

SENATE COMMITTEE ON
RULES AND ELECTIONS

Hearing Room
9:30 a.m. Tapes -29

MEMBERS PRESENT:

Sen. Randy Miller, Chair
Sen. Paul Phillips, Vice-Chair
Sen. Shirley Gold
Sen. Dick Springer

MEMBER EXCUSED:

Sen. Brady Adams

STAFF PRESENT:

Kristina McNitt, Committee Administrator
Gretchen Haber, Committee Assistant

MEASURES HEARD:

Executive Appointments:
DEPARTMENT OF ADMINISTRATIVE SERVICES - Jon R. Yunker
STATE LOTTERY - Gary K. Weeks
Introduction of Committee Bills
SJR32: Public Hearing
SB 491: Public Hearing

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

003 CHAIR MILLER: calls the meeting to order at 9:30 a.m.

010 Opens public hearing on SJR32

Witnesses:

House Speaker Bev Clarno
Senate President Gordon Smith
Attorney General Ted Kulongoski
Bob Kouns, Crime Victims United
DeeDee Kouns, Crime Victims United
Rick O'Dell, Crime Victims United
Steve Dole, Crime Victims United

020 HOUSE SPEAKER BEV CLARNO, testifies in favor of SJR32.

028 CLARNO: testifies that the status quo is somewhat out of balance, and
calls for SJR32 in order to reprioritize.

045 SENATE PRESIDENT GORDON SMITH: testifies in favor of SJR32.

050 SEN. SMITH: testifies that victims do have a rightful first place
within our justice system. Discusses the responsibilities that come along
with rights.

065 ATTORNEY GENERAL THEODORE KULONGOSKI, testifies in favor of SJR32. Presents written testimony (EXHIBIT A). Notes that the resolution is a nonpartisan issue.

073 KULONGOSKI: refers to Art. I Sect. 15 of the Oregon Constitution. Says that it is important to hold criminals responsible for their crimes.

094 SEN. PHILLIPS: asks if accountability is taken into account.

096 KULONGOSKI: answers yes

098 SEN. PHILLIPS: further discusses accountability. Asks how the resolution would be interpreted by future judges.

109 KULONGOSKI: responds with a reference to SB 1, and the issue of restitution and victims rights.

115 SEN. PHILLIPS: asks if he would suggest placing language on accountability in the constitution.

117 KULONGOSKI: answers no.

120 CHAIR: notes that the resolution is a bipartisan measure.

134 BOB KOUNS, LEGISLATIVE LIAISON, CRIME VICTIMS UNITED. Testifies in favor of SJR32 (EXHIBIT B). Provides brief history of Crime Victims United.

148 B. KOUNS: refers to the murder of his daughter by a career criminal. Refers to Art. I, Sect. 15 of the Oregon Constitution.

164 B. KOUNS: outlines past legislative history on the measure.

176 B. KOUNS: explains that the committee will encounter opposition to the measure, and will be told that the measure is not needed. Notes that the arguments reference the constitution, yet those issues cannot be found in the constitutional language.

203 B. KOUNS: asks committee to accept the philosophy of free will, rather than a deterministic perspective. Discusses each concept.

221 B. KOUNS: calls for a radical change to the method by which the constitution is interpreted. Discusses personal responsibility, and the belief that individuals must want to reform themselves. Notes that government may be able to play a role in that reform. Discusses.

261 B. KOUNS: notes that the victims should be considered the government's clients, not the offenders.

274 B. KOUNS: requests that the committee refer the measure to the people for a vote.

279 SEN. PHILLIPS: asks if Mr. Kouns would prefer to have the measure be on the ballot before the next general election.

288 B. KOUNS: answers yes, he'd like to see it as soon as possible.

290 DEEDEE KOUNS, PRESIDENT, CRIME VICTIMS UNITED, testifies in favor of SJR 32 (EXHIBIT C).

313 D. KOUNS: refers to past initiative petitions that indicate strong citizen support for the measure. Argues that a "reformation only" approach, as she refers to the status quo, has been costly and unpopular.

340 D. KOUNS: provides examples of career criminal that had been released and considered reformed, but then went on to commit additional serious crimes. Lists names, crimes and convictions of cases wherein the criminal

has been released or is expected to be released.

Tape 29, A

002 D. KOUNS: argues that the current system does not effectively protect public safety.

015 RICK O'DELL, CRIME VICTIMS UNITED, testifies in favor of SJR32.

032 STEVE DOLE, CRIME VICTIMS UNITED, testifies in favor of SJR32.

057 DOLE: testifies that accountability in the home, with children, as an example of teaching personal responsibility. Says that as incarceration rates go up, crime goes down.

