

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON AGENCY REORGANIZATION AND REFORM

April 9, 1991Hearing Room D 3:30 p.m.Tapes 53 - 55

MEMBERS PRESENT:Rep. Clarno, Chair Rep. Jones Rep. Brian Rep. Clark
Rep. Katz Rep. Derfler

MEMBERS EXCUSED:Rep. Hugo, Vice-Chair

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

MEASURES CONSIDERED: HB 3438 - Community Juvenile Corrections Pilot
Project, PH HB 2891 - Out-of-State Travel, PH

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TAPE 53, SIDE A

007 CHAIRPERSON CLARNO: Calls the meeting to order at 3:34 p.m..
Starting on April 16th, we will begin all meetings at 4:00 due to House
Water Policy meetings. I welcome any input on this subject. - We can
use Room 50, if we want to keep the hearing at 3:30 p.m..

031 REP. CLARK: From Judiciary member's perspective, I think 4:00 would
be preferable. This change might be helpful.

037 CHAIRPERSON CLARNO: It will be the Chair's intent to aim for
adjournment at 5:30 p.m..

040 REP. JONES: You and Rep. Clark will need to have evening meetings
in the near future.

042 CHAIRPERSON CLARNO: Will the Revenue and School Finance
Subcommittee be meeting in the evenings?

043 REP. JONES: Yes.

(Tape 53, Side A) HB 3438 - COMMUNITY JUVENILE CORRECTIONS PILOT
PROJECT, PUBLIC HEARING AND WORK SESSION Witnesses:Rep. Kelly Clark,

Co-Sponsor Rep. Tom Brian, Co-Sponsor James Seymour, Catholic Community Services Foundation Steve Carmichael, Lane County Dept. of Youth Services Len Munks, Juvenile Corrections Asst. Admin. (CSD)

044 CHAIRPERSON CLARNO: Opens Public Hearing on HB 3438 and introduces Rep. Clark and Rep. Brian.

056 REP. CLARK: Introduces HB 3438 to the committee. - A good case study for this committee because it is a good example of how to question the state's current procedures.

088 REP. BRIAN: The presentation by Dennis Maloney (March 28th hearing) addressed the "why" of the bill. The key word for this bill is integration, or reorganizing for service integration. The intent of this bill is to integrate vertically, so that the juvenile professional who makes first contact with a child stays with that child as far as necessary. We think this is an exciting proposition. This bill brings about the pilot project which employs the concept. Introduces Len Munks, Steve Carmichael and Jim Seymour.

136 REP. KATZ: Before we hear from the experts, could you tell me why you didn't start earlier, when the child first enters the Children's Services caseload?

139 REP. BRIAN: This is before CSD caseload.

142 REP. KATZ: But usually hasn't that child already been identified by CSD as being a troubled child?

146 REP. BRIAN: Not necessarily. Not unless there have been other family abuse problems, or something like that. We are presuming that generally the first court contact occurs at the Juvenile Department. This includes calls which come in for runaways and arrests on criminal matters.

151 REP. CLARK: Everything but child abuse - anytime where the youngster is involved in wrongdoing. This makes a distinction between Juvenile Corrections in that sense.

154 REP. KATZ: I am very supportive of what you have just described. It is basically the integration model for AFS, CSD etc.

157 REP. CLARK: It says "This is the kid, let us design the services around the kid, rather than around the 'system'".

159 REP. KATZ: Yes. That is a wonderful model, but you're not bold enough. Don't do pilot programs in instances like this. You know that it is good and you know that it has worked in other places. Just do it!

161 REP. CLARK: The problem is that there are dollars involved if you go beyond a pilot project. We are very close to keeping this out of Ways of Means, the way it is currently written.

164 REP. KATZ: Well, maybe when we get Children Services Division we can explore this further. For example, Lincoln County didn't cost any additional resources.

167 REP. CLARK: Yes, and some of the folks involved with that project can actually make the argument that you save money in the long run.

169 REP. KATZ: My points are: 1.) Is this program "early" enough? and 2.) Is it bold enough? We have a county that has already demonstrated a broader integration system, granted it is a young program. I would like to see a commitment state-wide on this issue. I would like to explore that.

177 REP. BRIAN: Is it early enough? Probably not, for I would like to see more happen in the K - 3 age. But we have to take this reformation in phases. This is the earliest possible intervention once they touch the official system. Is it bold enough? Because it is a pilot project, we are not shifting labor groups. Payroll and benefits are a concern. If you start moving people, then the situation is entirely different.

