

HB 2248 - PH &
WKS

SENATE LEGISLATIVE COMMITTEE
ON TRADE AND ECONOMIC DEVELOPMENT

April 10, 1991 Hearing Room 343
3:00 P.M. - State Capitol
 Salem, OR

Tapes 70 - 71

Special Public Works Fund

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, COMMUNITY ASSISTANT

WITNESSES: YVONNE ADDINGTON, COMMUNITY DEVELOPMENT MANAGER,
ECONOMIC DEVELOPMENT DEPARTMENT

DAVID LOHMAN, SENIOR 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 70, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:18 am.

HB 2248 (Special Public Works Fund) - Public Hearing and World
Session

015 CORTRIGHT: Presents Staff Measure Summary on HB 2248 (EXHIBIT A).

068 SEN. HAMBY: Is there any review before the project?

073 YVONNE ADDINGTON: Before they can get a technical assistance grant they must present a plan that is viable.

079 SEN. TIMMS: Why are we raising this to \$20,000?

089 CHAIR FAWBUSH: They have authorization to do \$10,000 grants what they are asking for is to in

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addition to that do loans of an up to \$10,000. Where would the \$20,000 come from?

094 ADDINGTON: Any grant amount or loan amount over the \$10,000 would come out of the same

\$250,000 pot.

108 CORTRIGHT: The bill would allow someone to get both.

150 ADDINGTON: We should be able to enter into a direct contract with the sanitary districts.

158 CHAIR FAWBUSH: This has worked in the past why are we having a problem now?

160 ADDINGTON: The counties are not willing because the amount of money is greater. We are not really expanding eligibility we are changing the accountability.

187 SEN. JOLIN: What are examples of county service districts?

190 ADDINGTON: Some are for water, sewer and storm drainage and we would be able to serve them

directly.

195 SEN. JOLIN: What about when a water district crosses county lines?

200 ADDINGTON: Both counties are allowed to come to us with requests. Each entity would be liable

instead of each county.

218 DAVID LOHMAN: Both counties would have to sign off on the project but they would not be liable

if the bonds were not paid, it would be the service district itself.

226 ADDINGTON: Submits "Infrastructure Projects Loan and Grant Program" (EXHIBIT B). The Bond Bank Program has been created to finance infrastructure where there is a high probability that economic development will occur as a result of the improvements. Funded with interest from the SPOOF, to pay bond issuance costs, the bond bank pools loans to municipalities and sells bonds for bondable municipal loans with business commitments, from the SPOOF program. The Legislature authorized the issuance of up to \$100 million in state revenue bonds for such purposes.

278 ADDINGTON: Cottage Grove was a city that did not have a city ready to go, but it did have a

moratorium on growth, a declining population and they could not expand because of the situation with

their water. It was \$2.8 million dollars for a city of about 10,000, we were able to sell that for them they

could not have gotten a bond rating on their own because of their problems. The savings to them was

\$344,000.

340 SEN. TIMMS: What were the issuing costs to get the total package sold?

343 ADDINGTON: \$610,000 but they were unusually high because we were starting up. We w~l not have

issuing costs that high again. The Treasurer's Office was with us on this bond program.

383 CORTRIGHT: How did the \$610,000 in issuance costs compare with the interest rate savmgs for the

municipalities? What was the cumulative for the municipalities? And of the \$610,000 how did that

break down?

397 ADDINGTON: It was big, the 20 year savings in interest costs were quit good, we were comparing

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them to 7 1/2 percent. I will have to get those to you later. The cost of issuance grants were \$223,957 and the payment of the debt service reserve fund was \$386,515 with totals \$610,472.

409 CORTRIGHT: Is your debt service reduced as the loan is paid off?

415 ADDINGTON: Yes, there are terms for forgiveness of that reserve fund.

432 SEN. DUFF: The issuance money came from where?

439 ADDINGTON: We have taken the allocations from the Special Public Works Fund since the inception

of the program in '85, and taken the interest on those allocations and set them aside until we could get

the bond bank going. We are using the interest to pay the cost of issuance. TAPE 71, SIDE A

