

Senate T&E Committee  
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SENATE LEGISLATIVE COMMITTEE  
ON TRADE AND ECONOMIC DEVELOPMENT

March 06, 1991Hearing Room 343  
3:00 P.M.State Capitol  
Salem, OR

Tapes 39 - 40  
Port Of Portland 100th Anniversary  
Film and Video Board  
Executive Appointment - Steve Petersen

MEMBERS PRESENT:           SEN. WAYNE FAWBUSH, 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:SENATOR BILL MCCOY, DISTRICT 8  
DAVID LOHMAN, DEPUTY DIRECTOR, ECONOMIC  
DEVELOPMENT DEPARTMENT  
JOHN RIPPER, OREGON FILM AND VIDEO BOARD  
STEVE PETERSEN, DEPUTY 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 39, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:15 p.m.

HCR4 (Port of Portland 100th Anniversary Commemoration) - Public Hearing  
and Work Session

004       MILLER: Presents Staff Measure Summary on HCR4 (EXHIBIT A).

024               MOTION: The CHAIR moves HCR4 to the floor with a Do Pass

recommendation.

VOTE: By roll call vote (4-0) HCR4 passes to the floor with a Do Pass recommendation.

Voting AYE: SENATORS DUFF, JOLIN, TIMMS and FAWBUSH. EXCUSED: SENATORS HAMBY and HILL.

SB 336 (Oregon Film and Video Board) - Work Session

045 TAMI MILLER: Presents Staff Measure Summary on SB 336 (EXHIBIT B).

089 SEN. JOLIN: Is this a one time sum of money from the lottery?

095 MILLER: The program is expected to need fewer funds as it progresses.

097 CHAIR FAWBUSH recesses the work session on SB 336.

HCR- Public Hearing (continued)

108 SENATOR BILL MCCOY: Testifies in favor of HCR4 (EXHIBIT C).

SB 336 - Work Session (continued)

182 Letter from Phil Yoder testifying against SB 336 (EXHIBIT D) is submitted.

184 DAVID LOHMAN: We have been working with indigenous industry a lot, not so much within the film and video section but out of the partnership division.

195 SEN. TIMMS: It is an advantage to have it in the Economic Development Department under TouriSM because you can coordinate other types of cooperation to make the program work?

213 LOHMAN: Yes. I believe that is the position of the Film and Video board as well.

214 SEN. TIMMS: It makes sense to me to leave it where it is. I think we should hold off on allocating funds to the board.

225 CHAIR FAWBUSH: We could look at funding this several different ways. We could make an initial decision that we are not going to fund that board directly this biennium or we could leave that question open with a blank line in it saying put lottery funding in as a possible source and send it to Ways and Means.

230 SEN. HILL: I was under the impression that we were going to look at all the appropriations for the lottery funding as to where they are all going to go. I don't want to leave any blanks for Ways and Means to fill in.

250 SEN. DUFF: Is there a method of raising funds by the industry?

257 JOHN RIPPER: We have not had time to address that but it is a goal.

267 LOHMAN: The indigenous industry is young and a lot of them are struggling artist so it is to early for them to asses themselves.

273 SEN. JOLIN: No lottery funds should be used for board and administrative expenses. We need some policy direction on where funding should come from and where it should be applied.

296 CHAIR FAWBUSH: What is your relationship today with the Economic Development Department and the TouriSMDivision?

312 RIPPER: Our relationship is a close working relationship. The purpose of the Board is to help the indigenous industry. We see a tighter working relationship developing in the future.

331 CHAIR FAWBUSH: How many meetings have you had and who coordinates those meetings?

334 RIPPER: The Economic Development Department has acted as our support organization. We have received \$25,000 worth of monies for funding which were mostly staff support positions. Very little was allocated for resources.

361 CHAIR FAWBUSH: If we were to provide staff should that be independent and just with the board or would it be possible to provide staffing for the Film and Video folks who could then be your support?

370 RIPPER: We are requesting that you add a person to the film and video office and require half of that persons duties to be to help be the liaison and the staff support for the board.

380 SEN. HILL: Has any of this board been funded with lottery funds?

382 LOHMAN: No. Film and Video did stay in the General Fund and the rest of TouriSMwent to lottery.

394 SEN. J. HILL: Are there any other operating divisions like that which are going to be funded like Tourism?

412 LOHMAN: No.

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027 CHAIR FAWBUSH: The dilemma is that if you are going to acknowledge the Film and Video Board as an entity and give it some state sanction then we are going to have to figure out how to support them on a minimum level. I would lean toward General Fund allocation for this because it should be on going.