196 REP. CLARK: This is one of the problems that has come up in the Adult and Community Corrections Act. All these issues relate to the transfer of employment from the state to the county and back. The folks from AFSCME who have worked very cooperatively with us, have done so with the understanding that this will just be a pilot which will not effect their employment.

206 REP. KATZ: I just want to be helpful.

207 REP. CLARK: I understand.

207 REP. BRIAN: I understand. You will hear a lot from our speakers on this issue. One area of concern pertains to turf issues. We are proposing an advisory committee to the Director, similar to Community Corrections.

232 REP. JONES: Rep. Katz was talking about the issue of when they come into the system. Is there any opportunity within your proposal for schools to refer children prior to their coming in contact with the corrections system? Often the schools are aware that a problem is about to happen, before it happens.

240 REP. CLARK: When I was referring to the schools in my introduction, I was referring to state training schools.

242 REP. JONES: I realize that is where you are proposing for the program to start. My question is can a public school get the child into the system?

246 REP. BRIAN: I think that is probably a good question for Steve Carmichael to address. I think they get referred there, so the answer is probably "no".

250 REP. JONES: I think that is an issue that we ought to address.

251 REP. CLARK: One of the things the bill does require is that a locality come up with a plan for the delivery of juvenile services. In the development of that plan, school districts must be included in that planning process. - I would conclude by saying that currently, we are not doing something right with regard to crime. We cannot continue to build prisons and pass laws. We want to try to get to the kids, in order to stop the recidivism. We want to get to the kids before it is too late.

278 REP. KATZ: You talked about abuse. Would this bill cover the sexually, psychologically, and emotionally abused child, who is in the

CSD system?

285 REP. CLARK: No. They are not part of Corrections. They are not under the jurisdiction of any Corrections system at that point.

288 REP. KATZ: You know that 80% of those in the CSD system will end up in the Corrections system. Can caseload management start earlier? By the time they reach your point they will probably have three case managers already.

294 REP. BRIAN: That is an interesting approach. As this gets worked out, it sure seems like that linkage ought to be there. 317 REP. KATZ: Especially if you have a pilot program. You have touched all the bases, but push it a little more. If you get this pilot project going, try to get them earlier, don't wait until they are 14, especially when you know eventually you will get them.

328 REP. JONES: This is something I was working on during the interim, without the experience of these Judiciary committee members. I think there are a lot of individuals that are working to try to find the right mix so that we can fix this growing problem.

335 CHAIRPERSON CLARNO: Our system seems not to be able to keep kids from going onto the adult corrections system. We have to do a better job while they are still young.

341 REP. KATZ: If we can develop this system, and maybe bring it down to an earlier age, the charge for the next interim and the next legislation will be a state-wide "Lincoln County" model which includes this piece of legislation.

348 CHAIRPERSON CLARNO: How many pilot projects are you looking at?

351 REP. CLARK: That is an issue that is currently under discussion. CSD is anxious because it feels that 36 counties might call us up wishing to participate in this program. They can't do that with current personnel. We are considering language in Judiciary that would limit the number of contracts that CSD would be writing under this pilot. Our hope is that there would be 3 to 5 contracts.

360 JAMES SEYMOUR, EXECUTIVE DIRECTOR OF CATHOLIC COMMUNITY SERVICES FOUNDATION: -Submits and summarizes written testimony (EXHIBIT A). Reference to page 2, page 3, page 4, and page 5 of Exhibit A.

464 REP. CLARK: Would you briefly tell the story of the two young girls in Salem your organization was involved with.

467 SEYMOUR: My organization runs a treatment program for delinquent kids. We had two girls from Marion County who were in our program at the same time. One girl had been placed at Hillcrest but was on parole. The other girl had come through another system and had been referred to us, yet was still on probation. Both girls ran away together and went to a drug house. We knew where they had ran to so we contacted the police. The police took them to detention. The girl who was more delinquent (the Hillcrest girl) had to be released because there was no room, and Marion County doesn't take state kids into the county detention facility. The less delinquent girl was held in the Marion County Detention Facility because she was still a "county kid." With

the system recognizing one as a "state kid" and the other as a "county kid," they were treated differently, because of the state capacity versus the county capacity.