017 SEN. HAMBY: Our witnesses have done an outstanding job on this program.
027 CHAIR FAWBUSH: We are running into an infrastructure deficit.
039 ADDINGTON: There are 3,446 communities that do not meet the Safe
Drinking Water Act and
it is \$30 to \$40 million per year in shortfall between what the local government
has and can borrow
and the amount of the expenditures in the next 10 years. There is a \$2 billion
shortfall on the Safe
Drinking Water Act and \$2 billion on the sewer and local roads were another \$4
billion.
049 LOHMAN: This program does give us a vehicle to address some of these
needs.
063 CHAIR FAWBUSH: If Cottage Grove can't pay their debt who is responsible?
070 ADDINGTON: The state is not responsible we have a debt reserve that we
set aside is big
enough to cover those costs.
082 SEN. HAMBY: Do you think you will ever be able to have a double A bond
rating?
090 ADDINGTON: We were looking at buying an insurance policy that would have
given us a triple
A rating but it wouldn't have changed the interest rates. Even those cities
that have a better rating than
the A can find benefits in pulling their projects into this because of the
lower interest rate that they
obtain or the security. By using the lottery dollars and setting up a
reserve we are stabilizing the
weakest links that couldn't get bonding on their own.
110 SEN. HAMBY: We don't have the option of moving the school districts
together.
119 ADDINGTON: The state of Maryland's Bond Bank includes educational
facilities. We haven't
gone as far as to include school districts in this.
124 CORTRIGHT: Last session the Legislature passed the Housing, Education
and Cultural Facilities
Bond Act, which allows certain educational institutions to finance through
revenue bonds issued
through the State Treasurer. Usually in the case of school districts they are general
obligation bond issues.
131 CORTRIGHT: Presents "Value of the Special Public Works Fund" (EXHIBIT C)
and Estimates of
the SPOOF expenditures (EXHIBIT D). The program is continuing to earn interest
on the loans
that it has
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made.
195 SEN. HILL We had this related to specific industrial and commercial
activities, do we still keep
record
of what kind of jobs have been created by the program?
200 ADDINGTON: Yes, and we require at least 1/3 of the jobs to be family
wage jobs.
209 SEN. HILL There still is an effort toward economic development and not
just general
infrastructure
needs?
210 ADDINGTON: Yes the SPOOF continues as it was. There must be a business
needing the
infrastructure in order to expand or locate and create jobs. The interest

on this was moved into
the

Oregon Bond Board and we aUow loans only for those communities who need to
build their
infrastructure in order to have any economic activity. There has to be some
aspect of economic
development activity to meet those funds but we are not requiring business
to create a number
of jobs.

242 CHAIR FAWBUSH: There is not a direct requirement that you create new
jobs in the bonding
process?

251 ADDINGTON: The bond program allows a community to bring the area up to
standards that
might

attract a business.

260 SEN. HILL: Can you have a situation where you are not talking about
creating or retaining
jobs?

264 ADDINGTON: The program does not allow that. We would not do a project in
a residential area
only

in an industrial area that might attract business.

296 CHAIR FAWBUSH: In 1987 we changed the requirement in SPOOF to require a
"bird in hand"
before we went forward. We now have a situation where they have made an
administrative decision to
shift interest monies over to a more flexible account. The question is how
do you want the SPOOF to
interact with those needs as they are identified? Do we want to make an
additional allowance for this
fund besides the interest?

337 CORTRIGHT: Under current statute the department has power to do grants
loans and run the
Bond

Bank Program. When the department tell you they put the interest earnings
in the Bond Bank

Program that was purely an administrative decision, They could in theory
put all of the money
in the

Bond Bank Program. There is nothing that precludes or directs them from
doing that.

357 LOHMAN: If we start playing around with taking that interest money and
using it for different

purposes then the bond market starts looking at what we are doing and
saying they are nervous about

how we are using this and they are not going to give us as high a ratio".
We have tried to keep the

interest money segregated. We could use some of the principle that you give
us to support the bond

program and that would not detract from the rating on our bond.

392 CORTRIGHT: Ms. Addington said you were putting money in a debt service
reserve account
and that

is there to backstop the repayment of those bonds. If the bonds were in
default then that account would

be saying is that
be what the bond holders could satisfy themselves with Mr. Lohman seems to

somehow the interest on the SPOOF is being used to guarantee those bonds?

405 ADDINGTON: He was pointing out that in the SPOOF there was \$24 million.
It was transferred
out

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to pay for prisons. Bond buyers look to see if the funds are stable. That
was an issue with the EDA which refused to honor our lottery funds because

the legislature could take the money away from us.