090 SEN. DUFF: If we don't stimulate our industries we won't have the jobs we may have to invest some

money to do that.

119 CHAIR FAWBUSH: Right now they are being staffed by EDD and they are not going to do that any more.

142 LOHMAN: We have been providing some staff support in this biennium under our industry development program. We have been taking on a few programs outlines from Oregon Shines and each biennium and we get them started. In the next biennium we like to move the resources to different industries.

156 SEN. HAMBY: Are the various industries successful after you let them go?

160 LOHMAN: Yes. The Film and Video industry has organized itself but it is still in its infant stages and they do need some additional ongoing help.

172 SEN. HAMBY: Has the Film and Video industry assessed itself?

177 RIPPER: Yes, but we are just starting to organize. The industry is very interested in supporting itself.

191 LOHMAN: I think in the beginning this was funded with the understanding that the funding would end.

209 CHAIR FAWBUSH: Is this the only board that the department has encouraged to come together at this level of formalization?

214 LOHMAN: This is the only one where there has been a proposal that there be some statutory recognition and ongoing state support.

220 SEN. TIMMS: The other departments they have been working on have come along except for the Film and Video Board so they want us to help them out?

227 LOHMAN: That is correct. We have only been able to provide \$25,000 of support.

273 LOHMAN: As we help these industry groups we don't want to create councils that we have to staff.

282 CHAIR FAWBUSH: There were two different areas that were requested for funding. One for staff and the other was for some project oriented stuff that might be more directly related to lottery funding. What do we think as far as legislatures being appointed to the board.

296 SEN. HILL: Why would we want to put a legislature on this board?

325 CHAIR FAWBUSH: We could leave that out and unstated then if a legislature wanted to be part of the board they could be but not as a legislature.

331 CHAIR FAWBUSH: Let's discuss membership on the board (EXHIBIT B). I

have a question on the promotion, training or strategic planning. What did you have in mind with that one?

335 RIPPER: A lot of our regional coordinators are made up from the chamber of commerce and other promotional kinds of groups.

345 SEN. HAMBY: Is this appropriate business member?

249 RIPPER: Yes.

360 SEN. HAMBY: Why do you want government?

365 RIPPER: Government is helpful in permitting, they are generally the first to associate with outside business.

375 CHAIR BAUM: I would like to see someone from labor on the board. Nobody has any problems with that.

379 RIPPER: In terms of our industry we are not overly unionized. A lot of our labor representation comes out of associations. So when you talk about labor does that mean a designated union or can it be from associations that are representative of labor?

416 SEN. DUFF: I would suggest that the language would include then an association of this type so that the labor member could be either way.

TAPE 39, SIDE B

012 CHAIR FAWBUSH: If we fund it I think it is important that these people spin off and the best way to do that would be with a sunset provision. I think it is important that we have on for maybe the next biennium.

020 MILLER: If this is an industry driven over site body do you want to discuss if government elected officials should be part of this board?

025 SEN. HAMBY: I am concerned about the legislator accidentally representing their geographic area.

040 SEN. DUFF: Government one of the largest consumer of film and video. Couldn't you have someone from a department that deals in film and video on a regular basis be on the board?

045 RIPPER: Yes.

049 CHAIR FAWBUSH: I sense that we should not directly allocate funds to the board. If we did come to an allocation of lottery money it would be project oriented I would argue that we don't directly allocate funds to the board but that they be in an advisory capacity for the funds.

069 SEN. JOLIN: I would suggest that if lottery funds are ever used this biennium we should look at the issue of industry development projects being matched by industry contributions and limit our scope to that.

082 CHAIR FAWBUSH: There is general agreement on that idea. We are not interested in lottery funds for administrative costs so we will have to work with the department and work out an arrangement there.

084 SEN. JOLIN: I am not interested in allocating lottery dollars for member expenses for travel, per diem and so forth.

095 MILLER: Does the committee want to establish the Film and Video Board in the same structure and with the same responsibilities that the Tourism Council has or do you want that board established differently? The Tourism Board provides direct oversight to the Tourism Division, this board is not set up to operate that way in this bill.