TAPE 54, SIDE A

045 REP. JONES: How old were the girls?

046 SEYMOUR: They were fifteen.

047 CHAIRPERSON CLARNO: Please continue your testimony.

048 SEYMOUR: Reference to the diagram on page 4, Exhibit A.

062 REP. KATZ: When we created the Juvenile Services Commission (J.S.C.), weren't they suppose to prevent this from happening? Did we fail in doing what we did?

068 SEYMOUR: In my opinion, the Child and Youth Services Commission (formerly J.S.C.) was charged with creating a better continuum of care at the local level. They didn't have any responsibility for any particular child.

076 REP. KATZ: For any particular child?

077 SEYMOUR: Right. So the particular child has better services as long as they are managed by the county juvenile department. Those are still seen as local services. Once they go onto the state, the focus is not there. Basically, the J.S.C. was invented to keep them from going on to the state level. - Reference to page 5, Exhibit A.

147 STEVE CARMICHAEL, DIRECTOR OF LANE COUNTY DEPT. OF YOUTH SERVICES: My agency now has the fancier title in order to address not just juvenile corrections, but also prevention and early intervention. We have been trying to develop a pilot project along these lines for the past year. In Lane County, people feel this program is very revolutionary and very bold. To many who are concerned with turf issues, this is a large step, a bold step.

160 REP. KATZ: I didn't mean to offend any of you with my comments.

161 CARMICHAEL: No, in fact you encourage us. I was really pleased to hear your comments. I have been asked to review the highlights of each section of HB 3438. Submits and summarizes written testimony (see EXHIBIT B).

255 REP. JONES: With reference to Section 15 of the bill, are you loaning state employees to the county for supervision and job function?

258 CARMICHAEL: Correct. For a pilot, there would be a transfer of employees and the financial resources necessary to support them to the counties.

262 REP. JONES: Would whatever money was allocated for that function go with the employee?

263 CARMICHAEL: Correct. There would be a dollar and an employee transfer. There would be a report back to the legislature explaining how the pilots were functioning (Section 17 of HB 343 8). - Continues with summarization of Exhibit B, page 3.

279 REP. KATZ: Who will pay for the independent accounting provided for in Section 13?

281 REP. BRIAN: In kind.

283 REP. DERFLER: The same people will be doing the same jobs but you are going to change the management from CSD to the county. How will this benefit the state?

286 CARMICHAEL: The value will be for the child who doesn't need to change case workers every time they change to a different part of the system.

300 REP. DERFLER: Wouldn't CSD make some of these changes without making a case worker transfer?

302 CARMICHAEL: They could at times. Once the child is in substitute care and leaves the county's "label," then CSD could name one case worker. In practice, CSD does not, at least in Lane County.

306 REP. DERFLER: So if we want to change how that works, we could probably change it within CSD.

308 CARMICHAEL: CSD would be able to do that. You are correct.

309 REP. DERFLER: I guess I am back to my initial question. Could we change the process if we could convince the management of CSD of it?

311 CARMICHAEL: For that phase, when the child is in alternative care, that is correct. But we still need to transfer from county to state. When the child gets the state label, then CSD can, in fact, assign one case worker.

326 REP. DERFLER: I agree with you. Each county has their own different set of problems, and I think the counties can better address those problems. I don't disagree with the concept. Why do we want to keep the state in control, if we are going to make this break?

330 CARMICHAEL: In this act, the state would be in control of selecting the pilots and setting the rules in order to insure that there is state consistency. The direct client contact would be by the county. The state would have an oversight role and a quality control role, but not a client role. - This is inconvenient for the system to make this change.

349 REP. DERFLER: But the system is not for the system's sake, it is for the kids' sake.

349 CARMICHAEL: Exactly, that is the hope. We have it backwards now, and we are trying to turn that around.

354 SEYMOUR: This system of keeping the state involved would be only for the duration of the pilot project. If the pilot is successful, we would certainly amend that section so that the workers would transfer to the county.

361 REP. DERFLER: Rep. Katz has brought up this problem before. There is always a turf battle between the state and the county.

368 LEN MUNKS, JUVENILE CORRECTIONS ASSIST. ADMINISTRATOR - CSD: I will

keep

my remarks brief due to the time restraints. I am here to show to this Committee that CSD is supportive of this concept. There is a national movement (basically through the Casey Foundation) to see better case management. This bill is a small step toward that goal.

