

Public Hearing: HJR 59
HJR 61
SJR10A
SB 357A
Tapes 40-
41 A/B
42 A
HOUSE COMMITTEE ON
REVENUE AND SCHOOL
FINANCE

FEBRUARY 25, 1993 8:30 AM HEARING ROOM A STATE CAPITOL
BUILDING

Members Present: Representative John Schoon, Vice Chair Representative Ron Adams, Representative Tom Brian Representative Mike Burton Representative Margaret Carter Representative Tony Federici Representative Fred Girod Representative Gail Shibley Representative Jim Whitty
Members Excused: Representative Delna Jones, Chair Representative Greg Walden

Witnesses Present: Rep. Larry Campbell, Speaker of the House,
District 43

Representative Bill Markham, District 46
Vern Ryles, Coalition to Restore Urban
Renewal

Carl Talton, Portland Development
Commission

Rosanna Creighton, Citizens for a Drug
Free

Oregon

Ellen Lowe, Ecumenical Ministries of
Oregon

Don Lindly, Association of Oregon Counties

Alan Tresedder, Alcohol & Drug Abuse
Program

Directors Association

George Crese, Association of Oregon
Counties

Mary Pearmine, Association of Oregon
Counties

Steve Bryant, City Manager, Albany

Gary Grossman, KRKTA FM, Albany

Carolyn Wood, City of The Dalles

Gary Honnell, City of the Dalles

Bob DeLong, City Manager, Astoria

Ralph Groener, Oregon AFSCME Council 75

Staff: James Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
eve Meyer, Legislative Revenue Office
Paula McBride, Committee Assistant.

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TAPE 40 SIDE A

008 VICE CHAIR SCHOON called the meeting to order at 8:34.

009 VICE CHAIR SCHOON opened the Public Hearing on HJR 59 and HJR 61.

014 SPEAKER LARRY CAMPBELL discussed HJR 61, which contained a referral to the people to use lottery money for education (an addition) and economic development (already done). He believed that HJR 61 does what people thought the lottery would do initially -- make lottery money available for education. Additionally, it forces the legislature to look very carefully at each expenditure made in the economic development field, because of the competition for lottery money. The short-fall in education will be \$1.2 billion. He stressed that no money should be spent for economic development if family-wage jobs were not created by projects. He supported HB 3565, which was innovative legislation for schools. He mentioned how money has been used for different state projects in the past. He believed it would be legal to use lottery funds for education.

Questions and discussion

084 SPEAKER CAMPBELL said language in HJR 61 would give the legislation authority to prioritize educational projects that need to be funded.

Questions and discussion

119 SPEAKER CAMPBELL believed that only a 2% of the lottery funds had been used for projects the Legislature felt qualified for economic development. He believed it was extremely important to consider using lottery money in authorized ways.

Questions and discussion

138 SPEAKER CAMPBELL talked about family wage jobs and retraining in relation to the issue of economic development in Oregon. He believed that emphasis had been, when it comes to using lottery money, on the wrong areas.

Questions and discussion interspersed

192 SPEAKER CAMPBELL believed that people in the state had different ideas on how funds should be spent in the educational

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field, and that they should be given an opportunity to express their views.

Questions and

discussion

212 SPEAKER CAMPBELL addressed the issue of using funds for the light rail system in areas of Oregon.

Questions and

discussion

252 SPEAKER CAMPBELL responded to the issue of how people might perceive that the money provided by HJR 61 from the lottery would resolve the funding problems for education caused by Measure 5, when in fact that amount (\$285 million) would fall short of what is needed (\$1.2 billion, maybe more). He also mentioned a proposal he had made earlier in the Session, referred to as a "Four-Year Proposal."

Questions and

discussion

334 SPEAKER CAMPBELL responded to the concerns of members that lottery money no longer would be available for programs related to compulsive gambling.

362 SPEAKER CAMPBELL testified in support of HJR 59. This bill is one of

the two priorities he has this session, related to drug and alcohol abuse. The bill would dedicate all beer and wine taxes to drug and alcohol intervention and treatment. He urged the members to understand the tremendous problem drug and alcohol abuse is in the state. He cited statistics of crimes related to drug and alcohol abuse.

TAPE 41 SIDE A

002 SPEAKER CAMPBELL continued his discussion of crimes, specifically related to the family, that result from drug and alcohol abuse.

