

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 01,1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 165 - 166 Dislocated Worker Aid Workforce

MEMBERS PRESENT: REP. RAY BAUM REP. JERRY BARNES REP. MARGARET CARTER REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE REP. BOB PICKARD

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER, POLICY ANALYST JERI CHASE, OFFICE MANAGER HOLLY BROWN, COMMITTEE ASSISTANT

WITNESSES:MARK HUSTON, MANAGER, BUSINESS FINANCE SECTION, ECONOMIC DEVELOPMENT DEPARTMENT DAVID LOHMAN, SENIOR DEPUTY DIRECTOR, ECONOMIC DEVELOPMENT DEPARTMENT LYNN YOUNGBAR, LEGISLATIVE LIAISON, ECONOMIC DEVELOPMENT DEPARTMENT J.D. HOYE, ASSOCIATE SUPERINTENDENT, VOCATION EDUCATION, DEPARTMENT OF EDUCATION AND ACTING DIRECTOR, JOB TRAINING PARTNERSHIP ASSOCIATION BILL BRALY, JOB TRAINING PARTNERSHIP DIVISION, ECONOMIC DEVELOPMENT DEPARTMENT KEITH LEAVITT, LEGISLATIVE ASSISTANT, REPRESENTATIVE STAN BUNN

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 165, SIDE A

000 CHAIR BAUM convenes the meeting at 8:19 a.m.

HB 2251 (Dislocated Worker Aid) - Work Session

044 CORTRIGHT: Present -6 amendments (EXHIBIT A).

090 CHAIR BAUM: What are we talking about in terms of the actual guarantee amount?

095 CORTRIGHT: The borrower and the bank each put in up to 3 1/2 % of the original amount of the loan. In a severely affected community the state would match with 150% of the money.

113 CHAIR BAUM: Is that going to be enough incentive to encourage industry to invest in these areas?

119 MARK HUSTON: The Capital Access Program is new and I can't really say.

130 CHAIR BAUM: I just want to be sure we give some kind of incentive for people to go back into those communities.

137 CORTRIGHT: This reduces the leverage but it is still substantial.

144 DAVID LOHMAN: I don't think we can tell for sure that this will make a difference, it is very hard to measure. You could only measure it with a set aside.

154 REP. BARNES: Do you need more flexibility?

159 HUSTON: The decision is made by the bank. The difficulty is that the state doesn't make the credit decision so we can't make a judgement as to how much is needed.

174 REP. CARTER: The risk is there and we need to create a set aside so that you won't lose it all if they cannot pay back the money. I would look at a set aside amount and repeal it with a sunset.

202 HUSTON: Because the state doesn't make the credit judgement, if it is in a distressed community the department will likely commit 150% match across the board, there is really no way we can make a judgement as to whether or not it should be less than that.

220 REP. KATZ: Is it possible that if the money is not spent we could use it for something else?

228 CORTRIGHT: This bill would not set aside any of the money so it would always all be available for any potential loan that would be enrolled. If the department ran at 150% and that wasn't a sufficient incentive the department would have the discretion to up it to 175% or 200% under the terms of this bill.

244 MOTION: REP. BARNES moves to adopt Section 18 to HB 2251 with a ceiling of 200%.

248 LOHMAN: I think our tendency will be to start out at 150%. I think we will get pressure from the banks to bump this up immediately and I would like your support in trying 150 % for awhile first.

262 HUSTON: We like discretion, but how far up would you like us to go up?

272 CHAIR BAUM: We could ceiling it at 200%.

279 LOHMAN: That would help but we need to figure out to what degree loans are going out now. We have no base line.

335 VOTE: Being no objection the above amendment is adopted.

320 CHAIR BAUM: Looking at Section 17 we have the timber worker loan program. I think all that money should go to those folk who are dislocated timber workers no mater where they locate.

330 MOTION: The CHAIR moves on page 8, line 7 of the -6 amendments to insert 100% in the blank.

VOTE: Being no objection the above amendment is adopted.

337 CHAIR BAUM: I would like to put \$1 million in the timber worker

loan program, \$1 million in the OBDP target funds, \$1 million in capital access and \$4 million into training.

365 REP. MC TEAGUE: If video poker becomes a reality could that be a potential fund for this bill?

403 CHAIR BAUM: If video lottery goes through then we will pay off capital construction, then light rail. In 1993 we bring back into discussion what people want to fund.