110 CHAIR FAWBUSH: I think the department needs to talk with the Film and Video people and bring us a suggestion on exactly how we want to see that fit.

126 MILLER: Would the committee like staff to draft amendments that strip the lottery funds from the bill, add language that would require the board to provide an industry match to any lottery funds that may be provided for Film and Video development, delete the provision for legislators to serve on the board, add unions or appropriate labor cooperative committees to the list of those that would serve on the board and add a sunset of July 30, 1993 to the bill?

135 CHAIR FAWBUSH: Yes.

Executive Appointment - Steve Peterson

137 CHAIR FAWBUSH: What are you going to do for the Economic Development Department?

140 STEVE PETERSEN: I could bring to the department on going knowledge of economic development and leadership and experience in that field.

155 SEN. JOLIN: How many deputy directors are there in the EDD?

158 PETERSEN: 3 deputies in the department currently.

167 SEN. HILL: As we move into the next century what role do you see the department as playing?

175 PETERSEN: I see us playing four roles. First, we need to continue to remain focused and not get spread out. Secondly, I think we have a role to play in working with

communities, particularly rural communities, I think that will be the challenge of the 90's for this state. The third role we will play will be in Workforce. Lastly, we need to continue to provide assistance to individual businesses.

193 SEN. HILL: What is your vision of our economy over the next ten years?

199 PETERSEN: On a statewide basis I think that our future is in trade and technology. I am concerned that we will not be poised to take advantage of opportunities in those areas because of things like Measure 5.

230 SEN. JOLIN: How important do you see the need for Oregon to find a different way to finance its schools?

240 PETERSEN: I think it is critical. I think the key issue is that we turn people out of the high schools with a marketable skill. I think businesses don't think we are committed to education in this state.

249 SEN. JOLIN: What role do you believe the director of EDD should be playing in the arena of school finance?

262 PETERSEN: I think my role is not to lobby for a definite solution but to be part of the discussion of the impacts as we see it from economic development.

274 SEN. JOLIN: Do you have plans regarding urban and rural economic development?

288 PETERSEN: We have 2 agendas one rural and one urban. In the urban areas we need to be a player in the type of growth that is occurring. In the rural areas we are up against community development.

321 SEN. JOLIN: I agree that community development is a key issue for rural areas. I hope you will always keep in mind the differences between urban and rural needs.

343 SEN. DUFF: In the department what are the programs that you feel have been most successful?

349 PETERSEN: Regional strategies was a success. The Special Public Works program has been successful. We have made some strides in international trade in making it more of a statewide initiative. We have turned the corner in the tourism area. We have come a long way in a lot of different areas.

369 SEN. HAMBY: Michigan and Minnesota are advanced in fiber optics and we need to look at that as an advancement Oregon should make don't you think?

TAPE 40, SIDE B

009 PETERSEN: I think we tend to get a tunnel vision and not look outside

Oregon at projects that are working elsewhere. We need to be more active in looking at models that have been used.

034 SEN. TIMMS: I have always been impressed with Economic Development Department and the fact that the head has been a private sector person. How should you interface in the process in EDD with the private sector, and what obligation do they owe and what obligation do we owe?

044 PETERSEN: I have always considered my job as similar to running a business, there are customers. I think the key is the partnerships with the business community. The government doesn't create jobs the private business community does that.

057 SEN. TIMMS: Are you making priorities in your budget?

066 PETERSEN: We are trying to do that.

101 MOTION: SEN. HILL moves that the committee recommends to the Senate the conformation of the appointment of Steve Petersen as the Director of the Economic Development Department.

VOTE: By roll call vote (6-0) the committee agrees to recommend to the Senate the conformation of the appointment of Steve Petersen as the Director of the Economic Development Department.

115 CHAIR FAWBUSH adjourns the meeting at 4:52 pm.

Submitted by,

Jeri Chase  
Office Manager

#### EXHIBIT SUMMARY

EXHIBIT A - Staff Measure Summary on HCR4, submitted by Tami Miller, pgs. 1.

EXHIBIT B - Staff Measure Summary on SB 336, submitted by Tami Miller, pgs. 2.

EXHIBIT C - Testimony in favor of HCR4, submitted by Senator Bill McCoy, pgs. 6.

EXHIBIT D - Testimony against SB 336, submitted by Phil Yoder, pgs. 3.