SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT February 16, 1995 Hearing Room 137 8:30 a.m. Tapes 26-27 MEMBERS PRESENT: Sen. John Lim, Chair Sen. Bill Kennemer, Vice-Chair Sen. Bill Bradbury Sen. Gene Derfler Sen. Joan Dukes MEMBERS EXCUSED: STAFF PRESENT: Joseph Cortright, Executive Officer Jeri Chase, Office Manager Bobby Sullinger, Committee Assistant WITNESSES: Gretchen Pierce, Oregon Economic Development Commission Bill Williams, Oregon Economic Development Commission MEASURES HEARD: Economic Development Commission Report to the 1995 Legislature 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. NOTE: The tape recording sequence for this meeting is TAPE 26, SIDE A, TAPE 26, SIDE B, and TAPE 27, SIDE A. TAPE 26, SIDE A 002 CHAIR LIM: Brings the committee to order at 8:34 a.m. Overviews B-Engrossed House Bill 3658 from the 67th Oregon 015 CORTRIGHT Legislative Assembly - 1993 Regular Session [EXHIBIT A]. 042 CORTRIGHT Overviews LC 3084 Draft [EXHIBIT B]. 0.57 SEN. KENNEMER: If this bill passes would it bring us into compliance with the 1990 Workforce ballet initiative? 060 CORTRIGHT: Clarifies Workforce ballet initiative intent. 070 MOTION: SEN. DERFLER: moves the Committee introduce LC 3084 Draft. 071 PASSES: CHAIR LIM hearing no objections the motion CARRIES. Economic Development Commission Report to the 1995 Legislature 005 CHAIR LIM: Opens INFORMATIONAL MEETING on Economic Development Commission report. GRETCHEN PIERCE: 085 Overviews Oregon Economic Development Commission Biennial Report [EXHIBIT C]. PIERCE: Continues overview of [EXHIBIT C] (Brand Oregon). 136 168 SEN. KENNEMER: Can you restate the figures associated with lottery fund distributions in rural as opposed to urban areas? PIERCE: Responds to committee question. 169 176 Committee discussion regarding the reversal of trends as it relates to the distribution of lottery funds in rural Oregon. 182 PIERCE: Responds to committee discussion. 187 SEN. DUKES: What is the actual dollar amount distributed to the 33 counties mentioned? 189 PIERCE: Responds to committee questions.

198 Committee discussion regarding distribution of lottery funds in rural counties.

203 PIERCE: Responds to committee discussion.

211 Committee discussion regarding building prisons and how it relates to economic development.

222 PIERCE: Responds to committee discussion by referring to [EXHIBIT C] (A Stubborn Problem).

246 CHAIR LIM: Do you think lottery funds should continue to be spend on economic development using the same urban to rural ratios as in the past few years?

252 PIERCE: Responds to committee questions.

253 CHAIR LIM: How do you justify continued economic development given the improved economy?

255 PIERCE: Responds to committee questions.

269 PIERCE: Continues overview of [EXHIBIT C] (Trends in Income).

319 SEN. DUKES: Is there coordination between OEDD and other possible Federal

funds/projects.

341 PIERCE: Responds to committee concerns.

368 $\,$ Committee discussion regarding State as opposed to Federal efforts to help dislocated workers.

419 PIERCE: Continues overview of [EXHIBIT C] (Diversifying the Oregon economy).

TAPE 26, SIDE B

003 $\,$ SEN. DERFLER: Comments on agencies dividing the state into different regions without coordinating their efforts.

009 $\,$ PIERCE: Responds to committee discussion regarding coordinating efforts with other state agencies.

025 PIERCE: Continues overview of [EXHIBIT C] (Economic Development Policies).

053 PIERCE: Continues overview of [EXHIBIT C] (Loan Guarantees).

080 PIERCE: Continues overview of [EXHIBIT C] (Return on Investment Criteria).

117 SEN. DERFLER: I would like to see the Commission concentrate on specific goals, timelines, measurements of results rather than using the Oregon Benchmarks.

128 PIERCE: Responds to committee concerns.

141 PIERCE: Continues overview of [EXHIBIT C] (Commission Recommendations).

186 PIERCE: Continues overview of [EXHIBIT C] (Continues Commission Recommendations).

240 SEN. DERFLER: Comments that the biggest problem faced by the Commission is having to deal with the Legislature trying to micro manage OEDD. The Commission may have to become stronger to avoid having the Legislature going directly to the Department rather than through the Commission.

258 PIERCE: Responds to committee concerns.

292 BILL WILLIAMS: Continues to respond to committee concerns.

331 SEN. DERFLER: Can you expand on your concerns regarding OEDD.

333 WILLIAMS: Responds to committee question.

355 CHAIR LIM: Do you have any suggestions on how Oregon can be more competitive in the world market?

379 PIERCE: Responds to committee question by referring to [EXHIBIT C] (Implementing Oregon's International Strategy).

442 WILLIAMS: Responds to committee discussion regarding access to the world market and the Commission's suggestions.

464 Committee discussion regarding subsidizing freight charges.

TAPE 27, SIDE A

035 Committee discussion continues regarding subsidizing freight charges.

045 PIERCE: Responds to committee discussion regarding freight charges as a concern in the world market and its impact.

067 SEN. KENNEMER: Given that the lottery funds are increasingly being diverted for education and less is going to economic development activities, what are your thoughts regarding the long term effect of the state's growth, economic diversity, loss of natural resource based jobs?

081 PIERCE: Responds to committee question.

135 WILLIAM: Responds to committee question regarding the possibility of decreased economic development funding.

140 SEN. KENNEMER: What do you consider a well educated work force?

146 PIERCE: Responds to committee question.

173 CHAIR LIM: The report summary refers to 4.7 billion dollars in investments. With so much venture capital coming into the state do you think we should continue economic development at the current pace?

195 WILLIAMS: Responds to committee question.

221 CHAIR LIM: What are your views regarding the difficulties associated with

raising venture capital for new business?

226 PIERCE: Responds to committee question.

272 Committee discussion regarding statutory regulations as it relates to OEDD's flexibility.

307 PEIRCE: Responds to committee discussion.

320 $\,$ SEN. DERFLER: Comments on the importance of flexibility for OEDD and other state agencies.

353 PIERCE: Responds to committee discussion regarding collaboration between state agencies.

393 SEN. DERFLER: Comments as legislators we have difficulties with cost as it relates to the benefits of the Workforce Quality and other state funded projects.

403 PIERCE: Responds to committee discussion.

432 CHAIR LIM: Closed INFORMATIONAL MEETING on Economic Development Commission report.

434 CHAIR LIM: Adjourns committee meeting at 10:03 a.m.

Submitted by

Bobby Sullinger EXHIBIT LOG

EXHIBIT A - B-Engrossed House Bill 3658 from the 67th Oregon Legislative Assembly - 1993 Regular Session, Presented by Joseph Cortright, 4 pages.

EXHIBIT B - LC 3084 Draft, Presented by Joseph Cortright, 25 pages.

EXHIBIT C - Oregon Economic Development Commission Biennial Report, Presented by Gretchen Pierce, 60 pages.