TAPE 166, SIDE A

022 LYNN YOUNGBAR: I would like you to consider that you have opened up the definition of severely affected communities to consider communities that are also affected by a species threatened or endangered. But we still have a very limited definition of dislocated worker as a dislocated timber worker.

035 CHAIR BAUM: When we consider the definition of dislocated timber worker in conjunction with the definition of a severely affected community it gets pretty broad.

054 YOUNGBAR: If you are just going to do timber worker, there is a consistency problem.

066 REP. KATZ: If we are going to have to allocate money with from video poker, I would want to get law enforcement in on this.

088 CHAIR BAUM: That is reasonable. We can have counties and law enforcement in to discuss their opinion on this.

122 REP. MC TEAGUE: At the last joint meeting we voted in concept to support an allocation for law enforcement and treatment but we did not put in any percentages.

221 J.D. HOYE: There is a rumor that there is \$15 million of JTPA money available to train dislocated timber workers who are receiving unemployment benefits, that is a rumor. There are dislocated resources within the JTPA system some of which have been targeted for timber dependent communities but not \$15 million.

232 CHAIR BAUM: We are contemplating adding \$4 million to that. Does JTPA allow people who are on unemployment to get training when they are dislocated workers?

241 HOYE: If they are associated with a plant closing the UI benefits do not hinder their eligibility to receive services. There are resources for dislocated workers, \$2.5 million, that would pick up the ripple affect layoffs. If you specifically target to the JTPA system you jeopardize federal funds. The \$19 or \$20 million here is a good faith effort and it will get us further then we have been before.

307 BILL BRALY: At the current level of dislocation that we are seeing and projecting, \$19 or \$20 would probably get us by. If we get the massive layoff and closures that are being contemplated it won't take the edge off of it.

363 CHAIR BAUM: Presents "1991-93 Lottery Fund Allocation Worksheet" (EXHIBIT B).

388 REP. BARNES: Some of these things keep coming back. I thought lottery was for one shot programs.

399 CHAIR BAUM: Some of these programs are grant programs for one time projects. Some of them may not survive the process but they do give grants to agencies.

TAPE 165, SIDE B

011 CHAIR BAUM: Continues EXHIBIT B

034 CORTRIGHT: There are number of things that the Governor identified for the use of Strategic Reserve Funds.

039 CHAIR BAUM: Concludes EXHIBIT B.

045 REP. KATZ: We probably need to hear the Wood Products Network presentation because it is a \$2 million item.

060 CHAIR BAUM: We could take the \$6 million for prisons out on good faith and do something else with the money. However, video poker may fail. Where would each of you like to see the \$6 million go?

073 REP. CARTER: I would like to see you put more into key industries.

077 REP. MC TEAGUE: I would like to see more in fisheries and parks and regional strategies to give the department more flexibility.

097 REP. HAYDEN: Watershed enhancement might take some more money.

105 REP. PICKARD: I would add \$250,000 to that because it is a good one time project.

123 REP. MC TEAGUE: That project has done a lot in showing folks how we can improve watershed conditions which benefit both the fish and the cattle in many instances.

130 REP. HAYDEN: I would unfund the Progress Board.

138 REP. KATZ: We are working on the reallocation of the \$6 million that would come from video poker I will have to pass on that for now.

146 REP. CARTER: I would like to see \$500,000 state parks, \$90,000 minerals, \$500,000 fisheries, \$1 million housing programs, \$400,000 rural health, \$400,000 Marketplace and for the Workforce council I would add another \$1.5 million.

160 REP. MC TEAGUE: You are proposing an increase in the Workforce Council to \$9.5 million. Could you tell us what that is for?

168 REP. CARTER: We found that many of the women we could help to get off welfare didn't have child care. Also we couldn't scholarship them. We took out that portion to cut back on the price of the program. This could replace those programs.

189 REP. PICKARD: I would add \$250,000 to Watershed Enhancement and maybe \$500,000 for pre- kindergarten.

209 CHAIR BAUM: There is a commitment to fund pre-kindergarten with \$10.7 million from the general fund.

225 REP. PICKARD: I would also add another \$250,000 in fisheries.

237 REP. BARNES: I would like to see more money into dislocated timber workers loans and target OBDF. I would put more money into Watershed Enhancement and fisheries. Individual ports should do dredging themselves or else consider it as part of the Special Public Works Fund. County Fairs and their special projects need a small amount of funds. There are 3 projects that I would like to see funded and those are OMSI/Shakespeare, Clackamas Countys' End of the Oregon Trail and the Columbia River project. There is too much money for Workforce I think that could be cut in half and we could cut Ed Net down. We could also cut the Strategic Reserve Fund because I don't want to see the Governor put that money into the LCDC budget.