411 REP. KATZ: Since you have designated Deschutes and Jackson County, why don't you link those counties with your eight pilot counties? I have an aversion to pilot programs. I have been here too long, and I know that pilot programs never become anything more than pilot programs. They get lost in the system. We know this is the way to go; there is not a question that can be raised in opposition to this concept. Why don't we link these pieces together so we begin to build a comprehensive system with a child that is much younger?

432 MUNKS: Even if this concept remains a pilot project, there is so much momentum throughout the state that it will not die. A lot of people would like to do this, but they want a pilot project first.

445 REP. KATZ: Who is opposed to this?

446 MUNKS: The people who are case workers and parole officers who provide this service. They are concerned about case management issues and have come forth with those concerns. On a pilot basis, we feel we can move this forward without getting into the labor/management issues.

455 REP. KATZ: Let us assume Jackson and Deschutes Counties are your pilot programs. Wouldn't it make sense to link the pieces together at least in those two counties?

463 MUNKS: Yes, we think so. But the county needs to come forth with all the actors in the community. This isn't something we are going to automatically do without the whole community behind it.

468 REP. KATZ: Let us assume that. What if the two counties agree to extend the current model program to incorporate this population? Wouldn't that be a natural progression to enlarge your program?

474 MUNKS: That makes a lot of sense, mindful that we have the Juvenile Corrections Council who will let us know if that makes sense.

480 REP. DERFLER: If everyone has identified this as a problem, why hasn't this been dealt with? Why didn't we act on this problem ten years ago?

TAPE 53, SIDE B

494 CHAIRPERSON CLARNO: Rep. Brian mentioned the term "turf." That might be something to consider.

028 REP. KATZ: "If the public thought we aren't willing to tackle turf problems, they would be appalled. You say it is good. The profession says it is good. The literature says it is good. Rep. Derfler says it is good. Just do it, if you are willing to do the little pieces." "If it is okay in this little piece, and it's okay in this little piece, isn't it okay to combine those two little pieces?"

036 MUNKS: Yes.

037 REP. JONES: Would you object if I changed this bill to say the communities would have the opportunity to start , by request, a phase-in project rather than a pilot project?

044 MUNKS: Yes, CSD would have a problem with its labor agreement with the AFSCME union, which lasts three years. The pilot program would give us the chance to work through this issue with the union, to show that this model is beneficial to the union. We do have that real restriction on us now.

053 REP. JONES: When is the contract up?

053 MUNKS: Probably in two years from now. It is a three year contract and I think it was negotiated one year ago.

054 REP. JONES: When was it negotiated? Last year?

055 MUNKS: I hate to go on record. It seems to me that it was last year though.

057 REP. JONES: So the only way you will really be able to negotiate a change that has teeth in it is for the Legislature to direct such action?

062 MUNKS: I am not a labor lawyer so I have a hard time answering that question.

063 REP. BRIAN: The other half of this equation are the county commissioners. You must have a board of county commissioners interested in taking on additional responsibilities. The juvenile court directors and so forth operate under the county commissioners so they will obviously be the key players locally. Ultimately, the contract is signed between the commissioners and CSD. There are a large variety of juvenile department arrangements out there, and this pilot may not work for every part of the state. I would like to quote from a source that I cannot remember. I am reading from my notes of a floor speech. "This disengages a process we have been involved with for many years. It is a complex process where the system may be more difficult to work with than the kids."

092 REP. DERFLER: I have a problem with a pilot project that works with the same people and the same contract. You are going to have the same problems if you don't change the rules of your contract. I think you should eliminate the CSD programs. If you want to transfer those people to the counties, then that would be fine. If you continue with the same contract, you will face the same constraints, whether it is the county or the state.

099 SEYMOUR: With regard to this subject, I feel I should go on the record as saying our support is behind this bill because it is a pilot project. To be candid, one of the reasons for this is the sharp divide between CSD and the county juvenile departments. As a private provider, we have always aligned ourselves with CSD. The necessary relationships are not there, and we need time to build a relationship and trust. In the end, these concepts work because of strong relationships. We need time to make amends. - We need some time to work out how we can maintain our funding and not lose the service provided to the children.

140 REP. KATZ: I know we are just "borrowing" this bill from Judiciary, and we just want to be supportive, but would you like for us to ask

AFSCME to come here for a discussion on this bill?