070 Closes public hearing on SJR32.

072 CHAIR: notes that there will be a work session on SJR32 as soon as possible. States that SJR26 is similar to SJR32 and that he would yield SJR26 in favor of SJR32.

092 CHAIR: requests introduction of a bill proposal that would allow forest products trucks to be parked in an exclusive farm use zone.

MOTION: CHAIR MILLER moves that the bill proposal as explained BE INTRODUCED AS A COMMITTEE BILL.

VOTE: CHAIR MILLER, hearing no objection, declares the motion PASSED. SEN. ADAMS is EXCUSED.

099 Opens hearing on the confirmation of Gary Weeks, for the Director of the State Lottery.

EXECUTIVE APPOINTMENT OF GARY K. WEEKS AS STATE LOTTERY DIRECTOR

Witness: Gary K. Weeks

106 GARY WEEKS: explains his background in state government over the last 23 years and comments this is a very challenging time for the state lottery. Speaks about challenges in the constitution to maximize revenues commiserate with the public good.

129 CHAIR: asks Mr. Weeks what the tax treatment is to the Indian tribe casinos.

132 WEEKS: answers that no taxes are paid; Oregon does not benefit from the eight casinos that will be built in the state under the compacts; winnings are taxable as in any casino in any state.

141 CHAIR: refers to proposals before the legislature that ban all advertising for the lottery. Asks if there is a higher amount of advertising scheduled during the legislative session.

155 WEEKS: responds that advertising increases as jackpot winnings increase. Cites Powerball and Megabucks jackpots as examples. Notes that the lottery spends 2.5% of its total budget on advertising. Lottery Commission will undertake a study to determine what is received for the dollars spent for advertising.

184 CHAIR: states that in the Ways and Means subcommittee, there is a high degree of promotion of the lottery, rather than informative proposals.

200 WEEKS: responds that it has become the responsibility of the lottery to inform the public of what is done with lottery dollars.

212 CHAIR: asks what percentage of the total lottery budget is spent on administrative costs. Refers to the 16% cap on administrative costs.

215 WEEKS: answers that the lottery spends about seven and one-half percent of revenue on administration; 16 percent is the cap. About 15 percent of the 16 percent is spent on the traditional games. About two and one-half percent is spent on video games.

239 SEN. PHILLIPS: asks if Mr. Weeks voted for or against the lottery originally.

243 WEEKS: answers that he voted yes.

248 SEN. PHILLIPS: Comments it has been rumored there will be up to \$250 million in annual revenues from the on-line games and asked if next year is a reasonable time table.

250 WEEKS: responds that the Governor has indicated opposition to what are called "line games," where a sidebar is pulled to line up three identical pictures for a win. The commission will not be marketing real games and line games, but are cooperating with the manufacturers of machines in the development of the computer chips that would allow the games to be played.

That is vendor money rather than lottery money. If the legislative assembly or the governor should feel that public policy is changed and is supportive, it is a matter of putting the chip in the 7,000 video machines which would take about six weeks.

296 SEN. PHILLIPS: asks if he considers the lottery commission to be similar to a gaming commission. Asks if there has been discussion about pulling together the various gaming commissions to discuss the future trends in Oregon games.

300 WEEKS: answers yes. Discusses future possibilities for possible communication and consolidation.

327 SEN. PHILLIPS: states need for coordination. Asks about Mr. Weeks' position on floating casinos.

337 WEEKS: responds that he expects requests from ships for casino games.

354 SEN. PHILLIPS: asks his opinion on a lottery building.

360 WEEKS: answers that the building is a smart business decision. Indicates the impossibility of staying where the lottery is currently, due to security reasons. Testifies that the city has been scoured for a possible building and that one has not been found which could be remodeled inexpensively.

Tape 28, B

007 SEN. PHILLIPS: asks how the proposal to move the lottery to Burns, Oregon, fits with the building plans.

010 WEEKS: answers that the decision would be a poor one. Notes the nature of the data processing, the centralization of the data, and the lack of fiberoptic cable in Eastern Oregon. Indicates that the proposal was well intentioned, but would not be workable.

032 SEN. PHILLIPS: asks if Mr. Weeks planned to make any staffing changes. Asks if there is a deputy director.

037 WEEKS: answers that there is not a deputy director. Discusses staff.

043 SEN. PHILLIPS: noted past bonuses of \$1,000 paid to staff when lottery revenues achieved particular goals. Asked if he would support bonuses.