284 REP. KATZ: I would put \$20 million into Head Start, \$10 million for teacher retraining, \$20 million for 20/20 programs and the rest would be from kindergarten to 4th grade for at risk youth, especially those in the dislocated timber communities. If you did that you would begin to solve a lot of problems out there.

311 REP. MC TEAGUE: We don't have to spend all the money from video poker on a capital construction fund.

334 REP. BARNES: How does Head Start stand in the General Fund?

339 REP. KATZ: There is an additional \$10.7 million that will be added back to the General Fund. But, we need another \$10 million to get us moving better.

380 REP. MC TEAGUE: I don't understand dredging. Could \$3 million even make a dent in the price of dredging?

400 CHAIR BAUM: It could be helpful in leveraging dollars from the federal government.

445 REP. CARTER: We really should hear them. Most people don't realize how the wheat farmers in the lower Columbia are having problems getting their wheat to the channel.

465 REP. BARNES: Do these smaller ports have bonding authority?

468 CHAIR BAUM: Some of them do.

470 REP. BARNES: There should be some indication of local effort.

TAPE 166, SIDE B

035 CHAIR BAUM: Recesses the meeting at 9:45 a.m.

040 CHAIR BAUM: Reconvenes meeting at 10:08 a.m.

HB 3474 (Vocational Technical Education) - Work Session

054 MILLER: Presents Questions on HB 3474 (EXHIBIT D).

134 REP. KATZ: In Section 9(5) when we do the developmental sites of America's Choice I need to understand how that is going to work. They

must establish a school site management council because that is the only way that the teachers will buy into those changes.

165 KEITH LEAVITT: Presents written testimony on HB 3474 (EXHIBIT E). Generally Rep. Bunn thinks EDD did a good job distributing these funds last biennium.

208 MILLER: HB 3133 leaves the funding system that is in place in place for another biennium. HB 3474 would send the money to the agencies the first half and the council would take over the second half. I have some trouble understanding how that transition would work at that mid point year. Who decides what is necessary and reasonable?

230 LEAVITT: The money would be allocated specifically to those agencies until Jan 31, 1992. The agencies decide the funds that are supposed to be necessary and reasonable.

254 MILLER: In the administration of these funds there would be the chief administrators of all these agencies at the table. You would be giving them responsibility for allocating among themselves workforce development funds. It seems that is a potentially explosive situation. You will want to think about that.

272 J.D. HOYE: We need to remember that the majority of the council will not be represented by agency heads but advisors and business leaders in terms of looking at the whole workforce policy and the allocation of those resources. The question is are you willing to empower those agencies to make the decision in the interim.

292 CHAIR BAUM: We give this council a lot of responsibility. What do we lose for them on their big policy issues if we put them in a position of managing little pots of money? Are they going to be tied up totally with that?

307 HOYE: When you have a policy making board part of the policy discussion and decision making is the allocation of resources to get a job done. I don't see them having an administrative role where they are actually administering programs. I think that you can set those objectives but if you have not resources to move those objectives forward all you are is an advisory body.

340 CHAIR BAUM: How does that dovetail with HB 2251 where we take that job training money and we don't give it to the council to spend but to EDD?

350 HOYE: I would have recommended that the council should have oversight over those resources as well. We are asking state government to move to high performance work organizations as well, which will require cross functional teams. You will need to get together teams of people across departments that have staff.

406 CHAIR BAUM: I want to give them the power to drive the process.

413 VICE CHAIR CARTER: What would be the problem if we did not give it to the council until 1993?

417 HOYE: I don't think there is a problem as long as it is clear in the legislation that the intent of the workforce council is to drive, provide oversight and policy guidance.

421 VICE CHAIR CARTER: Any program that does not want to except the leadership of the council could drag their feet and slow us down. What could we do with the Emergency Board or the Governor's office to call those people in and tell them to cooperate?

430 HOYE: With the fact that the Governor is on the council I would hope that would expedite any requests the council had to agencies that were answering to her leadership.

474 VICE CHAIR CARTER recesses the meeting at 10:35 am.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - -6 amendments to HB 2251, submitted by Joe Cortright, pgs. 8.