150 REP. CLARK: I would welcome that, if we were not so constrained by the time remaining in this session.

155 CHAIRPERSON CLARNO: Are you trying to get this bill out of Judiciary this Friday?

156 REP. CLARK: I think it is scheduled for Friday.

157 CHAIRPERSON CLARNO: I am wondering if Rep. Katz would consider working with Rep. Jones and drafting possible amendments for consideration in the Judiciary Committee.

165 REP. KATZ: That would be acceptable to me, but I do not want to throw a grenade at the work they have done thus far.

169 REP. CLARK: Do you remember HB 3470? It is not that bad but it is along those lines. It is important that we keep this as a pilot. Passage of the bill is not the only question. Implementing the bill is going to require everyone's cooperation.

178 REP. KATZ: We have some suggestions about different levels of expansion. Maybe we can talk about that on the floor.

180 REP. BRIAN: I would love to hear those suggestions, but I want to second Rep. Clark's comments. I would want to include all the players in those discussions. All the players have demonstrated good faith and trust, and I consider them "equals."

188 CHAIRPERSON CLARNO: We want to make sure that we are helpful. We might want to "borrow" another bill in the future.

192 REP. JONES: I realize this is a "borrowed" bill. If we share our thoughts with you, you can take those back with you to the Judiciary Committee.

194 REP. CLARK: That is great. That is the reason why the bill is here.

197 CHAIRPERSON CLARNO: Is that acceptable to you gentlemen?

198 REP. BRIAN: Yes.

200 REP. JONES: Do you want those suggestions to come back to this committee or to go directly to Rep. Clark and Rep. Brian?

202 CHAIRPERSON CLARNO: Rep. Derfler, do you have any problem with that? If there is no objection, I think that would be fine. - Closes the public hearing on HB 3438.

(Tape 53, Side B) HB 2891 - OUT-OF-STATE TRAVEL, PUBLIC HEARING
Witnesses: Marjorie Lowe, Executive Department Roger Bassett, Higher Education - Governmental Relations Ray Thorne, Oregon State Treasury Christy Leonhardt, Oregon ED-NET

209 CHAIRPERSON CLARNO: Opens public hearing on HB 2891 and asks the Committee Administrator to address the bill.

215 SUSAN BROWNING, COMMITTEE ADMINISTRATOR: The committee had a public hearing on this bill on March 14, 1991. You have a packet of

information on this bill. - Introduces the proposed amendments and people who wish to testify.

241 CHAIRPERSON CLARNO: Ms. Lowe, would you please share with the Committee what you have learned about frequent flier mileage and other issues that you have researched.

256 MARJORIE LOWE, BUDGET SUPERVISOR WITH THE EXECUTIVE DEPARTMENT, BUDGET AND MANAGEMENT DIVISION: Submits and summarizes the DHR policy for out-of-state travel (EXHIBIT C). - With regard to frequent flier mileage, the state has gone to a single travel agency, Away Travel. They handle approximately 95% of the state's travel. Our contract with Away Travel requires that they offer the agency the lowest fare. If the agency doesn't accept the lowest possible fare, Away keeps track of those instances and reasons provided. If there is a pattern within a certain agency, that is brought to our attention and we do an investigation. A single travel agency has cleaned up a lot of the previous problems.

313 REP. BRIAN: That tells me that the State does not require frequent flier bonuses to become possession of the State. Let us say that the least expensive route happens to be on Airline X. If I personally fly on Airline X, I get the mileage, not the State of Oregon.

322 LOWE: Our travel recommendations were not specific as to how the frequent flier benefits are to be handled. We have since clarified that issue. If frequent flier miles are accrued and benefits are then available, those benefits become state property and are used for an individual's future travel for the State. The benefit goes back to the agency, but the benefit goes to the individual since the airlines do not allow us to accrue those miles by agency or as a state.

335 REP. BRIAN: It goes back to the individual?

336 LOWE: The miles are tracked of by individual. The airlines will not allow us to keep track of it by agency or by the state. They view these benefits as encouraging repeat customers, and they only want to track the miles for individual customers. We are negotiating with the airlines so that we can buy bulk purchases for those destinations that are often repeated - Washington, D.C. and Seattle, Washington.

353 REP. CLARK: Couldn't we write a bill that would make the airlines do what we want? You are trying to negotiate with the airlines, and I am not sure that we have to.

359 REP. JONES: What Marjorie is saying is that they have clarified the issue and they have to use the miles for state use and not personal use. Is that correct?

