HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

February 11, 1991 Hearing Room E 8:30 a.m. Tapes 32 - 34 MEMBERS PRESENT:Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Nonck Rep. Carolyn Oakley Rep. Lonnie Roberts MEMBER EXCUSED: VISITING MEMBER: Rep. Dave McTeague, District 25 Rep. William Dwyer, District 42 STAFF PRESENT:Randall Jones, Committee Administrator Carolyn Cobb, Committee Assistant MEASURES CONSIDERED:HB 2483 - Denies Special Assessment to Forestland, PH, WS HB 2484 - Prohibits Conflicts of Interest for Employees of State Board of Higher Education, PH, WS HB 2503 - Requires That Certified Ballot Title Prepared by Attorney General for Statewide Initiative Measure Be Title Printed on Initiative Petition, PH, WS

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.

TAPE 32, SIDE A

003 CHAIR MARKHAM: Calls meeting to order at 8:36 a.m.

HB 2484 - PROHIBITS CONFLICTS OF INTEREST FOR EMPLOYEES OF STATE BOARD OF EDUCATION - PUBLIC HEARING Witnesses: Scott Bartlett, Administrative Assistant to Rep. Dwyer Risa Haberman, Administrative Assistant, East Asian Studies, Universityof Oregon Larry Large, Vice Chancellor, Oregon State System of Higher Education Richard Perry, Associate Vice Chancellor for Administration, Oregon State House Comm; - e on State and Federal Affaks February 11, 1991 - Page 2

System of Higher Education

SCOTT BARTLETT, ADMINISTRATIVE ASSISTANT TO REP. DWYER: Explains 012 how the bill arose. HB 2484 tries to put an end to the misuse of taxpayer funds by employees of the System of Higher Education. It would be up to the committee to determine what the appropriate penalties should be. 047 REP. ROBERTS: You create another grey area. The restrictions imposed by the bill should not be so tight that it creates problems, such as finding a suitable text book. 057 BARTLETT: The bill speaks to independent peer review of texts. This is intended to be a reasonable response to the abuses occurring. 067 RISA HABERMAN, ADMINISTRATIVE ASSISTANT, EAST ASIAN STUDIES, UNIVERSITY OF OREGON: Testifies about an experience as an administrative assistant in the romance language department at the University of Oregon in 198 6. The department head owned the corporation being used by the department for a foreign study project in Mexico. Supplies and employee time used by the corporation were charged to the University. A subsequent audit found there was a conflict of interest. 123 REP. FORD: Had there been any other bidders for the project? 125 HABERMAN: As far as I know there was no bidding process. -The Provost, Legal Counsel, Vice President of Administration, Internal Auditors and Department Head decided the way to solve the problem was to develop a special account for the project, however there was no monitoring of that account. -It was left to the department head to decide what expenses were associated with the project and which fund was to be charged. -I believe I was asked to pay bills that were not associated with the department but were still associated with the project. 158 REP. ROBERTS: Who controls the provost?

160 HABERMAN: The president. -Describes how the project is set up. 179 REP. ROBERTS: To your knowledge was this an isolated incident? 183 HABERMAN: It is the only one I have personal knowledge of. 207 BARTLETT: Discusses some other situations at the University which have been reported to Rep. Dwyer's office. 214 HABERMAN: One of the problems was an immense amount of our time was spent on this Mexico program. FavoritiSMwas shown as to whom was admitted to these programs. 230 BARTLETT: Describes reports of work study students who only worked on the

These minutes contain materials which paaphrase red/or summarize statement. nude during this session. Only text enclosed in quotation marks report \cdot speal~er's exact words. For complete co'_ of the proceedingr, pleere refer to the taper. - House Commillee on SB b and Federal Affairs February 11, 1991- Page 3

professor's program, and the records falsified. 251 HABERMAN: Describes other alleged abuses in hiring and work assignments. 273 REP. FORD: How many other programs were there in that department for summer study in different countries? 276 HABERMAN: There was one other summer program for Italy. 290 REP. FORD: Was the other program under a bid process? 293 HABERMAN:I don't know. Describes how similar programs are usually handled by the university. As far as I can see, there are still some conflicts of interest occurring at the university. 315 REP. NOVICK: Is it your understanding that despite the audit, this practice continues? 317 HABERMAN: It absolutely continues. 323 BARTLETT: HB 2484 is designed to respond to these kinds of abuses. It tries to set up a mechaniSMwhereby if any staff member's position would put them in a situation where a conflict of interest might develop, they would disclose that information and let a superior make a decision. Rep. Dwyer is concerned that employees have felt coerced to do things they felt were questionable. 389 REP.OAKLEY: What did Rep. Dwyer have in mind as to the annual dollar figure? 394 BARTLETT: Itis really up to the committee's judgement. I am not sure the

