

SB 5510 - PH

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 4, 1993 HRB, State Capitol 8:30 a.m. Salem, OR

Tapes 44-45

Presentation of Criteria of Reorganization/Reinvention SB 5510 -
Economic Development Department Budget Economic Development Department
Overview - Business Development Division, Strategic Reserve Fund
Statewide Marketing Fund

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 SEN.
PEG JOLIN

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

WITNESSES: JIM CRAVEN, OREGON ADVOCATES FOR THE ARTS BILL
MOFFAT, PRESIDENT, OREGON ADVOCATES FOR THE ARTS JON JAQUA, INTERIM
DIRECTOR, ECONOMIC DEVELOPMENT DEPARTMENT DUNCAN WYSE, EXECUTIVE
DIRECTOR, OREGON PROGRESS BOARD

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 44, SIDE A

000 CHAIR COHEN: Convenes meeting at 8:45 a.m.

Presentation of Criteria for Reorganization/Reinvention Legislation

017 JOSEPH CORTRIGHT: Overviews criteria for
Reorganization/Reinvention Legislation (EXHIBIT A).

036 BRIDGET BAILEY: Presents EXHIBIT A.

173 SEN. WEBBER: I have a concern about TQM.

181 CHAIR COHEN: This is an issue we need to be concerned about.
Our differences in how we think are okay, the point is to have the
discussion about whether or not we are encouraging something that is or
isn't progressive in terms of attitudes about workers.

202 SEN. WEBBER: I hope we examine the amount of energy the state puts into the "control" function. There is another important thing, an Agency's view of their future.

CHAIR COHEN: We may not be able to make the changes, but we need to be assured that the structure we give the power to is capable of making dynamic changes that are necessary.

222 SEN. KENNEMER: I talked about another issue under accountability. Is there a system to provide reliable outcome data and database evaluation? It is not always clear that we have ability for evaluation. What is the mission and how do we know if we have arrived?

244 CHAIR COHEN: Suggested language: "System for reliable outcome data and evaluation."

SEN. KENNEMER: Exactly.

250 SEN. GOLD: On #11, under Checks and Balances. There are more questions than that relating to the Legislature, things that relate to oversight and the extent and type.

256 CHAIR COHEN: We could add a sub-question under #16 about whether oversight should be maintained.

270 SEN. BUNN: This list is helpful, but it is only a mechanism. We need to have that broader discussion about the role of government.

287 CHAIR COHEN: That discussion will be ongoing, probably for each bill we deal with. Responses to these questions will be interpreted as positive or negative, depending on each person's own views and opinions. This is not meant to drive the Committee in any direction, only to obtain the information we need so we can have a debate.

310 SEN. KENNEMER: The framework is valuable though, so we can be looking at this from the same perspective.

312 CHAIR COHEN: The mission is to get the information out so we can ask the questions and make the decisions. Even if we don't do some of these things, the process will be advantageous.

330 SEN. WEBBER: Underlying all of this is an effort to make government more efficient and more effective. Observing individual agencies, I see them struggling with systems - civil service, accounting, etc. Will we get an opportunity in this process to address that issue?

345 CHAIR COHEN: We may be able to pursue some of those ideas later on, those issues may well fall under this committee's purview.

366 CORTRIGHT: Committee discussion has provided direction to: 1) Broaden #6 to discuss reliability and accuracy of outcome measures to determine whether the agency is achieving its mission; 2) change #16 to address legislative oversight issues or broaden #11, wherever it would fit best.

385 SEN. KENNEMER: I think there are two different issues: #6 deals with accountability and responsibility and the power to do whatever is supposed to be done, which needs to be addressed. There is also a separate issue of being able to evaluate, in an objective

fashion.

393 CHAIR COHEN: I would suggest adding an entirely new statement - a #10 or #6A. It is better freestanding.

407 CHAIR COHEN: I would also like feedback from audience members and hope that they would share their ideas with us before we formally adopt this criteria. For now, I would like to keep it informal, use as a working document.

410 CORTRIGHT: We will circulate this broadly to those persons who have reorganization proposals before this committee. After the criteria have been decided, we will ask the agencies to respond to each of these points.

436 SEN. BUNN: We really cannot measure anything effectively unless we have a mission statement. One important question to ask is how to make significant change, not just little ways. I think that should be a focus.

SB 5510 - Economic Development Department Budget - Public Hearing

488 JON JAQUA: We will finish our overview of EDD.

TAPE 45, SIDE A

040 JIM CRAVEN: Testifies in support of funding for the Arts.

050 BILL MOFFAT: Submits testimony in favor of SB 5510 - in the terms of funding for the Arts. Submits written testimony (EXHIBIT B) and brochure "Arts Impact" (EXHIBIT C) and brochure "Why Oregon Should Fund the Arts (EXHIBIT D).

140 Committee discussion about strong communities and the relationship of the arts to quality communities, the link that occurs and the synergism that is created.

200 JIM CRAVEN: The written testimony also addresses the direct impacts from arts funding, not just indirect. There is a high leverage of funds from a small amount of state funds. Very little of what the Arts Commission does is not matched - from other public and private funds.

224 SEN. LIM: It is difficult for me to understand a direct connection between economic development and the arts.

245 JIM CRAVEN: SB 5510 is the Economic Development Department's budget bill which includes \$3 million in General Fund that is targeted to fund the Oregon Arts Commission and the Oregon Progress Board. The Governor's budget presumes merger of the Arts Commission into EDD; that will be one of the reorganization proposals you will hear in another Senate bill.

