowing local governments to contract -- they now have

that authority.

> Opines the intent of the bill is to require cities not to extend services

if needs grow. Illustrates the problem with an annexation.

298 MS. HACKETT: Continues testifying. Refers to Mr. Kafoury's amendment on HB 3383.

> Says the amendment eliminates ORS chapter 190 under which most local governments interact with other governments.

> Comments about definitions. Says "fee based" is a very broad definition,

"cost benefit analysis" doesn't work well and is difficult to calculate, and "could reasonably provide" is subject to the interpretation of Administrative Services.

> Illustrates story about when George Washington built Mt. Vernon.

360 TOM O'CONNOR, Oregon Municipal Electric Utilities: Provides additional testimony (see Subcommittee on Regulatory Reform Minutes dated March 13, 1995 at Exhibit W). Testifies as follows:

> Urges rejection of HB 3389 and HB 3383, because they would prohibit utilities from providing products and services that communities have voted to provide or leave that decision up to an unelected state bureaucrat in Salem.

> Opines that HB 3389-1 Amendments prohibits basic upgrades and expansion necessary to meet community growth; blocks people's right to form by the vote a new publicly-owned utility.

BURTON WEAST, Special Districts Association of Oregon, Oregon Fire Chiefs Association, Oregon Fire District Directors and APCO (9-1-1 Managers):
Testifies in opposition to HB 3389 and HB 3383.

> Urges rejection of HB 3389 and HB 3383.

TAPE 18, A

004 MR. WEAST: Continues testifying:

> Describes the 100+ districts with volunteer programs and problem of how to implement the bill under those circumstances.

> Cites Section 1 and opines it is not a contracting provision -- it is a "flat" prohibition.

> Illustrates a common situation involving volunteers who want to do business inspections in a fire district.

> Describes problems encountered in the bid process and options available.

> Questions "how improving the efficiency of government is to have all of us sending in, every time we want to have service or a product, to General Services and having them trying to make some finding about whether it is cost effective or not. I cannot believe that the legislature would decide that that's something that makes sense in terms of cost effectiveness or wise use of taxpayer money."

> Says business people comprise almost all members on elected boards and elected boards/commissions make the decisions for thousands of different public service issues/services.

> Points out the impact of legislative changes/mandates to service.

047 REP. WYLIE: Comments that the legislature would be removing a lot of business from consultants who do cost-benefit analysis if the legislature passes bills in the current form.

057 CHAIR STROBECK: Closes public hearing on House Bills 2764, 2823, 3383 and 3389. Opens public hearing on HB 2988.

HB 2988 - PUBLIC HEARING

Witnesses: Burton Weast, Special Districts Association
Scott Alvord, Sunriver Fire Department
Jerry Freshour, BPSST (Board on Public Safety Standards & Training)
Tom Chamberlain, Oregon State Firefighters Council

Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT J).

BURTON WEAST, Special Districts Association:: Testifies in support of HB 2988.

> Acknowledges sponsorship of HB 2988.

> Purpose of the bill is to equalize the playing field between public and private fire departments.

(i.e., changes Page 1, Line 21, after "public" to add "private"). Allows BPSST's (Board on Public Safety Standards & Training) certification of private firefighters.

081 SCOTT ALVORD, Chief, Sunriver Fire Department. Testifies in support of HB 2988:

> Furnishes background, structure and funding of fire department service to a private community of about 3,300 residents.

> Explains the problem of a private fire department's inability to receive BPSST certification.

> Cites the agencies contacted that unanimously support accreditation that meets all BPSST requirements.

123 JERRY FRESHOUR, Deputy Director, BPSST (Board on Public Safety Standards

& Training): Testifies in support of HB 2988 to allow accreditation/certification for training received. See no financial implications to the legislation.

130 CHAIR STROBECK: How many private fire districts would this apply to?

BURTON WEAST: Not many -- about 8. Two are of real size (i.e., Sunriver and Illinois Valley in Josephine County).

MR. ALVORD: We are a non-profit fire department; do not seek subscriptions or charge for fire responses. Do charge for the advance life-support ambulance services.

REP. WYLIE: No problem with the bill. Illustrates a hypothetical scenario about a private company with a fire protection function. Is that likely to arise and, if so, is it good public policy to require the public entity to have priority on that slot?