law permits any. TAPE 33, SIDE A 016 REP. FORD: Have you given any consideration to requiring a public declaration of conflicts of interest in the local or student newspaper, or with the provost's offfice? 026 BARTLETT: The bill speaks to that, requiring the employee to notify his supervisor and abstain from the activity. The intent is to have the employee's supervisor make an independent judgement about the propriety of the action. 068 REP. FORD: Has Ms. Haberman had any repercussions as a result of this matter? 070 HABERMAN: Describes changes in her position since the incident. 085 REP. FORD: I would like to have the committee send a letter to the president of the university asking for a complete accounting of this program. 093 REP. BELL: Discusses the need for a procedure for making a complaint. It should cover the whole thing from complaint to resolution.

These minutes contain rmteri Ir which paraphrase and/or summarize "tements ~de during this YeUion Only text enclosed in quot tion rks report \cdot speaker's ex ct words For complete contents of the proceedi gs, ple se refer to the topes. House Committee on State and Federal Affairs February 11, 1991- Page 4

135 REP. NOVICK: A lot of that may already be in statute.

152 LARRY LARGE, VICE CHANCELLOR, OREGON STATE SYSTEM OFHIGHER EDUCATION: We share the desire to protect against conflicts of interest. 163 RICHARD PERRY, ASSOCIATE VICE CHANCELLOR FOR ADMINISTRATION, OREGON STATE SYSTEM OF HIGHER EDUCATION: Submits and summarizes written testimony (EXHIBIT A). Submits copies of the pertinent statutes ORS 351.067, 351.070 (EXHIBIT B), and State Board of Higher Education Rules (EXHIBIT C). 260REP. FORD: It appears the bill is not necessary as it is written, but enforcement of the existing statute is needed. Could you look into this particular case? Is this practice still going on? 275 LARGE: We will follow up on this. The dates given for situation testified to, antedate the rules and regulations submitted. 318 REP. BELL: Within the work you have done in the last few years, did you ever cover the whole process? 323 PERRY: Describes how auditing programs are set up within the state system. 343 REP. ROBERTS: I would not like to see any retribution against Ms. Haberman for coming before the committee. 361 LARGE: It is on the record. 365 REP. NOVICK: Have there ever been any higher education complaints filed with the Government Ethics Commission? 373 LARGE: Not to my knowledge, no. 409 REP. ROBERTS: Most of these employees have a job description. If they are asked to do something outside the job description, do they know to ask some questions? 426 LARGE: That is not so simple to say, there can be legitimate situations where employees and departments would be involved in working with students and off-site corporations.

TAPE 32, SIDE B

051 REP. ROBERTS: Calls attention to line 21 on HB 2484 which has a blank in it. Suggests wording "when benefit is less than \$100 per term".

061 REP. NOVICK: That may put us in conflict with 244, the other government ethics statutes.

These minute~ contain materialr which paaphrase ant/or summarize sta ments mate during this session. Only text enclosed in quotation marks report r epeaker'r exact words. For complete contenb of the proceetingr, please refer to die taper. House Committee on State aDd Foderal Affairs Februng 11, 1991-1 - e S

070 REP. BELL: Have we taken into consideration speaking fees? We don't want to write laws so stringent that they could not be gainfully employed with speaking engagements on the weekend.

HB 2503 - REQUIRES THAT CERTIFIED BALLOT TITLE PREPARED BY ATTORNEY GENERAL FOR STATEWIDE INITIATIVE MEASURE BE PRINTED ON INITIATIVE PETITION PUBLIC HEARING Witnesses: Dave McTeague, State Representative, District 25 Marla Rae, Department of Justice, State of Oregon Tom Clifford, Legislative Counsel

090 DAVE MC TEAGUE, STATE REPRESENTATIVE, DISTRICT 25: Reviews Supreme Court memorandum regarding Statistics for Ballot Title Cases (EXHIBIT D). -Delays could thwart use of the initiative process. -Government processes to review the titles should commence and run expeditiously.

112 REP. ROBERTS: Are these your amendments (EXHIBIT E)?

115 REP. MC TEAGUE: The language of the bill was inadequate to do what was intended. I asked Legislative Counsel to refile it and Rep. Burton agrees this is better language.

