

House Committee on Agency Reorganization and Reform March 12, 1991 -
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proceedings, please refer to the tapes.

HOUSE COMMITTEE ON AGENCY REORGANIZATION AND REFORM

March 12, 1991Hearing Room D 3:30 p.m.Tapes 37 - 38

MEMBERS PRESENT:Rep. Clarno, Chair Rep. Hugo, Vice-Chair Rep. Katz
Rep. Derfler Rep. Jones

MEMBERS EXCUSED:Rep. Clark Rep. Brian

VISITING MEMBERS: Rep. Stein Rep. Cease

STAFF PRESENT: Susan Browning, Committee Administrator Scott
Kaden, Committee Assistant

MEASURES CONSIDERED:2160 - Human Investment Board, PH

INFORMATIONAL HEARING:Dan Simmons, Director of Department of General
Services

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statements made during this session. Only text enclosed in quotation
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proceedings, please refer to the tapes.

TAPE 37, SIDE A

007 CHAIRPERSON CLARNO: Calls the meeting to order at 3:35 p.m..
Addresses the business of the committee - discusses budget note on
publications, a cut by 70%.

019 REP. DERFLER: Which bill is that?

020 CHAIRPERSON CLARNO: HB 2890. We will have a hearing on that bill
on Thursday. Susan has had amendments drafted as suggested by the
committee. Since Ways and Means is hearing many agency budgets, we
wanted to get our recommendations to them as soon as possible.

025 REP. DERFLER: That sounds like a very substantial cut and I don't
know if that could be achieved. I guess that would be more like a goal,
correct? That wouldn't leave very many copies.

028 CHAIRPERSON CLARNO: Yes, that is absolutely true. When we are

looking at putting people out on the street, and cutting other vital services, I think that it is something that we must recommend. In some cases 70% may be pretty severe, for example in the Health Department.

035 REP. DERFLER: Have we done any research on what is mandated, what we have to do by law?

036 CHAIRPERSON CLARNO: We only looked at what we, as a legislative body, have mandated to agencies in the 163 statutes for reporting.

041 REP. DERFLER: This is material that we have requested.

042 CHAIRPERSON CLARNO: Yes.

043 REP. DERFLER: If I had 70% less to read, I would be very happy.

044 CHAIRPERSON CLARNO: Some agencies have told our Committee that certain newsletters are very beneficial. If the agencies budgets are cut by 70%, then they will make the tough decisions as to which publications are necessary, and what are not. - I am concerned about the waste; the materials are never read due to the lack of time available to the Legislators. - Addresses the legislative draft on slush funds. - Introduction of Susan Browning.

083 SUSAN BROWNING, COMMITTEE ADMINISTRATOR: Discusses the notebooks provided by the Chancellor's Office (Higher Education). Black notebook contains responses to Committee questions. Green notebook contains responses to additional questions sent to the Chancellor's Office, regarding Department of Higher Education.

101 CHAIRPERSON CLARNO: Did we supply the committee with the letter to the Chancellor, with the list of questions?

102 BROWNING: No, we did not.

103 CHAIRPERSON CLARNO: I think we probably should do that so that they understand where these questions came from. - Explanation of the list of additional questions. - Introduction of Dan Simmons.

117 DAN SIMMONS, DIRECTOR OF DEPARTMENT OF GENERAL SERVICES: - General department overview, reference to EXHIBIT A, page 2.

176 REP. DERFLER: We have talked about computers and the State's networking problems. Do your computers talk to each other? Have there been steps taken to insure a coordinated, uniform computer system?

179 SIMMONS: The answer is yes. The Executive Department is in charge of crafting the overall plan. Then, the Joint Data Processing Committee reviews the individual plans of the various agencies. An agency must first check with Executive to make sure that their system falls within the overall plan. After approval at this level, they then visit the Joint Data Processing Committee. - Back to Exhibit A, page 2.

219 REP. DERFLER: Is this fragmentation appropriate (reference to facilities management and certain agencies which have their own facilities/construction team)?

221 SIMMONS: I think there is a compelling argument for more coordination in this field. Preventive maintenance is our primary field

of concern. You will not find that commitment from agencies who do their own facilities work. I don't know if this is fragmented, but I think our priorities might be set up more logically than they are at the present time.

243 REP. DERFLER: Are those things suggested to the Executive Department? Do you suggest combining some of those things?

245 SIMMONS: We have agreed to help the Budget and Management Division sort through those items and help bring them to you. We consult, but I think we can organize better. -Reference back to facilities (lands management), Exhibit A (page 2).