EXHIBIT B - "1991-93 Lottery Fund Allocation Worksheet," submitted by Chair Ray Baum, pgs. 1.

EXHIBIT C - Questions on HB 3474, submitted by Tami Miller, pgs. 3.

EXHIBIT D - Testimony on HB 3474, submitted by Keith Leavitt, pgs. 3.

House T&E Committee May 1, 1991 Page

HB 2614 - WKS

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 01, 1991Hearing Room 343 4:30 P.M.State Capitol Salem, OR

Tapes 167 - 169 Lottery Allocation

MEMBERS PRESENT:REP. RAY BAUM, CO-CHAIR REP. MARGARET CARTER, VICE CHAIR  
REP. JERRY BARNES REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE  
REP. BOB PICKARD

GUEST MEMBERS: SEN. WAYNE FAWBUSH, CO-CHAIR SEN. SCOTT DUFF SEN.  
JEANNETTE HAMBY SEN. JIM HILL SEN. PEG JOLIN SEN. EUGENE TIMMS

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER,  
POLICY ANALYST JERI CHASE, OFFICE MANAGER HOLLY BROWN, COMMITTEE  
ASSISTANT

WITNESSES:DAVID LOHMAN, SENIOR DEPUTY DIRECTOR, ECONOMIC DEVELOPMENT  
DEPARTMENT STEVE PETERSEN, DIRECTOR, 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 167, SIDE A

003 CO-CHAIR FAWBUSH convenes the meeting at 4:40 p.m.

019 CORTRIGHT: At the last meeting the committee made some fairly  
specific decisions about the video lottery proceeds. First, you decided  
to revise the existing statutory allocation of video lottery proceeds  
and change it from the current allocation which is for faculty salaries  
and transit projects. Second, you agreed to protect the existing level  
of regular lottery proceeds at a level of \$100 million for the 1991-93  
biennium. The third thing you decided was to allocate the video lottery  
proceeds to a capital trust fund for capital construction projects and  
you identified the first two sets of projects to be financed: 1)  
repayment of existing state obligations for the prison construction;  
and, 2) retirement of the state obligation of the west side light rail  
project.

042 CO-CHAIR FAWBUSH: Once we pay off the prisons with the money from  
video poker that money will be used to buy forward the next \$16 million  
but will not back-out the current \$16 million in this biennium. You  
will have an available pool of money next biennium. That is the  
understanding that we are all working on.

060 CORTRIGHT: You also agreed that the video lottery would extend to



all 36 counties and that there would be no local option. There will be an allocation, of a portion still yet to be determined, of the proceeds to local governments for their costs, including treatment.

074 CO-CHAIR FAWBUSH: The general consensus was to have a sunset in 1993 on the allocation.

105 SEN. DUFF: We were talking about the purpose of the account not the account itself. Sen. Hamby brought up a point about using 10% for enforcement and 3% for mental health treatment. 10% and 3% of what?

131 SEN. FAWBUSH: Of the \$56 million.

136 REP. KATZ: Why are we sunsetting it when we know we have prison debts to pay off and light rail?

140 SEN. HAMBY: It gives us all an opportunity to review.

154 CO-CHAIR FAWBUSH: If it meets half of its expectation you will have paid off prisons and most of the light rail by the beginning of next biennium.

222 CO-CHAIR BAUM: Presents "Lottery Allocation Worksheet Assuming Video Lottery" (EXHIBIT A).

359 CO-CHAIR BAUM: I would like to add \$1 million to Ag Op Fund for research to find an answer to the field burning question. That money will be freed up by keeping Regional Strategies at its current funding proposal of \$14 million. Continues presentation of EXHIBIT A.

417 SEN. HILL: Go over the Capital Access Program.

427 CO-CHAIR BAUM: We have \$1 million in that program now. Under the existing program if you had a \$100,000 loan \$3,500 is put up as a guarantee fund from the borrower, \$3,500 from the bank and the state matches that \$7,000 with another guarantee.

446 SEN. DUFF: When you refer to dislocated timber workers, that is not just for dislocations that occur because of the Spotted Owl concerns, but it would refer to dislocations throughout the state?

448 CO-CHAIR BAUM: Yes. It would include dislocations as a result of forest health problems.

463 REP. HAYDEN: I will not be supporting video lottery in any way.

TAPE 168, SIDE A

027 REP. BARNES: Don't forget OMSI/Shakespeare as we go through and spend the money.

051 SEN. TIMMS: I have a problem with saying everybody should support a project because that makes it more difficult to make any decisions.