365 LOWE: Yes.

366 REP. JONES: They have to use those miles or benefits on state travel whenever they are earned by state travel.

369 REP. CLARK: Why couldn't you simply pass a statute that says if the airline is going to do business in the State of Oregon, they shall attribute frequent flier mileage to the State of Oregon when earned by travel done on the behalf of the State?

374 REP. JONES: Well, you could try but I am not sure that I would support it. I am not sure that I want to get in the business of regulating the airlines in Oregon.

376 REP. CLARK: You may not be able to because it is a federal issue. I am not sure.

379 LOWE: Before we go very far on that, I would want to bring in Away Travel people to get their advice on this matter.

382 CHAIRPERSON CLARNO: Rep. Derfler, do you know if corporations are credited with mileage earned by individuals doing business on behalf of the state?

386 REP. DERFLER: Usually the individual is credited with the mileage.

388 REP. JONES: I don't know about Rep. Derfler's experience, but my experience is that the miles do not go to the corporation. They go to the individual.

391 CHAIRPERSON CLARNO: Has any agency director ever been concerned about the frequent flier mileage?

394 LOWE: Yes. We have been concerned over frequent flier mileage for a long time. Because we have the single travel agency, we now have a better chance to get a handle on what is going on within this arena. We are reviewing how these advantages are being used or abused. Once we were able to identify these issues, we went to the Agencies and told them the miles were state assets, not to be allowed for personal use.

428 REP. JONES: When did you put this policy into effect?

429 LOWE: About one year ago, I believe.

434 CHAIRPERSON CLARNO: Do you have a copy of that policy? I don't see it on your handout. I think it would be well for us to see it.

438 LOWE: I believe it went out as a memo to all the agencies. It was a clarification of the Executive Department's travel policy. I will send that over to the Committee. - It is still our recommendation to the Committee that the Executive Department be allowed to determine state travel (ORS 292.230). We want to confer with Legislative Counsel to see if we have rule-making authority under that ORS statute. We would like to broaden the area where we set guidelines and standards so that agencies exercise more caution in the travel arena. We would want to limit the number of individuals who could attend a single meeting. We want the agencies to prioritize their needs.

TAPE 54, SIDE B

033 CHAIRPERSON CLARNO: I am sorry. I didn't mean to distract you.

034 LOWE: We would also ask that each agency develop mechanisms for dissemination of information that is gained when people go out of state for training, etc. There would be an expectation that there be a reporting mechanism back to the agency, especially when we start looking at limiting the number of people who may attend the meeting.

045 REP. CLARK: With reference to Exhibit C, does this mean that if you have two people travelling to the same meeting that you don't need the

approval of the Director?

050 LOWE: Within the DHR, that is correct.

051 REP CLARK: Who does have to approve that travel?

052 LOWE: It would be the agency administrator who would make the decision. Usually that signature is on the authorization form.

054 CHAIRPERSON CLARNO: Rep. Clark, your point is that two people could go to Europe if they only stayed four days, without the Director's approval.

055 REP. CLARK: I didn't know that, but that was what I was asking about.

056 LOWE: For clarification on that issue, any international travel within the DHR would require the approval of the Director of DHR.

058 CHAIRPERSON CLARNO: But this policy doesn't say that.

059 REP. CLARK: Yes, it does. Point number one refers to international travel.

060 CHAIRPERSON CLARNO: I see. Please proceed.

061 REP. DERFLER: Would this policy eliminate the problems we have been having with regard to university students taking vans out-of-state?

063 LOWE: That would be a circumstance which would require an exception. Our proposal would allow for there to be a process where exceptions could be allowed, but they would have to be justified in advance. Athletic travel usually requires more than two people in order to be successful.

073 CHAIRPERSON CLARNO: Rep. Derfler, did you get your question answered?

074 REP. DERFLER: Somewhat. If we had an opportunity to vote on whether we would allow students to go to a particular rally, I don't think this Legislature would support that.

076 CHAIRPERSON CLARNO: I don't think you review Higher Education's travel, do you?

078 LOWE: We do receive requests for authorization from all state agencies, including the Department of Higher Education. We have delegated to them the review as far as staying within the overall total dollar amount because they have better abilities for tracking the travel done by the various institutions.

085 CHAIRPERSON CLARNO: So you would look at the overall amount of money they are spending, but you would not address the appropriateness of specific requests for travel. Correct?

087 LOWE: Correct. We would not make a determination on the appropriateness of certain proposed travel.

089 CHAIRPERSON CLARNO: Do you, at any time, oversee the appropriateness of travel for any agency, including Higher Education?