026 SPEAKER CAMPBELL talked about an experience at a Lane County hospital when he learned about drug-addicted babies. He also mentioned how the State of Hawaii deals with drugaddicted babies and their families.

050 SPEAKER CAMPBELL addressed the issue of the lottery money coming out of the General Fund, but he stressed that a lot of General Fund money is already being used to deal with problems

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resulting from drug and alcohol abuse as it effects various state agencies. Questions and discussion

077 SPEAKER CAMPBELL addressed the issue of taxing wine and beer, but not the hard liquor sold in the state-run liquor stores. He said the wine and beer taxes already were being collected into the General Fund, and HJR 59 would divert these funds directly into programs.

Questions and discussion

115 SPEAKER CAMPBELL said all the money presently being obtained through taxes on beer and wine could be used for drug and alcohol intervention and prevention. He believed that liquor revenues heavily contribute to the state General Fund, whereas beer and wine taxes do not. He would not oppose using liquor revenues in drug and alcohol intervention and prevention, but he thought that the State's financial situation would not warrant this.

Exhibit 1

Questions and discussion interspersed

163 SPEAKER CAMPBELL related that lottery money would be, in effect, mandated to drug and alcohol abuse programs, but by the will of the people, as HJR 59 requires a public vote.

He also related that beverages that had some minor amount of alcohol but were not taxed for the alcoholic content would not be included in HJR 59.

Questions and discussion

188 SPEAKER CAMPBELL discussed the need for research in the state for drug and alcohol intervention and prevention. He believed we needed to find out what the best kind of treatment was, and that it would be futile to continue to pour money into programs that were not working.

200 SPEAKER CAMPBELL emphasized that some of the lottery money would be used for research to determine the best educational processes for intervention to keep children from becoming involved with drugs and alcohol. In addition, research needs to be conducted on what is the best and most appropriate treatment.

222 SPEAKER CAMPBELL concluded by discussing a personal issue involving alcohol abuse.

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245 REP. MARKHAM shared the concern of possible public perception that HJR 61 would solve the educational funding problem. He discussed his theories about how lottery money should be used in Oregon. He specifically addressed the issue of using wine and beer taxes in HJR 59 for drug and alcohol abuse. He urged any amendment to the bill to protect 2 cents per gallon tax which currently goes to the Wine Advisory Board for promotion of that budding industry and for research.

REP. MARKHAM voiced his support for the continuation of urban renewal.

306 VICE CHAIR SCHOON closed the Public Hearing on HJR 59 and HJR 61

310 VICE CHAIR SCHOON opened the Public Hearing on SB 357A and SJR10A.

310 Vern Ryles introduced a group of reference material in support of SJR 10A and SB 357A. Exhibits 2-8

TAPE 40 SIDE

B

002 VERN RYLES testified in supported urban renewal and SJR10A. Exhibit 2

050 CARL TALTON testified in support of SJR10A describing the benefits to Portland. Exhibit 9

088 REP. BURTON noted the accomplishments of the previous two witnesses, VERN RYLES and CARL TALTON, in benefiting the Portland area.

Discussion

136 VICE CHAIR SCHOON closed the Public Hearing on SJR10A and SJR357.

141 VICE CHAIR SCHOON reopened the Public Hearing on HJR 59 and HJR 61.

145 ROSANNA CREIGHTON testified in support of HJR 59 which would help provide adequate funds for prevention and treatment of alcohol and other drug problems and programs. CREIGHTON noted her organization introduced a bill in the 1991 Legislative Session similar to HJR 59 prioritizing top spending to youth, pregnant women, and women with children then to the correction system as

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part of the rehabilitation program.

Questions and discussion

237 VICE CHAIR SCHOON gave direction to staff.

Questions and discussion about HJR 59 with ROSANNA CREIGHTON about specific dollars that might be dedicated to drug and alcohol intervention and prevention.

375 ROSANNA CREIGHTON talked about the kinds of treatment programs available in Oregon. She stressed the need for evaluation (what SPEAKER CAMPBELL called research) of state programs.

398 ELLEN LOWE testified in support of HJR 59 and listed various program. She urged members to recognize the resource

problem for drug and alcohol intervention and prevention...