066 SEN. HAMBY: I am assuming that there is no General Fund backfill in any of these line items.

082 SEN. HILL: What do we do if video poker doesn't pass?

088 CO-CHAIR FAWBUSH: The best way to do this is to clearly identify

the \$7 million that would need to go away if video poker does not materialize. I would urge the committee to figure out where they would like to take that \$7 million from if video poker doesn't happen.

127 CO-CHAIR FAWBUSH: Lets go line item by line item using the last list from the House (EXHIBIT A)

220 CO-CHAIR FAWBUSH: How much of the \$5 million for tourism was used for administration last biennium?

230 DAVID LOHMAN: For salaries, it was approximately \$1 million.

240 CO-CHAIR FAWBUSH: Is your intent in your recommendation for Tourism, to back out administration dollars?

241 CO-CHAIR BAUM: My intent is that whatever General Fund paid for last biennium ought to happen this biennium. Tourism is an ongoing, General Fund activity.

247 CO-CHAIR FAWBUSH: Is there consensus that administration costs should be General Funded? That's approximately \$1.2 million. This would give you an increase in lottery funds available.

262 STEVE PETERSEN: We had \$3 million in General Fund and approximately \$2.1 in lottery; a total budget for Tourism of \$5.1.

CO-CHAIR FAWBUSH: Let's add everything to the list.

287 REP. PICKARD: I am looking for a place to add the Shakespearean Festival to the list.

300 REP. BARNES: That would be an addition of \$1.6 million for the Shakespearean Festival.

308 REP. KATZ: I would add \$3 million for OMSI.

311 REP. MC TEAGUE: I would add \$1 million for End of the Oregon Trail.

340 SEN. HILL: As a process question, what is it we are doing now?

344 CO-CHAIR FAWBUSH: We are discussing things that members would like to see added to the list. When we get through and add the additions up, we will then discuss them and see if there is general support for them to be actually added to the list, with reductions made in other items. These things are not being actually added to the list yet.

354 SEN. HILL: Why don't we do it by category?

363 REP. PICKARD: We have not yet voted on this list. These ideas are not any less important than the ones on the list.

370 CO-CHAIR FAWBUSH: We can deal with this two ways. We can try to decide on each item, one by one. If we wait until we get to the end and add these items in, you have an idea of where to get the money.

400 CO-CHAIR BAUM: We need to get everything on the table. Go down the list one time and add everything that anybody wants to add. If that

adds up to far too much money, we will just have to work on that.

415 REP. KATZ: That is the fair way to do it.

422 REP. BARNES: You are discussing this list as if it were a given.

429 CO-CHAIR FAWBUSH: It is not a given at all. We will add things to the list that members ask and when we get to the end, we will go back over the list.

TAPE 167, SIDE B

040 REP. CARTER: I would recommend that State Parks be reduced to \$500,000.

077 REP. BARNES: I would recommend we reduce Key Industries to \$1 million.

088 SEN. DUFF: I would recommend that we increase Key Industries by \$250,000. We are working on a statewide telecommunications policy that is not available in the state. Those funds could be used to develop and coordinate that policy.

093 SEN. JOLIN: SB 1208 (currently in the Senate Telecommunications Committee) would create a statewide telecommunications policy that would require the hiring of at least a consultant. I don't know exactly how to fund it, but it does have the support of the Governor, Senate President, and the industry. I don't know if the funds could come from the recommended amount for key industries or if \$200,000 needs to be added to that category so that telecommunications can be funded.

110 REP. BARNES: I suggest a reduction because I don't believe we have an obligation to help key industries get themselves organized.

115 SEN. JOLIN: My request is to allocate \$200,000 in lottery funds for telecommunications policy. I don't care if it comes from any particular pot.

122 CO-CHAIR FAWBUSH: So this is an add-on of \$200,000 for a telecommunications policy study (the recommendation from SEN. JOLIN and SEN. DUFF). It could be separate or included in Key Industries.

130 CO-CHAIR FAWBUSH: Watershed Enhancement has been increased by \$500,000 (in the House proposal).

138 CO-CHAIR FAWBUSH: Ag Opportunities has been recommended for increase to \$1.35 million, with the understanding that some of those funds go into the CARR program.