156 MR. FRESHOUR: Opines that wouldn't be an issue now. Describes in-house training mechanisms and the role of BPSST.

MR. WEAST: Quotes from subsection (7) on Page 1 that clearly refers to full-service fire agencies.

176 REP. GRISHAM: How does BPSST intend to provide services to an agency with previous certification that no longer has that certification due to BPSST work constraints?

MR. WEAST: Explains expansion of the mandated training mission and inability to accommodate Oregon State Marine Board training on the BPSST facility.

201 TOM CHAMBERLAIN, Vice President, Oregon State Firefighters Council: Testifies in opposition to HB 2988. Furnishes background work experience.

Indicates support to HB 2988 if there is an amendment to mandate training for firefighters.

CHAIR STROBECK: How does that directly relate to this bill?

MR. CHAMBERLAIN. Refers to definition in the bill of who qualifies under BPSST. Suggests amendment to ORS 181.644 and mandate training functions.

226 CHAIR STROBECK: Closes public hearing on HB 2988 and opens work session on HB 2988.

HB 2988 - WORK SESSION

231 REP. STARR: Is it your desire to move the bill?

REP. STROBECK: That is the recommendation.

REP. GRISHAM: Concerned about what appears to be either one or the other.

If BPSST is too busy to do the paperwork for the Marine Board, how can BPSST have the ability to certify the private fire departments? Is it a question of endorsement rather than certification? Not inclined to move the bill.

250 REP. STARR: BPSST still certifies the training for the Marine Board.

MOTION: REP. STARR moves that HB 2988 be sent to Full Committee with a DO PASS.

REP. WYLIE: Prefers devoting more time to the bill before it is moved.

REP. STARR: Withdraws motion.

CHAIR STROBECK: Closes work session on HB 2988 and opens work sessions on HB 2293.

HB 2293 - WORK SESSION

279 CHAIR STROBECK: Refers to Rep. Kevin Mannix's HB 2293-2 Amendments. HB 2293-2 Amendments are hereby made a part of these Minutes (EXHIBIT K).

CHAIR STROBECK: Recommends revision to HB 2293-2 Amendments that after "not" to delete "release information to the news media" and insert "otherwise publicize information described in paragraph (a) of this subsection".

> Opines the change would relate not only to news media, but also other forms of publication.

322 REP. WYLIE: Are we are concerned about a small number of cases?

CHAIR STROBECK: There were 168 suspensions and 169 revocations in the past 10 years.

REP. WYLIE: Not convinced the bill is needed.

355 CHAIR STROBECK: Explains concerns of Oregon Association of Realtors and Rep. Mannix.

REP. WYLIE: Agrees to move bill out of committee, but in Full Committee may not vote to move the bill.

370 CHAIR STROBECK: Explains the compromise to not proactively distribute until the order is final.

REP. GRISHAM: How does this bill relate to the larger bill about disclosures on all the public boards?

CHAIR STROBECK: Not directly related to the Board of Medical Examiners and

other open processes.

TAPE 17, B

003 MOTION: REP. WYLIE moves ADOPTION of HB 2293-2 amendments as amended.

CHAIR STROBECK: Calls for objections. Hearing no objections the MOTION is ADOPTED.

014 CHAIR STROBECK: Adjourns the meeting at 4:16 pm.

Submitted by, Reviewed by,

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

EXHIBIT SUMMARY:

- A - Proposed HB 3389-1 Amendments -- Staff -- 2 pages
- B - Proposed LC 3551 Amendments -- Steve Kafoury -- 2 pages
- C - Prepared Testimony on HB 3383 and HB 3389 -- Steve Jacky -- 2 pages
- D - Prepared Testimony on HB 3389 -- Ed Edwards -- 1 page
- E - Prepared Testimony on House Bills 2823, 2764, 3383 and 3389 -- Rich Peppers -- 4 pages
- F - Prepared Testimony on HB 2764 -- Cameron Birnie -- 2 pages
- G - Prepared Testimony on HB 2764 -- Mike Freese -- 2 pages
- H - Prepared Testimony on HB 3389 -- Peter Grundfossen -- 1 page
- I - Proposed Amendments to HB 3389 -- Bill Sizemore -- 1 page
- J - Preliminary Staff Measure Summary on HB 2988 - 2 pages
- K - Proposed HB 2293-2 Amendments --Rep. Kevin Mannix -- 1 page