124 REP. ROBERTS: How far can we go in instructing the supreme court?

128 REP. MC TEAGUE: I am not aware of any constitutional problem with this measure.

140 TOM CLIFFORD, LEGISLATIVE COUNSEL: You can mandate that kind of time, the question is what happens if the thirty days comes and goes.

144 REP. ROBERTS: The original ballot title would then be used. The Supreme Court would make a decision by default.

148 REP. MC TEAGUE: That is the proposal on the table. Some of these cases have gotten stuck in the court for so long when you add in the other time considerations involved, that it pretty much negates the ability to effectively use this process.

156 REP. NOVICK: What would happen if the proponents do not want to go with that ballot title, but want to go ahead with the challenge?

165 REP. MC TEAGUE: I would hope the supreme court would start to get the message that they cannot sit on these ballot titles forever. Describes some of the process followed by the court.

198 MARLA RAE, DEPARTMENT OF JUSTICE: Submits a proposed amendment (EXHIBIT F) transferring the ballot review function to legislative counsel. -Reviews summary of ballot title statistics (EXHIBIT G). -Gives examples of dismissed challenges.

. House Commi~ee on State and Federal A~ffairs Februaryll,1991-P4e6

260 REP. FORD: What is the difference between mod)fied and certified? 263 RAE: Modified is when the court changes the wording, certified means no changes made. 283 REP. ROBERTS: When does the ninety days start? 292 RAE: Describes the process of preparing a title, reviewing comments and sending final ballot title to the Secretary of State. -We do not want to see the thirty day limit on the court. -Other cases in the court are competing for attention. TAPE 33, SIDE B 004 REP. FORD: The responsibility of defending the ballot title challenges still goes to the Attorney General's office. This bill would take away the background work of their office, but they would still have to defend the challenge. 016 RAE: It is not unusual for us to be brought in on any case once a lawsuit has been filed. 023 REP. FORD: If the Attorney General's offfice was drafting the titles, wouldn't they have a greater understanding of it if it gets to court. 026 RAE: Not necessarily. While we have some specialized functions in legislative drafting, that is not basically what we do for a living. If a challenge is brought in the courts, just like all other cases, we would appear for the state. 038 REP. ROBERTS: Would it streamline the system if we had legislative committee hearings, allowing people to object to the title before the ballot title is written? 053 RAE: If the interest is in speeding up the process, that would run counter to that interest.

068 CHAIR MARKHAM: Why not have the Secretary of State write the titles? 071 RAE: We have not explored that because writing titles is an art form of its own. 097 CLIFFORD: Expresses opposition to the amendments proposed by the Justice Department. i -We have twelve lawyers who during sessions are completely occupied by bill drafting and amendment writing. I do not see how we could do this task during sessions. -Ballot title drafting is a separate discipline that is laid out in statute. -We have twelve lawyers in the Legislative Counsel office, the Justice Department has 160. 155 CHAIR MARKHAM: If the responsibility was shifted from Justice, how would the budget be changed? \sim . Hous OD Slate and Federal Affairs February 11,1991- Page 7

159 RAE: I cannot predict the budget consequences, but it is not the most time consuming function of the office. -Describes how the Justice Department is funded.

214 RFP. BELL: How does the size of the Legislative Counsel staff change in the interim?

219 CLIFFORD: During the session we increase the staff by adding law clerks.

225 REP. BELL: Did you indicate there is no time in the biennium that you would be able to help out in this effort?

228 CLIFFORD: We may be able to help at some times in the interim, but it is difficult to predict the work load.

HB 2483 - DENIES SPECIAL ASSESSMENT TO FORESTLAND - PUBLIC HEARING Witnesses: John Gervais, Unique Northwest Country Inns Barbara Mitchell, Flying M Ranch Frank Schenck, Tree Farmer Jeff Curtis, Oregon Department of Fish and Wildlife William Dwyer, State Representative, District 42

251 JOHN GERVAIS, UNIQUE NORTHWEST COUNTRY INNS: I understand the principle of the bill, but in the case of some resorts in the state there are some potentially serious problems. -Discusses the activities of Flying M Ranch in Yamhill County. Describes the taxes they pay. -Submits and discusses LC dash one amendments (EXHIBIT H) and LC dash two amendments (EXHIBIT I).

317 CHAIR MARKHAM: You are charging only for guide services?

324 BARBARA MITCHELL, FLYING M RANCH: We do have trail rides and camping that we charge for. We also do tree farming.

335 CHAIR MARKHAM: If this bill was limited to big game, it would not bother you?

336 MITCHELL: That is correct.

TAPE 34, SIDE A

018 FRANK SCHENCK, TREE FARMER, MOLALLA: I am confused about the goals of this bill. -You want the timber industry to diversify. -There is an emphasis placed on multiple use of forest land. -The tourist industry is promoted. -This bill takes away the incentive from the property owner who charges access fees.