140 REP. KATZ: Should straw utilization be funded with General Fund or lottery funded? Could this be a General Fund add-back?

142 CO-CHAIR FAWBUSH: The one place you could get that (from General Fund) would have been from a very small ag research fund (\$1.2 million last biennium) that has been zeroed out. Therefore, the likelihood of any general funds for agricultural research for any purpose is not good. I may agree with the \$1 million addition, but there are a lot of different problems throughout agriculture and to put all of that into the research on straw utilization is not good. We have been asking the

grass seed industry to solve this for a long time and they have been raising funds among themselves to do that without making much progress. This would be a major infusion of funds for a group that some feel have not tried to adequately address the problem themselves.

168 SEN. TIMMS: I recommend a \$325,000 addition for minerals. Submits letter as EXHIBIT B.

180 REP. HAYDEN: Geothermal energy research is also very important. I would recommend an additional \$1.2 million for completion of that.

205 CO-CHAIR FAWBUSH: Fisheries received approximately \$2.1 million last biennium in lottery funds. They will receive approximately the same amount this biennium, only from fees, not lottery funds. If we recommend \$1 million, this would be approximately a 50% increase in their funding level from last biennium. I recommend the House recommendation be reduced by \$500,000.

219 REP. MC TEAGUE: I would recommend an additional \$1 million.

224 SEN. HILL: Does the list that we have include carry-over?

234 CO-CHAIR BAUM: No. These are new dollars from 1991-93 biennium revenues.

237 SEN. HILL: I thought we were going to consider the uncommitted balances in programs in making an allocations. We have to do that.

250 CO-CHAIR BAUM: I took them into consideration when I made by recommendations, but they are not actually reflected in the recommended amounts. You can raise that issue when we get to the particular programs with carry-over.

274 SEN. JOLIN: I would suggest that Regional Strategies in the tri-county area be limited to rural areas of counties - the non-urban growth boundaries.

284 CO-CHAIR FAWBUSH: I would like to just go through dollar allocations at these meetings and deal with that substantive issue later.

290 SEN. JOLIN: I am satisfied with dollar amount.

300 REP. HAYDEN: Wasn't last biennium's funding for Regional Strategies \$25 million and isn't this biennium's recommendation for \$30 million when light rail is factored in?

304 CO-CHAIR FAWBUSH: The actual amount that the Regional Strategies program received this biennium was \$17.7. The Convention Center was approximately \$7.5 million. There will be actually an increase in Regional Strategies this biennium.

317 REP. BARNES: I would recommend reducing funding for the Rural Institute by \$1 million.

320 SEN. JOLIN: I recommend that we increase funding for that by \$1 million.

324 CO-CHAIR FAWBUSH: Housing is a substantial increase.

330 SEN. HILL: My concern with Housing is how the money is going to be used. It needs flexibility.

345 CO-CHAIR FAWBUSH: The dollar amount is within our purview; details on how the funds will be used will be decided by other committees and then by the Legislature as a whole.

350 SEN. HAMBY: Regarding the Rural Institute, I still have questions.

367 SEN. JOLIN: I would prefer that dredging come from video poker proceeds - perhaps in 1993. If not, then I would support a reduction of the \$3 million now recommended.

393 CO-CHAIR BAUM: We are going to have an option to do larger projects in the Columbia in 1993-95. This amount is for immediate needs of small ports on the coast. It needs to be done now. The Capital Construction Account will be of assistance for the whole larger dredging issue. This is a problem that needs to be dealt with now.

420 CO-CHAIR BAUM: The House recommendation for Rural Health includes additional funding for Area Health Education Centers (AHECS).

428 SEN. TIMMS: \$600,000 is all that can be used for AHECS. There are a lot of additional ways that \$400,000 could be used, but it would not go for AHECS.

444 REP. CARTER: I would recommend a reduction of \$400,000.

453 REP. CARTER: I would recommend that we zero out County Fairs.

455 REP. BARNES: I would recommend we leave it as \$400,000.

465 CO-CHAIR FAWBUSH: The current recommendation on Community Facilities is that it be zeroed out.

468 SEN. TIMMS: I believe that projects such as the Shakespearean Festival should have to be included in a group, such as Community Facilities, with money awarded on a competitive grant process. I thought that was why we had the Community Facilities funds.

