

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
JANUARY 22, 1993 8:00 AM HEARING ROOM A STATE CAPITOL
BUILDING

Members Present: Representative Delna Jones, Chair
Representative John Schoon, Vice Chair
Representative Tom Brian
Representative Mike Burton
Representative Margaret Carter
Representative Tony Federici
Representative Fred Girod
Representative Gail Shibley
Representative Greg Walden
Representative Jim Whitty
Witnesses Present: Duncan Wise, Executive Director, Oregon
Progress Board
John Lattimer, Legislative Fiscal Officer
Staff: James Scherzinger, Legislative Revenue Officer
Paula McBride, Committee Assistant

TAPE 20 SIDE A

001 CHAIR JONES called the meeting to order at 8:07.
027 REP. CARTER discussed "the mood of America," from her experiences at
the Inauguration ceremonies in Washington DC.
Questions and discussion
084 CHAIR JONES announced the two subcommittees: Property Tax, chaired by
REP. TOM BRIAN, with members REPS. GIROD, BURTON, CARTER, and WHITTY; and
"Income Tax", chaired by REP. SCHOON, ADAMS, FEDERICI, and SHIBLEY. CHAIR
JONES will officially be on both subcommittees. A "Small Business Work
Group" will be chaired by REP. WALDEN, with members REPS. CARTER and ADAMS.
She announced initial schedules for the subcommittees.
129 DUNCAN WISE explained the meaning and organization of the "Oregon
Benchmarks." The Benchmarks are a system of long-range

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meeting. Text enclosed in quotation marks reports the speakers' exact
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goal setting for Oregon, used in business but never in government before.
Outcomes rather than effort put into an area or issue are measured. He gave
a brief history of the Benchmarks. The Oregon Progress Board was set up in
1989 to set these goals. Benchmarks were organized into three broad
categories: How Oregonians are doing as a people, Quality of Life, and the
Economy. These three categories are then divided into two additional
groupings: urgent (short term) and core (long term). He gave examples of
these. Exhibits 1 and 2
Questions and discussion
interspersed
274 DUNCAN WISE said the Progress Board believed its goal is keeping Oregon
focused on the future.
280 CHAIR JONES discussed the Legislature's and the Committee's role in

reaching the goals set by the Progress Board.

321 DUNCAN WISE said the major point of the Benchmarks was to demonstrate how goals cut across programs and departments, which he characterized as a fundamental shift in thinking.

336 DUNCAN WISE continued his presentation of the organization and goals of the Oregon Benchmarks. There are four broad sections in the "Quality of Life" category: natural resources, communities, public safety, and health care. There is also a series of measures related to the category "Economy," as follows: incomes and jobs, industry diversification, productive employers, business climate, infrastructure, government efficiency and taxes. Exhibits 1 and 2

Questions and discussion

389 DUNCAN WISE said the Progress Board concluded that the mandated Governor's budget did not provide enough revenue to fund all the Benchmarks.

Questions and discussion interspersed

TAPE 21 SIDE A

002 Questions and discussion continued concerning the "Oregon Benchmarks." Exhibit 1

017 DUNCAN WISE discussed how Oregon is using the benchmarks, which is a vision based on only two years of work. He gave an abbreviated overview of how benchmarks could be used. He explained four categories where the benchmarks have been used. The Progress

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Board believes that the tax system must be changed to enable Oregon to reach the specific goals set. These goals were considered by the Governor as she put together the budget. He gave examples of how different organizations in the state (private sector) have used the benchmarks in their own planning. He discussed developing "clusters" of issues as a goal of the Progress Board. Performance measures will be developed in State agencies to determine how well the state is attaining the benchmarks, using both state and local control. Exhibits 1 and 2

124 DUNCAN WISE believed all other State systems would have to be revised to meet the goals of the benchmarks. He compared the old model of governmental organization to a new one devised for government efficiency in reaching benchmark goals. Exhibit 1-2

Questions and discussion

183 DUNCAN WISE said the other piece of the model is the reorganization of government agencies, away from hierarchical structure and into a system of networks and alliances. Team-work is emphasized, and teams will cut across agency lines. Exhibits 12

203 DUNCAN WISE said the personnel system will also have to be reorganized, and he described the goals in this area. Exhibits 1-2

216 DUNCAN WISE discussed "information technology" in the benchmark plan. Exhibits 1-2

235 DUNCAN WISE believed that a new language and major changes in thinking had to be developed to achieve the benchmarks, and gave examples of changes.

Questions and discussion
interspersed

334 DUNCAN WISE discussed the relationship of the Progress Board to the Governor's Office and the Executive Department. The Board is essentially an advisory board, with no formal authority except to produce the "Oregon Benchmarks." He asked for legislative partnership in producing the goals.