437 SEN. HILL: We did authorize the bond bank. When you are talking about something that was done

purely administratively what are we talking about?

TAPE 70, SIDE B

016 CHAIR FAWBUSH: Dedicating the earned income from the regular special public works program

generates income. The interest has been going to the Bond Bank.

027 SEN. HILL: I am questioning the separation of powers. Do we need to authorize them to put the interest in the Bond Bank?

029 SEN. HAMBY: I want to know if you want our agreement on this or would that be seen as legislative

interference?

031 ADDINGTON: I think they appreciate the flexibility.

040 SEN. HILL: I am talking about whether this is properly authorized.

046 CHAIR FAWBUSH: If we don't make any change in the law do you feel authorized to take some of

the principle that you have been allocated in direct lottery dollars and put it in the Bond program?

047 ADDINGTON: Yes.

050 CHAIR FAWBUSH: Then you would be violating your bird in hand policy. You could look at a

guarantee the program. You directed percentage of the money that is allocated to go to the program to

hand approach. would be saying that you would be making less available for the bird in the

065 SEN. HILL: You are saying we didn't put the same type of requirements on the Bond Bank program?

071 CORTRIGHT: The language is "firm business commitment and high probability". The department has

changed its policy since 1985 on how the fund is administered.

081 CHAIR FAWBUSH: When new administration came to town we agreed to go along with the bird in

hand approach but we didn't change the statute. Do we want to make any changes to increase the amount of funds?

112 CHAIR FAWBUSH: One of the suggestions is that if you can give full trust to the department and not

make any change in the statute and let them determine the level of money then we can do that. If you

want to dedicate any of the additional funding that we put in you could dedicate a portion of that to

work toward the bond program. You could tell them to be more flexible with this much more money,

but that will not have anything to do with their bond rating. If you take away any money then you have

hurt the bond rating. If we put more money in it will not jeopardize the bond rating.

141 ADDINGTON: No, it would not hurt our rating. But you could put more money into the bond side

of it.

161 SEN. HAMBY: I see no reason why we can't add any extra funds to the Bond program.

165 CHAIR FAWBUSH: They have adequate money to remain until 1993. There are 3 questions: 1) Do you want to see an additional effort made into that bond program, 2) Do you want to see more flexibility within the principle amount dedicated to strategic reserve, 3) Should we have a discussion with the department to look not so much at bird in hand but as they do look at needs of communities?

210 SEN. HAMBY: Would it affect your rating if you were loaning to lesser probabilities or a sure bird in hand?

214 LOHMAN: Since we have operated these as separate programs I don't think it would be viewed any differently. I don't think that it will affect the bond rating, I think it is a question of policy.

224 SEN. HILL: We wanted this money to go to creating jobs. I think we should direct most of the money toward those projects that create the most jobs.

245 CHAIR FAWBUSH: If you only have it for the high probability or definite in hand what do you do with the communities that are static? Are they then excluded from the opportunity?

262 SEN. HILL: Retaining jobs is as important as creating them. So if you have a situation where you are using funds to retain jobs that is fine.

271 SEN. FAWBUSH: Should we ask the department to take a look at what can be done in towns in trouble. We would want to put priority on that over the continuation of the bird in the hand theory?

288 SEN. HILL: I would want most of the funds to go toward things that are either going to have the highest probability of creating or retaining jobs and then I would not mind having some for that other situation. We built a road that led to nowhere and didn't create anything, I want to avoid that.

296 CHAIR FAWBUSH: I think we need to hear from the department on what type of flexibility we should we build in and one way to deal with this discussion is to look at the geographical distribution of the money to be sure a portion of those monies do get sent into areas that are more rural and more static.

394 CHAIR FAWBUSH adjourns the meeting at 4:43.

Submitted by,

Jeri Chase
Office Manager
Senate T&E Committee
April 10, 1991
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EXHIBIT SUMMARY

EXHIBIT A - Staff Measure Summary on HB 2248A, submitted by Joe Cortright,
pgs. 2.

EXHIBIT B - "Infrastructure Projects Loan and Grant Program," submitted by Yvonne Addington, pgs. 12.

EXHIBIT C - "Value of the Special Public Works Fund," submitted by Joe Cortright, pgs. 3.