091 LOWE: I believe we have authority in the statutes, but our administrative rules don't reach to that level. We currently review those as a total dollar amount.

097 REP. DERFLER: If this were approved, would it change the amount of out-of-state trips that are taken?

099 LOWE: I think it would vary by agency. I think some agencies have already cut down the travel, due to prior strains on their resources. In other agencies, this would cause a reduction in travel.

105 REP. DERFLER: So you think it would make a difference?

106 LOWE: Yes, I do.

107 REP. JONES: Let me see if I can clarify this matter. What you have given us are examples of policies, not Executive Department policy. You want Legislative Counsel to look into the current ORS and see if you have administrative rule-making authority so that you can restrict travel for those agencies who report to the Executive Department. Is that what I am hearing?

114 LOWE: Yes, that is correct.

115 REP. JONES: You want to make sure that our Committee Administrator checks with Legislative Counsel to see what authority the current ORS allows you, so that you may change your own administrative rules to adopt state wide policies, some of which will include present day agency guidelines, like those before us. Is this correct?

119 LOWE: Correct.

120 REP. JONES: So before we ask any more questions of Ms. Lowe, we need to find out the answers to her questions from Legislative Counsel.

121 CHAIRPERSON CLARNO: Would the other witnesses please come up and join Ms. Lowe at the table. I would like Rep. Derfler and Rep. Brian to meet with Ms. Lowe and the Committee Administrator to come up with solutions to these issues.

132 REP. JONES: Did you just appoint a subcommittee?

133 CHAIRPERSON CLARNO: No, I did not. I just set up a work group to help out the Committee Administrator.

136 REP. DERFLER: I would suggest that you appoint someone to coordinate this work group, not necessarily myself, in order to keep this functional.

138 CHAIRPERSON CLARNO: I will have the Committee Administrator call all of you to coordinate this work group. - Mr. Bassett, would you like to come to the table and share your thoughts with the committee.

141 LOWE: Just one comment before the rest of the witnesses arrive. We have had a meeting with the officials at ED-NET. We thought it would be appropriate for the agencies to demonstrate that they have tried to obtain the requested training via tele-communications, in order to lessen the State's travel demands.

156 CHAIRPERSON CLARNO: I am delighted to hear that.

158 ROGER BASSETT, DIRECTOR OF GOVERNMENTAL RELATIONS - OREGON STATE SYSTEM OF HIGHER EDUCATION: Submits and summarizes written testimony (see EXHIBIT D).

204 REP. BRIAN: In a meeting between the Speaker, the Chair of this committee, the Chancellor, two Vice-Chancellors and I, we were given material that indicated that of the \$22 million dollars spent by the Department of Higher Education on travel, about \$15 million was Other Funds, and \$7 million was General Fund. The information you have provided is quite a bit different. It shows about \$20.7 Other Funds and \$1.5 General Funds. I am wondering where the \$5.5 million of General Funds went?

215 BASSETT: I did not see the information that was in the meeting you have described. I was working from a handout that was provided to this Committee the last time I was here to speak on this bill.

221 REP. BRIAN: I am concerned that a lot of this travel budget is from Other Funds. But spending \$22 million on travel means that you have a whole lot of people not in the State at any given time. Employee time is worth something and that should be considered. - Secondly, in the meeting I referenced, it was revealed that there was a significant amount of international travel. We have faculty travelling around the world frequently. This is nice, but in tough times things must change. We have about 6,000 Oregon kids who are going to have the doors slammed in their faces next year. Those who get in will face a 40% tuition increase. At the same time, we have faculty travelling to bone up on history. In tight times, I don't think that can be justified. I would like some additional detail on this \$22 million spend on travel.

252 CHAIRPERSON CLARNO: Before you answer that question, I would like to provide you with the source of the information we provided to you. It was provided to us from Higher Education. In this aforementioned meeting, we were told different figures. It is extremely frustrating to get contradictory figures.

267 REP. BRIAN: I have to understand how things work before I can offer suggestions. I wonder where the Other Fund monies are actually going and why.

281 BASSETT: We hear the frustration that you express, and it is troublesome each time we hear it. I resolve each time I hear it to do something about it. I was simply trying to use the figures already referenced in this committee.

291 BASSETT: In conversation, numbers can be given erroneously. If there is another sheet which was given to you in that meeting, I would be happy to do the work to reconcile the numbers.