263 SEN. BUNN: I am also concerned about the Arts Commission being included with the Economic Development Department; I think the mission of the Arts Commission is far broader and different, with economic development only being one component.

272 CHAIR COHEN: Further discussion of this issue in hearing on SB 148, which actually is the transfer of Arts Commission to the Economic

Development Department.

EDD Overview Presentation Business Development Division

300 JON JAQUA: Begins presentation on Business Development. Submits proposal response to business development inquiry (EXHIBIT E) and Business Development Regions Map (EXHIBIT F). Also submits memo regarding Industrial Lands (EXHIBIT G). (NOTE: Further item submitted and labeled at the conclusion of meeting - EXHIBIT L.)

TAPE 44, SIDE B

040 JAQUA: Begins presentation on Strategic Reserve Fund.

098 JAQUA: Begins presentation on Statewide Marketing Fund.

SB 5510 - Economic Development Department Budget - Public Hearing

140 CHAIR COHEN:

160 CORTRIGHT: Overviews Staff Measure Summary on SB 5510 (EXHIBIT H).

227 DUNCAN WYSE: Overviews Progress Board. Presents EXHIBIT I.

349 CHAIR COHEN: There will be opportunity for further discussion later regarding the benchmarks.

360 WYSE: Discusses urgent benchmarks (EXHIBIT J).

TAPE 45, SIDE B

030 Committee discussion.

CORTRIGHT: Submits draft amendments to SB 5510 (EXHIBIT K).

050 MOTION: CHAIR COHEN MOVES that the lottery fund allocation be deleted from SB 5510 (to be dealt with at a later time in two lottery bills. Delete \$195,953,084 on line 9 and substitute with \$50,035,084.

VOTE: There being no objection, the above motion is adopted.

077 CORTRIGHT: Line 11 will also need to be revised to clarify that lottery funds are excluded.

080 CHAIR COHEN: We will have a draft of these changes for Tuesday.

090 CHAIR COHEN: I have some concern about language on line 22 regarding the authority of the director.

100 JAQUA: In our attempts to recruit businesses we do entertain guests, provide overseas clients with gifts, etc. We work very hard not to abuse that, but there are situations where we expend funds in recruitment efforts that are outside the normal authorization.

110 CHAIR COHEN: How much is that?

114 JAQUA: I need to get that information. I would like to work with staff and the committee to get that defined and narrow it down.

118 CHAIR COHEN: My concern would be that if you are not even tracking it, things need to be changed so that you do keep track of it. That is my position.

126 SEN. KENNEMER: I think development of a fixed amount is appropriate.

130 JAQUA: I would be concerned about increased interest in relocating to Oregon and demand on a fixed amount becoming too great.

132 CHAIR COHEN: You should be able to predict for a two-year period of time. Thinking about limiting and prioritizing is appropriate.

134 SEN. KENNEMER: The Emergency Board can make a modification in the amount if it is necessary during the biennium.

148 SEN. WEBBER: I think that expenses of this nature are inappropriate during these times unless I can be convinced they are absolute necessities.

153 JAQUA: We will get further information for you. This has not been abused and we have done everything we can to get other participation involved, we don't pay for hotel tabs or things like that. However, there are situations where it is appropriate. I will outline for you what these are, what the past costs have been, and estimate our future.

168 SEN. GOLD: We need a projection and expectation. However, agency representative should not be paying out of their own pockets for what is expected of them in different cultural situations.

186 CHAIR COHEN: I think there should be a budget for these items, just as there is one for everything else. If the budget needs to be exceeded, then the Emergency Board is there for that.

220 CHAIR COHEN: Regarding the issue of the Arts Commission, I would propose that we remove the Arts Commission from the budget bill and send it to Ways and Means with a note that we will be considering that issue during committee consideration of SB 148.

253 CORTRIGHT: With that letter would also be a request that Ways and Means introduce a budget bill that would be available for the Arts Commission if it was needed.

257 SEN. BUNN: They have bills available to do that and if we make that request, it makes it clearer that we are not making a judgment about Arts Commission funding.

CHAIR COHEN: That is what we will do.

269 CHAIR COHEN: Adjourns meeting at 10:30 a.m.

Submitted by,

Jeri Chase

EXHIBIT SUMMARY

- EXHIBIT A - Draft Criteria for Evaluating Government Reorganization Legislation, submitted by Bridget Bailey, 2 pages
- EXHIBIT B - Written Testimony, submitted by Bill Moffet, 3 pages
- EXHIBIT C - Brochure "Why Oregon Should Fund the Arts", submitted by Bill Moffet, 2 pages
- EXHIBIT D - Brochure, "Arts Impact", submitted by Bill Moffet, 2 pages
- EXHIBIT E - Sample response to inquiry from business, submitted by Jon Jaqua, 76 pages
- EXHIBIT F - Map of Business Development Regions, submitted by Jon Jaqua, 1 page
- EXHIBIT G - Industrial Lands Budget Proposal, submitted by Jon Jaqua, 3 pages
- EXHIBIT H - Staff Measure Summary on SB 5510, submitted by Joe Cortright, 3 pages
- EXHIBIT I - Oregon Progress Board Overview, submitted by Duncan Wyse, 3 pages
- EXHIBIT J - "Urgent Benchmarks and the 1993 Legislature", submitted by Duncan Wyse, 37 pages
- EXHIBIT K - Draft Amendment Request to SB 5510, submitted by Joe Cortright, 1 page
- EXHIBIT L - Community Profile Package, submitted by Jon Jaqua, 82 pages