275 REP. KATZ: How was the underground parking facility financed? 276 SIMMONS: Most of it was financed by those who park in it (fees, not General Fund). - Returns to the presentation, see Exhibit A. - Reference to Exhibit A, page 3 (DGS Mission and Goals). - Reference to Exhibit A, page 4 (Departmental Time Loss Days).

416 CHAIRPERSON CLARNO: What is the reason for having 19 lost days for the year 1991?

422 SIMMONS: Two accidents account for this total. One employee stepped into a pit under a hoist and fractured his leg. The other individual hurt his back carrying mail in and out of a truck that was poorly designed. - I interview everybody who is injured. We take safety very seriously. Recently, there has been a spree of accidents, and I think that can partially be attributed to a certain amount of uncertainty - passage of Measure 5, the war in the Middle East. - Overall, we have a very safe work force.

455 CHAIRPERSON CLARNO: Do you have the employees involved in your safety programs and your safety target of 1000 injury free days?

459 SIMMONS: Yes, you have to involve everyone or you will not be successful. - We have active, aggressive safety committees in all organizations. - I interview all that are injured and a meeting with the Director sends a pretty strong message. We have to set goals, measure the performance, and then go from there. - Returns to the presentation, Exhibit A, page 6 (major revenues). - When you constrain our budget (by limiting other agencies' purchasing power), you may be costing the state money.

TAPE 38, SIDE A

079 CHAIRPERSON CLARNO: When you say we restrain your budget, do you mean that restraining the publishing of other agencies will restrain your budget?

081 SIMMONS: No. Historically, when you reduce my budget, it typically drives agencies to other, more expensive options. A classic example of this would be the motor pool. If you go through and reduce all the agencies' purchasing power, I have to adjust to that. If you arbitrarily cut my budget, you could inadvertently drive people to more expensive options. - Returns to the presentation, page 7 and 8 of Exhibit A. - Identifies critical issues - Risk Control and Claims Management - Telecommunications - Maintenance (for example Labor and Industries building aSB estos abatement program) - Training - Lease Financing

195 REP. HUGO: On that last note, as you negotiate for space, we really

cannot commit beyond the biennium, can we? How do we do a ten or twenty year lease now?

200 SIMMONS: There is a constitutional provision which allows the state to enter into twenty year lease agreements. I have the authority to get 20 year leases, without walk-away provisions, under this constitutional provision.

209 REP. HUGO: That is not widely known by the members of the House. The perception is that we are not able to do that, thus we have to pay a higher rate than we should be paying. You are saying that is not correct?

213 SIMMONS: That is not correct. It is a matter of prudent policy that dictates a non- appropriation clause, in my view, rather than the law.

215 REP. HUGO: Thank you.

216 REP. JONES: You mentioned telecommunications and the emerging technology, and the need to get a handle on this issue. Do you feel the Joint Data Processing Committee has the ability to handle this telecommunication issue?

224 SIMMONS: I think they must take an active role in telecommunications. We are working on a proposal which will go out to the vending community, in order to get a network for all the data systems that are transmitted throughout the state. As you preclude people from printing or you encourage them to use ED-NET, the pressures on this issue will mount. If you don't have the capacity to centrally manage this issue, I think it will get away from you very quickly. That is the concern that I have. As this issue takes off, I am not so sure that we are poised to stay ahead of this topic.

244 REP. JONES: I don't think we have a good policy process. With emerging technologies, you have to use new terms and new thinking. Do you see your role as assisting the Joint Data Processing Committee with staff and technology?

254 SIMMONS: Not exclusively. To the Governor's credit, she has gathered together a blue-ribbon task force which is charged with crafting a policy proposal for your consideration, to address that particular question. It is not all in my domain - there are some major players. Overall, the state must get a better handle on this matter.

266 REP. JONES: Otherwise we are going to spend a lot of money that is not going to be really productive.

268 CHAIRPERSON CLARNO: Thank you for your time. As we go through our bills, we may need to call you back for further consultation. - Closes informational meeting on General Services.

(Tape 38, Side A) HB 2160 - HUMAN INVESTMENT BOARD, PUBLIC HEARING
Witnesses: Rep. Stein Duncan Wyse

275 CHAIRPERSON CLARNO: Opens the Public Hearing on HB 2160. - Asks the Committee Administrator to introduce the bill to the members.

283 BROWNING: Introduces the bill packet and explains the staff measure summary.

305 REP. KATZ: Introduction of Rep. Stein. She is on to something big here. She is tenacious, and I think we, as a legislative body, ought to assist her in her work.