EXHIBIT D - Estimates of SPOOF expenditures, submitted by Joe Cortright, pgs. 1.

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SB 562 - PH & WKS

SENATE LEGISLATIVE COMMITTEE
ON TRADE AND ECONOMIC DEVELOPMENT

April 10, 1991Hearing Room 343
4:30 P.M.State Capitol
Salem, OR

Tapes 72 - 73
Lottery Allocation

SENATE MEMBERS PRESENT: SEN. WAYNE FAWBUSH, CHAIR
SEN. SCOTT DUFF
SEN. JEANNETTE HAMBY
SEN. JIM HILL
SEN. PEG JOLIN
SEN. EUGENE TIMMS

HOUSE MEMBERS PRESENT: REP. RAY BAUM, CO-CHAIR
REP. MARGARET CARTER, VICE-CHAIR
REP. BARNES
REP. CEDRIC HAYDEN
REP. MC TEAGUE
REP. PICKARD

MEMBERS EXCUSED:

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

WITNESSES:

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TAPE 72, SIDE 73

000 CO-CHAIR FAWBUSH convenes the meeting at 4:44 p.m.

008 CORTRIGHT: Presents "Lottery Allocation Worksheet" (EXHIBIT A).

020 CO-CHAIR FAWBUSH: Let's see if we can come to an agreement on the general emphasis with the overall placement of dollars and then we will go through each of the sections.

055 CORTRIGHT: This gives us a comparison of what we spent last biennium. Presents EXHIBIT A.

089 SEN. HAMBY: Where did the starting point dollars come from?

095 CO-CHAIR FAWBUSH: It is a tentative list created with agreement between the Co-Chairs, the department and the leadership.

104 CORTRIGHT: Continues EXHIBIT A. Forest Products.

110 CO-CHAIR FAWBUSH: You want to flag that the \$500,000 was to run the policy group.

117 CORTRIGHT: That would be a continuation of the forest products opportunities fund.

119 CO-CHAIR FAWBUSH: Out of that fund was there consideration that that would be used to pay for the positions that were allocated in the Governor's office to deal with forestry issues?

120 CORTRIGHT: That amount is the very last line on the sheet which deals with federal forest planning.

122 REP. CARTER: Is that a hard and fast figure, \$4.5 million?

126 CO-CHAIR FAWBUSH: Nothing is hard and fast. During the interim the Forest Policy Task Force came up with a whole series of recommendations. One of the major pieces of that is dealing with forest product development.

132 REP. CARTER: This 4.5 is a figure that you want adopted from this committee?

136 CO-CHAIR FAWBUSH: We are going to have our first shot at this and then send it over to you. Co-Chair Baum has expressed an interest in broadening the bill some. The 4.5 was put there as an expression of commitment for the need to do something with the timber issue.

147 CORTRIGHT: Continues EXHIBIT A. TouriSMand Oregon Trail. There are three distinct parts to the TouriSMand Oregon Trail Board; 1) the continuation of approximately the same level of lottery funding that there was last biennium, 2) a back out of about \$2.5 million in General funds which is the entire amount of general fund money which supports the touriSMdivision and the touriSMmarketing, 3) an additional \$1 million for the Oregon Trail Commemoration and commission.

169 CO-CHAIR FAWBUSH: So you have the same amount of funds as last time but we are back filling major General Fund back outs.

171 SEN. HILL: Was there any lottery money left over from last time?

180 CORTRIGHT: The first biennium the lottery projected about \$90 million and we got \$60 million. The following biennium the Legislature budgeted about \$60 million and the lottery made about \$108 million and that \$48 million that was left over started the 89-91 biennium but most of that money was put into prison construction. During this biennium the legislature budgeted \$130 million it will get about \$102 million and so there has been a \$28 million shortfall this biennium. Several entities will carry over balances to the next biennium, that is not shown.

208 CO-CHAIR FAWBUSH: Before we get done with this you are going to want to ask the department what the on going balances are.

234 SEN. TIMMS: We have provided just additional money for Tourismnot administrative costs. It would be interesting to look at the projects we did not completely fund last biennium.

263 CO-CHAIR BAUM: I think there is only one category where we are actually completing something that got started.

273 CORTRIGHT: Concerning the carry over of funds you need to distinguish between cash that is carried over and commitments. Some programs have money in the bank but it is committed to a project already. You need to distinguish between committed and uncommitted funds. Continues EXHIBIT A. State Parks.

