

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

January 26, 1993HRB, State Capitol 8:30 a.m. Salem, OR

Tapes 5 - 7

Economic Development/Lottery Budget

MEMBERS PRESENT: SEN. JOYCE COHEN, CHAIR SEN. STAN BUNN SEN. SHIRLEY GOLD SEN. JEANNETTE HAMBY SEN. PEG JOLIN SEN. BILL KENNEMER SEN. JOHN LIM SEN. CATHERINE WEBBER

MEMBERS EXCUSED: SEN. BILL BRADBURY, PRESIDENT OF THE SENATE

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER JERI CHASE, OFFICE MANAGER

WITNESSES: KERRY BARNETT, GOVERNOR'S POLICY ADVISOR ON ECONOMIC DEVELOPMENT MARILYNN KEYSER, GOVERNOR'S POLICY ADVISOR ON EDUCATION AND WORKFORCE TRAINING JON JAQUA, INTERIM DIRECTOR, ECONOMIC DEVELOPMENT DEPARTMENT ANNE SQUIRE, GOVERNOR'S POLICY ADVISOR ON NATURAL RESOURCES JIM CARBONE, FISCAL ANALYST, BUDGET AND MANAGEMENT DIVISION, EXECUTIVE DEPARTMENT BOB BAUGH, ECONOMIC DEVELOPMENT DEPARTMENT

NOTE: These minutes contain materials which paraphrases and/or summarizes statements made during this meeting. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 5, SIDE A

000 CHAIR COHEN: Convenes meeting at 8:30 a.m.

006 KERRY BARNETT: Presents Lottery Distribution (EXHIBIT A). Our primary goal with this budget is to create jobs. Our goal is to focus on family-wage, quality jobs, and the broader notion of community wealth. We also want to address geographic diversity. There are areas of Oregon with particular economic needs. We need to do three things: 1) create a broad economic environment in Oregon that allows us to attract jobs; 2) work to remove specific impediments that are holding back our economy; 3) take advantage of concrete job creation opportunities as they occur. State government has a role at different levels of our economy - communities, industries, businesses, and workers. Presents EXHIBIT A.

095 BARNETT: There are several themes throughout this budget. The Governor wants to maintain the lottery as an economic development fund. She does not believe the lottery is the best way to fund schools. There is approximately \$80 million in backfill; items that we have tried to identify as legitimate economic development investment. The second

theme is a focus on achieving benchmarks. The third theme is a focus on rural needs. The fourth theme is the recognition by the Governor that key issues cut across agency lines, therefore interagency coordination is essential, as exemplified by the Workforce Quality Council and watershed health proposal (ten agencies involved). The fifth is we have tried to create flexible programs that can be tailored to fit particular regional needs.

160 BARNETT: Describes substantive changes to the Regional Strategies Program. EDD has in the past been in the "middle" of the program. We think it is more appropriate for EDD to be involved in the beginning and at the end of the program, forcing accountability, performance measures, etc. We think that has to be tied in to benchmarks.

197 SEN. HAMBY: I would like to see outcomes and an evaluation of the Regional Strategies Program.

203 BARNETT: After this past round, a consultant did a survey of how well it is working. The answer was both good and bad. We need to bring uniformity to this program without creating new bureaucratic restrictions on the county.

220 BARNETT: Continues presentation. Proposes method for shortfall allocation.

Discussion.

293 MARILYNN KEYSER: Begins overview of workforce development investment portion of EXHIBIT A (page 1). Presents background and history of workforce development.

465 KEYSER: Begins presentation of page 1 of EXHIBIT A. The investments have been divided into five categories.

TAPE 6, SIDE A

030 KEYSER: Continues presentation on workforce investment.

350 JON JAQUA: Begins overview of job creation portion of proposed Governor's budget for lottery funds (Page 2 of EXHIBIT A).

TAPE 5, SIDE B

030 JAQUA: Continues presentation on job creation.

475 ANNE SQUIRE: Begins overview of community development/natural resources section of EXHIBIT A.

TAPE 6, SIDE B

030 SQUIRE: Continues presentation on community development/natural resources.

114 SQUIRE: Continues presentation of EXHIBIT A - rural development.

250 SQUIRE: Presents draft map of endangered species' listings (EXHIBIT B).

314 SQUIRE: Yes. Continues presentation of EXHIBIT A.

352 SEN. HAMBY: How much more will it cost to fund the remainder of the Westside Light Rail project?

374 CARBONE: I believe that the State's commitment is about \$103 or \$105 million over a three or four year period of time. Additional costs incurred would be the time costs of money.

399 CHAIR COHEN: Has anyone looked at that trade-off between funding this with CoP's versus payment in full during this biennium?

CARBONE: I will research this and respond to your staff.

447 SQUIRE: Continues presentation of EXHIBIT A.

TAPE 7, SIDE A

035 SQUIRE: Concludes presentation.

Committee discussion about items included in the proposed budget for lottery funds.

455 CHAIR COHEN: Adjourns meeting at 10:50 a.m.

Submitted by,

Jeri Chase

EXHIBIT SUMMARY

EXHIBIT A - Lottery Distribution, submitted by Kerry Barnett, 3 pages

EXHIBIT B - Map of Endangered Species, submitted by Anne Squire, 1 page