TAPE 168, SIDE B

026 SEN. TIMMS: I would recommend that \$4 million be added to Community Facilities.

033 SEN. JOLIN: I would recommend that Community Facilities receive \$1 million.

039 CO-CHAIR FAWBUSH: Community Facilities was established for one-shot infusions of capital into projects (mainly bricks and mortar) that did not classify for other programs. Last biennium, this fund went to the Convention Center in Pendleton (\$500,000), the Lake County Medical Clinic (\$300,000), Children's Museum in Salem (\$50,000), and to the Confederated Tribe in Warm Springs for a Childcare Center (\$160,000).

055 REP. HAYDEN: I would say that \$4 million is good for Community Facilities if every project in the state competes for it.

060 SEN. HILL: I would like to go back to the SPWF because there is an uncommitted balance there of \$10,634 million. Some of that is committed

to the Bond Program.

064 PETERSEN: Approximately \$7.9 million is committed to the Bond Program.

067 SEN. HILL: If that is the uncommitted balance, I would recommend that SPWF be reduced by \$2.7 million.

072 SEN. HAMBY: I object to lumping major West Coast tourist attractions with child development centers and labeling them "Community Facilities".

078 CO-CHAIR FAWBUSH: I would agree with that.

082 CO-CHAIR FAWBUSH: Regarding the Capital Access Program, it has a balance of \$1.2 million, and the recommendation is that an additional \$1 million be added targeted to distressed communities.

085 REP. CARTER: I recommend an increase for SB DCs by \$300,000 (to \$1 million). We have increased their responsibilities with the timber response program and they have been cut 18 percent by General Fund. We need these services.

091 SEN. JOLIN: They also receive approximately \$980,000 from General Fund.

100 CO-CHAIR FAWBUSH: Oregon Marketplace/GCAP is on the list for \$1 million. What exactly do they need to continue business as usual that includes GCAP?

103 CO-CHAIR BAUM: \$750,000 for Marketplace; \$250,000 for GCAP.

110 SEN. HILL: Is there any carryover in the Industrial Retention Program?

113 LOHMAN: There may be some carry-over in that and we are trying to figure out exactly what that is. It may be in six figures.

120 SEN. HAMBY: We need these figures.

121 CO-CHAIR FAWBUSH: You are saying that you are interested in backing out the equivalent amount of carry-over?

123 PETERSEN: The figure we have for uncommitted balance is \$265,000 in that fund.

126 SEN. HAMBY: Request back-out of \$265,000 of that fund.

157 CO-CHAIR FAWBUSH: I would add \$200,000 to the Oregon Downtown Development Association.

165 REP. KATZ: I would like to suggest something. We are trying to make a paradigm shift in education. We need to also shift societal values that education and work is important. I recommend that we add \$1 million to sell value changes about the value of education.

190 SEN. HAMBY: We need to focus on emphasizing math and science. I hope there are dollars for that included in the workforce bill. Also, last session we funded a program called VISTO. Kids who volunteer

one-on-one; funds were divided by population. The Tri-County area has responded the least to this. For every 500 hours of volunteer work, they get one year of free tuition in higher education in Oregon. I will be requesting funds for that. I would like to recommend \$500,000 now.

230 REP. BARNES: I recommend a reduction of \$1 million in workforce.

233 SEN. DUFF: In reviewing the Job Training study, it appears that by assessing a small administrative charge across statewide workforce training we could fund the entire \$8 million. I recommend we zero out \$8 million.

255 SEN. HAMBY: We need to find more innovative ways to stretch education resources and forget district boundaries. This is reflected in the Community Schools concept. I would like to see funding flexibility to allow for this.

281 REP. KATZ: Could Ed-Net be funded with capital construction funds?

288 CO-CHAIR BAUM: Only if we wanted to wait until 1993-95.

292 REP. HAYDEN: I would zero out the lottery funds for the Progress Board because I think that should be General Fund.

313 CO-CHAIR BAUM: I was told today by both of the Co-Chairs of the Ways and Means Committee that HeadStart would be funded from General Fund

316 REP. BARNES: I would like to recommend a reduction in the Strategic Reserve Fund by \$2 million.

327 SEN. HILL: There is a \$300,000 uncommitted balance in the Strategic Reserve Fund. I would recommend that be backed-out.

336 CO-CHAIR FAWBUSH: I would recommend an increase of \$1 million.

355 SEN. DUFF: I would recommend an addition of \$340,000 for statewide forest planning.

380 SEN. HILL: There is an uncommitted balance of over \$1 million in the OBDP.

395 SEN. HILL: I recommend a decrease of \$1 million in OBDP.

399 LOHMAN: I don't believe that there is as large a balance as \$1 million in the OBDP. We will need to review those figures.