056 CHAIR MARKHAM: How many acres do you tree farm? ~, . House Committee on State and Federal Affain February 11, 1991 - P - e 8 $\,$

057 SCHENCK: Three hundred sixty acres. I have been looking at the possibility of starting some kind of recreational activity on the tree farm, but this bill would certainly put a damper on that.

065 REP. NOVICK: There is a perception that private parties are banefitting economically from state herd improvements. Would an exemption from this law for small woodlot owners, four hundred acres or less, satisfy you?

073 SCHENCK: Many woodlot owners would like to see the exemption size increased. -Describes dangers encountered in allowing the public on the property. -Discusses damage done to the area by the public. -Explains how he is trying to limit risks by controlling access. -Is looking for a way to get compensation for damages done.

098 REP. NOVICK: Would not the damages be happening even if you were charging other individuals?

102 SCHENCK: Yes, but the income would offset the cost of enforcement.

107 REP. NOVICK: What would be an acceptable acreage size?

111 SCHENCK: The Small Woodlands Association has class) fied under 2,000 acres as being a small tree farm. 118 REP. NOVICK: Going to 400 acres is a recognition of some of the problems you folks have but going to 2,000 acres seems very high. 122 SCHENCK: It depends if it is in one continuous piece or the total acreage. 140 JEFF CURTIS, OREGON DEPARTMENT OF FISH AND WILDLIFE: We have discussed this bill in the Fish and Wildlife Department and we would like to bring it before our commission. They will meet this friday and we will ask their position. REP. BELL: Private land owners do have management problems with 153 game. An alternative is a limited hunt under the direction of the Fish and Wildlife Department. Is there a role you could play in helping to retain private ownership of forestland and management of animals while protecting the rights of the public to game that rightly belongs to all of us? 166 CURTIS: We spend quite a bit of time dealing with the problems of game management. 179REP. BELL: What do you do when a landowner is having a management problem? 184 CURTIS: We authorize special hunts where there are serious problems. 190 REP. ROBERTS: How do you determine when you need special hunts? 195 CURTIS: It starts out with a complaint, and the biologists study the situation and make

Theee minutes contain materiel' which paraphrase and/or sumnorize de mentll made during this rerrion. Only text enclored ID quotation marke report a speaker's exact worse. For complete contents of the proceedinge, please refer to the tapes. House Commitlee on State and Federal Affairs Februag 11, 1991 - P - e

a decision.

208 WILLIAM DWYER, STATE REPRESENTATIVE, DISTRICT 42: My intent is to minimize the taking of Oregon's wildlife without compensation and not to inflict damage on one hand, but refuse to open your land to hunters on the other. -The question is, it is the state's resource base that is being used. 338 REP. SOWA: Most of what Rep. Dwyer is talking about is a reality. In 198 5 we modernized and updated the Fish and Wildlife programs to give more relief from damage to the landowner. -The task force said you don't charge for access. -Describes the problems of managing wildlife on private land. -Lists landowners he has consulted with on this issue. -Wants to make this bill a deterrent to fee hunting taking over, but not so punitive as to deter attempts to offset costs. -Discusses a proposal that the bill apply only to that portion-of the land used for fee hunting. -Suggests an exemption for small woodlot owners. Submitted by: Reviewed by:

Carolyn Cobb Randall Jones Assistant Administrator

EXHIBIT LOG:

A - Testimony on HB 2484 - Richard S. Perry - 1 page B - Testimony on HB 2484 - Richard S. Perry - 1 page C - Testimony on HB 2484 - Richard S. Perry - 3 pages D - Testimony on HB 2503 - Rep. McTeague - 2 pages E - Amendments to HB 2503 - Rep. McTeague - 4 pages ; F - Amendments to HB 2503 - Rep. McTeague - 4 pages ; F - Amendments to HB 2503 - Marla Rae - 3 pages G - Testimony on HB 2503 - Marla Rae - 1 page H - Amendment to HB 2483 - John Gervais - 1 page I - Amendment to HB 2483 - John Gervais - 1 page

Ibeeo minutes contain materials which paraphrase and/or summarize rtatemonb made during tbir session. Of Iy text enclosed ill quotation markr report a epeater's exact words. For complete contents of the procoodinp, please refer to tbo byer.