045 WEEKS: answered no, there would not be bonuses.

055 SEN. PHILLIPS: asked if Mr. Weeks would change retailer commission rates.

057 WEEKS: answered no. Testified that the rates were reviewed through public hearings throughout the state. States that he would not be in favor of changing something that had gone through such an extensive public process.

075 MOTION: SEN. PHILLIPS moves that the committee recommend to the Senate confirmation of Mr. Weeks as Director of the Oregon State Lottery.

VOTE: In a roll call vote, all members present vote AYE. SENS. ADAMS AND SPRINGER ARE EXCUSED.

CHAIR: declares motion PASSED.

EXECUTIVE APPOINTMENT OF JON YUNKER AS DIRECTOR OF DEPARTMENT OF ADMINISTRATIVE SERVICES

Witness: Jon Yunker

092 Opens hearing to appoint Jon Yunker for Director of Administrative Services.

JON YUNKER: states his history of public service with state government and the Salem-Keizer Public School District.

105 SEN. PHILLIPS: discusses the recent trend towards agency requests to be removed from the Dept. Of Administrative Services (DAS). Asks for his proposals with this regard.

120 YUNKER: responds that the philosophy of DAS has and will remain the same, which is to centralize for better effectiveness at meeting accountability requirements or other goals affecting all public agencies.

137 YUNKER: continues that there may be some arguments for some privatization. Refers to example of the Oregon Health Sciences University and their unique role as a competitor with other hospitals. Indicates support for OHSU privatization at least on an experimental basis.

157 YUNKER: discusses original theory behind centralization. Uses example of purchasing.

174 SEN. PHILLIPS: notes that there has been discussion of requiring the Dept. Of Administrative Services to conduct performance audits, rather than the status quo. Asks for his position on the issue.

195 YUNKER: responds with discussion of past proposals that are similar. Discusses past proposals to involve the Legislative Fiscal office. Indicates understanding that program audits are also now valued.

225 YUNKER: continues, stating that he plans to reorganize staff to be able to respond immediately when problems are discovered. Indicates need for quick response. Calls for a team approach to audits, involving DAS and the legislature.

242 SEN. PHILLIPS: clarifies Mr. Yunker's position with regards to the team approach to audits. Asked what Mr. Yunker plans to do with staff reorganization.

254 YUNKER: answers that the first priority has been to balance the budget.

Says that the reorganization of staff has not yet been discussed, but that he does plan to do so.

273 SEN. PHILLIPS: asks for his general philosophy on privatization.

279 YUNKER: answers that privatization has a role in government work. Notes that there are certain tasks that are currently contracted out. Discusses when he feels privatization is appropriate. Uses example of food service privatization in schools.

309 SEN. PHILLIPS: asks if there can be a rotation of staff between Legislative Fiscal and the Governor's Office as was done in the 80's.

312 YUNKER: answers that it was done in the past, but is not aware of any rotation today, but it would be helpful for both branches and will look at that in the future.

336 CHAIR: comments he draws some conclusions from Mr. Yunker's answers and invites Mr. Yunker to respond if they are incorrect: Mr. Yunker agrees with the attorney general that it is as best questionable whether the Secretary of State has the authority to conduct performance audits; and if it were practicable to contract out audits, it would be advisable.

354 YUNKER: comments he believes there is question about where the Secretary of State's authority goes, and sometimes it is the unique situation that makes a difference in contracting.

370 MOTION: SEN. GOLD moves that the committee recommend to the Senate the confirmation of Mr. Yunker as Director of the Department of Administrative Services.

VOTE: In a roll call vote, all members present vote AYE. SENS. ADAMS AND SPRINGER ARE EXCUSED.

380 CHAIR: declares the motion PASSED.

366 Closes work session on the executive appointment of Yunker.

378 Opens public hearing on SB 491.

383 CHAIR: indicates he introduced SB 491 which deals with the voter pamphlet and the definition of "occupation". Discusses the general definition currently held for the term. He feels the term should be defined to mean what job the person holds.

Tape 29, B

002 SEN. PHILLIPS: asks about the filing of ethics reports and the 50%-or-more rule with regard to earnings. Calls for consistency in filing the ethics reports and reporting to the voters pamphlet.

010 SEN. GOLD: comments and agrees that there is currently confusion.

029 Closes public hearing on SB 491.

030 CHAIR: adjourns meeting at 11:00 a.m.

Submitted by,

Annetta Mullins
Committee Assistant

EXHIBIT SUMMARY:

- A - Testimony on SJR32 - T. Kulongoski - 2 pages
- B - Testimony on SJR32 - B. Kouns - 3 pages
- C - Testimony on SJR32 - D. Kouns - 2 page