401 SEN. HILL: If the figure is inaccurate, I would withdraw my recommendation.

433 SEN. HILL: I want it clear that my recommendation for a back-out of uncommitted funds in SPWF comes out of the regular fund, not the \$4 million that has been set aside for timber response.

450 CO-CHAIR FAWBUSH: I would recommend an additional \$1 million for Wood Products Networks.

452 REP. KATZ: I recommend a reduction of \$1 million.

463 CO-CHAIR BAUM: We have gone through the whole list. Any further

recommendations?

465 REP. KATZ: I would recommend that we get copies of all the recommendations totaled so we can get through the process.

480 REP. PICKARD: Have we voted on how to handle the video poker funds?

482 CO-CHAIR BAUM: The Committee adopted a conceptual amendment on April 30 that would create a trust fund for video poker revenues dedicated first to pay-off prison construction debts, then pay off light rail, and then have a capital construction fund.

TAPE 169, SIDE A

033 REP. KATZ: Those of us who do not support video poker will have the opportunity to voice that on the substantive bill when it is up on the floor.

037 SEN. HAMBY: One we get the final list of recommendations, I want accurate, up-to-date information on uncommitted balances from EDD. I also want to assure that there is a need for these programs and that the EDD has a plan for the expenditure of these funds.

055 REP. CARTER: Restructuring of this will take time. We don't have that much time. We need to work on this now.

065 SEN. HILL: How do we handle the possibility of video poker not passing and needing to find a \$7 million back-out?

076 CO-CHAIR BAUM: When we get a list of committee recommendations that total (approximately) \$107 million, then we will need to have a \$7 million back-out list.

107 SEN. HAMBY: The Senate Committee needs to have a comfort level on workforce (which we have not heard) and the House Committee needs a comfort level on wood products (which you have not heard) before we can make voting decisions on those programs at our next meeting on Tuesday evening.

108 CO-CHAIR BAUM: We are weeks away from achieving that because the bills are not even in Committee.

110 REP. CARTER: I thought the assumption was that we would trust each other on those issues that could not have been heard yet by both committees.

120 CO-CHAIR BAUM: Leadership has requested that this package be completed this evening.

124 CO-CHAIR FAWBUSH: The difficulty is that the House is expert on half and the Senate is expert on the other half. When we get to closure, we hopefully can agree generally on dollar items. This will take some faith. If we don't do that, this package cannot move until after all the other substantive legislation at the end of the session. The intent of the Co-Chairs and the presiding officers was to have the lottery package (including EDD's budget) completed by mid-May to avoid raiding at the end of the session. The Ways and Means hearings on EDD's budget is contingent on what we do here. In this bill we are after general allocation of dollar amounts. We are not going to finalize specific substantive issues.



145 SEN. HILL: Could we have staff present the workforce program to the Senate Committee next week? Does our agenda allow for that?

154 CO-CHAIR FAWBUSH: That may be a good way to summarize the legislation.

160 REP. CARTER: We could present a synopsis of it next week.

168 CO-CHAIR FAWBUSH: We need to close this next week. This week you will receive a listing of major policy issues remaining that we need to decide on and there will be other decisions that need to be made.

186 SEN. HILL: We also need a recommended list for \$7 million worth of back-outs.

200 REP. KATZ: The members need to see the list first and get to closure on that. We need to feel comfortable with it.

213 CO-CHAIR FAWBUSH: We will give you options on the list and the process before the meeting.

222 CO-CHAIR BAUM: Are there any other concerns?

230 SEN. DUFF: I have concerns about the manner in which the Community Colleges spent their allocation this biennium.

250 SEN. HAMBY: I still have concerns about the Rural Institute dollar amount.

263 CO-CHAIR BAUM: Is there anything else that needs to be on the list? Hearing no objection, we are closing the discussion on this list.

271 CO-CHAIR BAUM: Adjourns the meeting at 6:50 p.m.

Submitted by,

Jeri Chase Office Manager

#### EXHIBIT SUMMARY

EXHIBIT A -Lottery Allocation Worksheet dated 5/1/91, submitted by Rep. Ray Baum, 1 page

EXHIBIT B - Memo regarding lottery funds for DOGAMI, submitted by Sen. Gene Timms, 1 page