Questions and
discussion

TAPE 20 SIDE B

010 Questions and discussion continued between DUNCAN WISE and the members concerning the process of implementation of the goals laid

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out in the "Oregon Benchmarks." Exhibit 1

034 DUNCAN WISE noted what the previous legislative session accomplished in achieving some previous benchmark goals.

Questions and discussion

100 CHAIR JONES introduced the new mayor of Beaverton, ROB GRATE.

Questions and discussion continued concerning the "Oregon Benchmarks."

185 DUNCAN WISE suggested ways to achieve benchmarks. He suggested tools and skills that would produce the outcomes needed.

Questions and discussion

307 DUNCAN WISE explained why priority benchmarks had been set by the Progress Board. Exhibit 1

Questions and discussion interspersed

340 DUNCAN WISE described the efforts the Progress Board had taken and could be credited for in education reform in Oregon.

Questions and discussion

TAPE 21 SIDE B

008 Questions and discussion continued related to the legislative role in the achievement of benchmarks.

044 DUNCAN WISE emphasized the role of the Progress Board was to suggest a direction for Oregon ought and to describe as well as possible how Oregon are doing. He believed that a focus must be put on training and getting people new skills so they can be more productive. Exhibit 1

080 CHAIR JONES conducted administrative business.

108 CHAIR JONES recessed the Committee at 9:40 and reconvened at 10:03.

119 JOHN LATTIMER began a budget overview with an exploration of an imaginary service level budget process (how a budget is put together).

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Questions and discussion

198 JOHN LATTIMER discussed reasons for current service level increases, reiterating material from his presentation on 1-21-93. He illustrated on the a presentation board (see below) service levels specifically related to inflation and population growth that influence the General Fund. Exhibit 3 (also Exhibit 4, 1-21-93)

Questions and discussion interspersed

300 JOHN LATTIMER continued his illustration relating to the "service level." He reiterated the budget process is about making choices. Exhibit 3

Questions and discussion

TAPE 22 SIDE A

002 Questions and discussion continued, specifically concerning the service level of higher education. (see Exhibit 4, 1-21-93)

084 JOHN LATTIMER emphasized that the current service level could be changed and that it did not have to be funded at the current level. Agencies could examine their own organization for ways to become more efficient. Almost 60% of the budget for General Fund pays for education (students, teachers, programs, school enterprises). Exhibit 3

Questions and discussion

145 JOHN LATTIMER illustrated his discussion of "Human Resources" in the budget by using numbers written on the white presentation board as follows:

Education	Human Resources	Public Safety	All Other
K-12 CC's H.Ed	1.4	7.25	.457
1.9 .200 .732	1.9	-	7.87
3.1 .275 .789	1.6	7.62	.384
2.6 .245 .646			

165 JOHN LATTIMER showed charts on the overhead projector concerning programs in the Human Resources budget from the Fiscal Analysis of the Governor's Budget. He noted changes that should be made in the budget evaluation. Exhibit 4

Questions and discussion

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260 ? JOHN LATTIMER explained a second chart emphasizing as eligibility changes, costs change. Exhibit 4, page 49

Questions and discussion interspersed

345 JOHN LATTIMER discussed a third chart which depicted the Adult Dependent Care program. Exhibit 4, page 52

Discussion

391 JOHN LATTIMER charts illustrating Human Services costs. Exhibit 4, pages 52-61.

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002 JOHN LATTIMER continued his explanation.

Questions and discussion

077 JOHN LATTIMER again referred to his figures on the presentation board, explaining choices the before the legislature in budget deliberations.

092 JOHN LATTIMER related that Mental Health is another program that has had its costs reduced by reducing the population, but the issue remains where that population is treated, if at all. Oregon does directed much money into medical prevention. He stressed that those programs classified as "institutions" require higher service level budgets.

Questions and discussion

123 JOHN LATTIMER went over the "Public Safety" budget, which includes the Judicial Branch. He revealed the current levels of funding and the recommendations in the "Governor's Budget." Costs are driven by local police and judges in Corrections (the most convictions, the larger the prison population), and he explained other factors that influence the cost of programs. Exhibit 4, pages 64-67.

Questions and discussion interspersed

235 JOHN LATTIMER continued discussion of population and capacity in public safety institutions, and the postinstitution population. Exhibit 4, page 66

Questions and discussion

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TAPE 22 SIDE

B

002 Discussion continued.

007 CHAIR JONES conducted Committee business.

048 CHAIR JONES adjourned the meeting at 11:22.

Paula K.McBride, Committee Assistant
Kimberly Taylor James, Office Manager

EXHIBIT SUMMARY

1. WISE, Oregon Benchmarks, Report to the 1993 Legislature, Oregon Progress Board, 12/92
2. WISE, charts illustrating Oregon Benchmarks
3. LATTIMER, matrix, Fiscal Analysis of Governor's Budget
4. LATTIMER, publication, Analysis of Governor's Recommended Budget, Legislative Fiscal Office

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