299 CHAIRPERSON CLARNO: Those numbers were not given to us in ink, correct?

300 REP. BRIAN: Yes, they were. They were in the back of the report where they talked about travel.

304 BASSETT: I will follow up and reconcile those numbers. I will get additional detail for you on travel. I would be surprised if a substantial amount of what we do is international travel. Our main

destination is Washington, D.C., a result of our research functions. We do have travel that is associated with athletics. We can do some things to tighten this up. But even in tough times, a \$1.5 million dollar investment for a \$20 million dollar return (in university research) is a good investment. That is basically how we view these numbers.

328 REP. BRIAN: When you look at when a match might be involved, I guess you have to say there is General and Other Funds involved, correct?

337 BASSETT: I misled you if I suggested there is a dollar for dollar match. The General Fund travel is usually the initial travel in securing a grant. Once the federal government gets involved, generally the travel associated with the grant is covered by the federal government. The universities' match is the time of the faculty member, the facilities and so forth. I cannot defend these as a dollar for dollar match. Being engaged in the "knowledge scene" keeps us in the hunt for federal dollars.

360 REP. DERFLER: When I read your letter, I get the impression that everything is fine and we don't spend any more than we need to. I guess I would have to approach it from another direction. How would you approach this problem if you were looking for agency savings?

378 BASSETT: The System of Higher Education is responsible for \$86 million dollars with regard to the Measure 5 problem. We are preparing ourselves for bigger cuts later. We are making permanent cuts in our various programs with temporary increases in tuition. Your question is well taken. You ask why would we not strive to be as efficient as we possibly can in everything we do. In that sense, based on my review, I think we are doing a good job and tightening the travel some more doesn't seem to be a productive area for us. If we had evidence that there is frivolous travel occurring, that would change my assessment very quickly. Travel does not seem like an area that is out of line.

439 REP. DERFLER: What you are saying is that we are chasing rainbows in trying to adjust your travel?

442 BASSETT: If we are after a big chunk of the \$86 million involved with Measure 5, I would say yes. On the question of efficiency, based on a review of this issue, I would say it is being done efficiently.

450 REP. BRIAN: Do you have 1991 - 1993 travel figures?

453 BASSETT: I don't think we have them in the detail that you desire, because they are budget estimates. I have seen the projections summary, and I would be happy to get those to you. They are actually slightly down.

464 REP. BRIAN: You don't get into this specificity when you are budgeting?

465 BASSETT: We don't project in that level of detail, in the budget material that I have seen. It probably is in that level of detail somewhere, I have just not seen them.

469 REP. BRIAN: These are very big numbers. Somewhere along the line, hopefully, someone has got some specifics.

474 BASSETT: I didn't mean to imply that we don't have the detail

anywhere. I don't have it readily available to give to you today.

481 CHAIRPERSON CLARNO: Mr. Thorne, I understand that you have some amendments which concern the Secretary of State and the Treasurer's offices. If it is all right with you, would you meet with Rep. Derfler, Rep. Brian, and the Committee Administrator to convey your concerns?

495 RAY THORNE, OREGON STATE TREASURY: Certainly. Is that immediately following this meeting?

496 CHAIRPERSON CLARNO: No. Susan will give the details on the time and location of the work session. Ms. Leonhardt with ED-NET, would it be convenient for you to join the work session as well?

TAPE 55, SIDE A

037 CHRISTY LEONHARDT, OREGON ED-NET: We would be happy to work with your group, to the extent that we can. Yes.

038 BROWNING: Ms. Leonhardt has provided written testimony that outlines OREGON ED-NET (see EXHIBIT E).

041 CHAIRPERSON CLARNO: Does the Committee have any questions for these folks while they are before us?

052 REP. JONES: Does Higher Education use the Away Travel Agency?

054 BASSETT: I don't know the answer to that question.

055 LOWE: Yes, they do use Away Travel. One of the reasons we selected this agency was that it has offices in Corvallis, Eugene, and Salem.

057 CHAIRPERSON CLARNO: Thank you for your time and testimony. - This meeting is adjourned (5:35 p.m.).

EXHIBIT LOG

Exhibit A - James Seymour - 4 pages Exhibit B - Steve Carmichael - 3 pages Exhibit C - Marjorie Lowe - 2 pages Exhibit D - Roger Bassett - 2 pages Exhibit E - Christy Day Leonhardt - 3 pages

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