296 CO-CHAIR BAUM: The Ways and Means Committee has released \$1 million for this purpose.

325 CORTRIGHT: Continues EXHIBIT A. Key industries. That is the total amount allocated to 3 specific industry initiatives during 89-91 plus the administrative costs of the department for those activities and all the money came from strategic reserve.

341 CO-CHAIR FAWBUSH: This was not a line item in the 89-91 budget, this was an allocation made by the last Governor to these areas all in the Key Industries section.

348 CORTRIGHT: The \$1 million that is identified for Key Industries connects with SB 997, and directs the Economic Development Department to work with groups of firms in several key industries to build cooperative industry association types of activities.

358 CO-CHAIR FAWBUSH: We are finding that there are associations of folks who have not come together yet and that department has been fairly successful at bringing them together.

377 CORTRIGHT: Continues EXHIBIT A. Watershed enhancement. Agricultural opportunity fund.

410 CO-CHAIR FAWBUSH: You don't need a bill to initiate a lot of these. On the Ag opportunity fund they are 2 areas; 1) the opportunity fund itself which we have done for 2 sessions and 2) we have just cut a \$1.2 million agriculture research program that funded small grants for applied ag research to \$300,000 or \$400,000. I would request you look strongly at continuing some major research rather than the opportunity fund.

TAPE 73, SIDE A

010 CORTRIGHT: Continues EXHIBIT A. Mineral exploration.

016 SEN. TIMMS: The mineral people want an additional \$260,000.

022 CORTRIGHT: Continues EXHIBIT A. Fisheries Exploration.

028 CO-CHAIR FAWBUSH: If you have any questions on industry and development category let's discuss them. We want to get down the list and have a general discussion over the amounts. Eventually we will come to some resolution on the dollar amounts and what the programs should look like. The decisions that we don't make here will be made in Ways and Means I hope that will be incentive to get this done here. Next week will have public hearing on this. If you have an issue that is not on the sheet then come next Wednesday.

099 REP. CARTER: There is hardly any funds left to start new programs we need to stop funding things over and over.

114 SEN. HAMBY: I think it is unfair to ask people to show for a meeting in an effort to market their idea when we have tied our hands.

118 CO-CHAIR FAWBUSH: It is not easy to do away with a program. That is why you are seeing a trend towards pots of money that are allocated widely within a very narrow range of issues.

128 CORTRIGHT: Continues EXHIBIT A. Regional strategies.

140 REP. CARTER: If we are going to start talking about non light rail counties then there is a problem with all the other things up here that are considered rural.

151 CORTRIGHT: Continues EXHIBIT A. Special public works.

172 CO-CHAIR BAUM: Ways and Means have knowledge of this but have not been pin down on any of this.

175 CORTRIGHT: Continues EXHIBIT A. Rural institute.

190 REP. CARTER: Is there a bill driving that?

200 TAMI MILLER: The rural institute would provide \$2.5 million in lottery funds for its funding which would provide services to rural communities. It would pick up the community development activity that has been going on under the community initiatives program and add a rural leadership program.

215 REP. CARTER: I thought under the forest products that we were talking about the same kind of leadership development.

218 CORTRIGHT: Forest products is aimed at secondary wood products industry. Rural development is aimed at community leaders in small rural communities and community development issues.

228 REP. CARTER: I am incensed that non light rail counties only are involved in regional strategies. I am not playing the game of urban vs. rural.

243 CO-CHAIR FAWBUSH: The agencies in Multnomah and Washington counties are concerned about the funds being distributed this way. We are looking for a subtle way to strike some equity. While you are concerned about seeing that urban rural display, those of us in the rural area have constituents that question why all the money is going into Portland for light rail and the Convention Center.

268 REP. CARTER: Let's look at where the bulk of the lottery dollars come from and that would decide where the money should go. I think when you look at the disproportionality of the dollars that are for rural projects versus one large project in Portland there is still an imbalance. I have not wanted to bring that up as an issue but you have put it blatantly in my face.

279 SEN. TIMMS: Looking at the policy on how we spend lottery funds they contain rural projects throughout the bill. You two are responsible to see the money is directed to rural areas. If that is not happening that is our fault. I think it is wrong to put it in the statutes.