325 REP. STEIN, CHIEF SPONSOR OF HB 2160: Thank you for that testimonial and thank you for the chance to address this committee. Reference to EXHIBIT B, ("Oregonians investing in Oregonians"). Human capital is the real area of growth. This policy is a vision, and I am trying to distill that vision into a series of bills which exemplify the concepts of the human investment policy. - Refers to #4, Exhibit B. (HB 3310 - Return on Investment Model) - Refers to Exhibit B extensively.

TAPE 37, SIDE B

071 CHAIRPERSON CLARNO: I am really interested in the local level issue. How can we get the caseworker out of the restraints of the federal mandates, so we can deliver the money at a local level? How have other states dealt with the federal mandates?

078 REP. STEIN: Oregon has a couple ways around that. Because Oregon participated in the Policy Institute, we can now ask for help in securing various waivers. I think we should milk that for all that it may be worth. Secondly, the Portland Public Schools program. In that case, they agreed to contract with case managers, relinquishing their ability to set plans. There are some angles that we can work. We might have to bring in our federal delegation at some point. - Returns to her presentation, Exhibit B. - HB 2160 - Partners for Human Investment Board. We need this to carry on the work of the Oregon Progress Board (the Benchmarks). This is the vehicle to carry on our work with the exceptional people benchmarks. We want to sustain this movement beyond two year terms, we want to sustain it for twenty years.

215 REP. JONES: I am looking at the bill, specifically Section Six. It appears to be lacking some words. What is supposed to be there?

219 REP. STEIN: That is supposed to be Oregon Progress Board. My staff improperly hand- engrossed the bill. I am sorry.

224 REP. KATZ: I just want to understand the funding. Is there money in the Economic Development Fund for this project?

225 REP. STEIN: Not yet. I will lobby Governor Roberts to take this into her Strategic Fund. If not, I will be lobbying for the funds necessary to staff this project.

229 REP. KATZ: I am thinking about the funding. We have never told the Governor, in any legislation, to use his or her Strategic Fund. I think we will have to be creative in how we approach this issue. The Governor will get an allocation of lottery resources as her Strategic Funds.

240 REP. STEIN: My hope is that she would decide to allocate money if she gets the Strategic Funds. I would like her funds on this project. If not, I believe this is appropriate for lottery funding.

246 REP. JONES: What are we looking at in terms of staff funding?

248 REP. STEIN: We have talked about \$100,000 for the staff and the organizing we will have to do in the communities. To be a partner with

the Corporation for Enterprise Development, we are supposed to kick in \$150,000. Governor Roberts, if she has Strategic Funds, will put in \$75,000. I think the Partners' first task would be to raise the other \$75,000 from the private sector. We want to show true evidence of partnership.

260 REP. HUGO: I must leave at this point, and I want to apologize to Duncan Wyse.

265 CHAIRPERSON CLARNO: I do have to go to Rules Committee at 5:00, so please go forth with your presentation and plan on stopping a few minutes before 5:00.

273 DUNCAN WYSE, EXECUTIVE DIRECTOR OF OREGON PROGRESS BOARD - In the last session, you asked the Oregon Progress Board to do something that has never been done before - to create benchmarks. The benchmarks are a set of measurable goals addressing the outcomes that we want to achieve over the next twenty years here in Oregon. That report is in front of you now (Oregon Benchmarks - Report to the 1991 Legislature). This report contains 160 measures regarding the future we hope to achieve in Oregon. We will check these benchmarks every two years for the next twenty or thirty years. The second piece of work we have prepared for you is the report entitled Human Investment Partnership - Achieving Benchmarks for Exceptional People - EXHIBIT D. This report tries to spell out the changes that are required, changes in every stage of life including early childhood development, K-12, etc.

334 CHAIRPERSON CLARNO: Thank you for your brief summary. Are you looking at the 238 various children's programs found within 39 different state agencies?

341 REP. STEIN: I think one thing that will help is the pilot project that I am suggesting where we try to decategorize. The document that we have now will help immensely, because we now know about the existence of all the programs.

347 WYSE: The Oregon Progress Board addressed that very issue. We have struggled with it and hope the Benchmarks will converge a lot of the institutional efforts around these goals. We think the Benchmarks will help focus those organizations.

353 CHAIRPERSON CLARNO: I thank you both for your testimony. - The Public Hearing on HB 2160 is closed, and this meeting is adjourned (4:56 p.m.).

EXHIBIT LOG

Exhibit A - Dan Simmons - 8 pages Exhibit B - Beverly Stein - 3 pages
Exhibit C - Beverly Stein - 2 pages Exhibit D - Beverly Stein - 38 pages

Submitted by:

Reviewed by:

Scott Kaden

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