TAPE 41 SIDE B

002 ELLEN LOWE continued her testimony in support of increasing the beer and wine tax, which HJR 59 does not do....

047 DON LINDLY advocated that the beer and wine tax should be increased, as proposed in HB 2234. While he supported HJR 59, because it would dedicate already existing beer and wine taxes on the local level for drug and alcohol intervention and prevention, he also encouraged support for HB 2234 which would actually increase the taxes on beer and wine. His testimony was based on his handout. Exhibit 10

116 ALAN TRESEDDER testified the Association of Alcohol & Drug Abuse Program Directs support HJR 59. His association believes alcohol and drug abuse is a critical issue in the state, one that drives agency budgets. HJR 59 is just a first step in additional funding for drug and alcohol abuse programs.

153 VICE CHAIR SCHOON closed the Public Hearing on HJR 59.

158 GEORGE CRESS testified in opposition to HJR 61. Testimony - Exhibit 11
Questions and discussion

229 MARY PEARMINE testified in opposition to HJR 61. Testimony - Exhibit 12

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Questions and
discussion

295 VICE CHAIR SCHOON closed the Public Hearing on HJR 61.

296 VICE CHAIR SCHOON reopened the Public Hearing on SJR10A and SB 357A.

306 STEVE BRYANT testified in support of SB 357 & SJR10. He discussed the effects of Measure 5 on urban renewal projects in Albany and gave a history of the use of lottery money to finance urban renewal projects. Testimony Exhibit 13

TAPB 42 SIDE

A

002 GARY GROSSMAN testified in support of SB 357 & SJR10, stressing that urban development would provide family-based jobs in the Albany, which are greatly needed. He described local control, as the correct and fair approach to urban renewal.

036 CAROLYN WOOD testified in support of SJR10A and SJR357A agreeing with previous speakers of the importance of local control. WOOD described an urban renewal project in The Dalles that had a great deal of local support/approval and matching funds and was important to that community infrastructure that was put "on Hold" due to questions about urban renewal resulting from Measure 5.

066 GARY HONNELL also testified in support of SJR10A and SJR357A.

088 BOB DELONG said Astoria was one of the smallest urban renewal districts and that they hadn't yet finished a project. Their first project was in process when Measure 5 was passed, and he described this project. He believed that the urban renewal portion of this project was significant. DELONG voiced the Astoria Chamber of Commerce support SJR10A and SJR357A.

151 BRIAN SCOTT discussed the "Oregon Downtown Development Association's" accomplishments and goals. He supported SJR10A and SB 357A. Exhibit 15

Questions and
discussion

294 Ralph Groener clarified his association's support of Speaker Campbell's proposal on the Lottery (SJR61) and SJR10. Exhibit 16

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320 VICE CHAIR SCHOON closed the Public Hearings on SJR10 and SB 357A.

321 VICE CHAIR SCHOON adjourned the meeting at 10:46.

Paula K. McBride, Committee Assistant
Kimberly Taylor, office Manager

EXHIBIT SUMMARY

1. Revenue from Alcoholic Beverages: Current Law 1993-95 Projection, Steve Bender, Legislative Revenue Office, 2/24/93, HJR 61.
2. Testimony, Vern Ryles on Behalf of the Coalition to Restore Urban Renewal, 2/25/93, SJR10
3. Letter, Mike Thorne, Port of Portland, 2/25/93, SJR10
4. Collection of New Clippings Submitted by Vern Ryles, SJR10
5. Pamphlet, Association of Oregon Redevelopment Agencies, "Renewing" Urban Renewal, SJR10
6. Letter, Denise McPhail, PGE, 2/25/93, SJR10
7. Letter, Kim Mingo, Association General Contractors, 2/25/93, SJR10
8. Letter, Robin White, Portland Metro Assoc. Building Owners & Manager, 2/24/93, SJR10
9. Testimony, Carl Talton, 2/25/93, SJR10
10. Testimony, Don Lindly, AOC, HJR 59
11. Testimony, George Cress, Columbia County Economic Development, 2/24/93, HJR 61
12. Testimony, Mary Pearmine, Association Oregon Counties, HJR 61
13. Testimony, Steve Bryant, City of Albany, 2/24/93, SJR10
14. Pamphlet, Brian Scott, Oregon Downtown Development Association, "Liveable City Centers", 1991, SJR10
15. Brian Scott, "Oregon's Downtowns & Urban Renewal, economic Development by Renewing Community Living," 2/25/93, SJR10
16. Testimony, Ralph Groener, AFSCME, SJR10

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