306 CO-CHAIR BAUM: Is Rep. Carter in objection because it is on the paper or because it is happening now?

310 REP. CARTER: My objection is on the paper and the perceived notion that there is a split in this body in terms of urban vs. rural issues.

322 CO-CHAIR BAUM: I was comfortable with the notion that regional strategies would be focused on rural Oregon on this round because of the light rail project.

349 CO-CHAIR FAWBUSH: As we work through the issues the committees will have an opportunity to strike a balance between rural and urban issues.

377 SEN. HILL: I think this is unnecessary because this committee has always operated on consensus. These legislators have always looked at the issues fairly. We need to be together when we go up against Ways and Means and our caucuses.

427 SEN. HAMBY: You are the one who forced the hatchet down Co-Chair Fawbush by scheduling regional strategies for rural areas only. It started the rift. There isn't a population in the tri county area that if we send all the monies into your district that won't file a petition to put lottery dollars into some other pot.

TAPE 72, SIDE B

026 CO-CHAIR FAWBUSH: I am going to brush aside some of your remarks because this is the first I have heard of them in committee. This issue was raised, the Governor in dealing with light rail in lottery made the recommendation that there be a closed door to the metropolitan area. It is my policy that when issues are raised we raise them in front of the committee. Obviously this is a touchy issue. It is on the list here because it was on the Governor's list so it is an issue.

076 SEN. HAMBY: My statement about eastern Oregon was not my statement but the perception I received from my own constituents because it perpetuates the urban rural split.

080 CORTRIGHT: Continues EXHIBIT A. Housing.

086 REP. MC TEAGUE: What was the thinking behind slashing that significant contribution down to a token contribution?

090 CO-CHAIR BAUM: There are some things we would like to do to get that fund up to the neighborhood of \$30 million.

111 CORTRIGHT: Continues EXHIBIT A. Port revolving fund.

112 CO-CHAIR BAUM: We have also been approached by several ports to assist in the dredging problems. That proposal is a \$3 to \$5 million commitment over a biennium.

124 CORTRIGHT: Continues EXHIBIT A. Rural health.

132 SEN. TIMMS: We did send down \$1 million for health care but Ways and Means didn't fund it.

139 CORTRIGHT: Continues EXHIBIT A. County Fairs. Community Facilities.

157 REP. BARNES: Do we have a break down as to how the money in regional strategies was spent by the regions?

159 CO-CHAIR FAWBUSH: Yes.

165 REP. BARNES: Does that \$17 million include the Governors discretionary fund?

169 CORTRIGHT: Regional strategies is different from the Strategic reserve fund. A lot of the money was transferred out of the strategic reserve fund to other items. Continues EXHIBIT A. Capital access program. Small development business program. Oregon Marketplace/Government Contract Acquisition program.

223 REP. CARTER: We need to either cut Oregon Marketplace or fund them.

235 REP. HAYDEN: I agree but I say fund them.

240 CORTRIGHT: Continues EXHIBIT A. Industrial retention program. CESCO. Business environmental regulation advocate. Small business hotline. Oregon business development fund.

329 SEN. DUFF: I have some concerns with the speed at which that program is administered.

335 CO-CHAIR FAWBUSH: We spent a lot of time on that program 2 sessions ago.

337 CO-CHAIR BAUM: If we speed it up it works rather well.

351 CORTRIGHT: Continues EXHIBIT A. Downtown development activities. ORTDC.

382 CO-CHAIR FAWBUSH: How much was put into ORTDC since 1085?

386 CORTRIGHT: I think it is in the vicinity of \$10 million. In 1985 it was estimated that \$13 million would be need to make the program viable.

423 CORTRIGHT: Continues EXHIBIT A. Workforce Council.

TAPE 73, SIDE B

010 SEN. DUFF: After looking at John Ladimer's report about Workforce and training in the state I am real concerned that we could find this money from funds that are wondering around in the state right now. I don't know how to approach that though.

019 CO-CHAIR BAUM: We are trying to find JTPA money we are trying to find all kinds of state money. We are having trouble getting clear discretion on those dollars right now.

023 CO-CHAIR FAWBUSH: The last time we started that it was an effort to try a number of different experiments to see what worked and what didn't.

040 SEN. HAMBY: I really think it would be unforgivable for us not to incorporate the recommendations of the Legislative Audit Committee.

067 CORTRIGHT: Continues EXHIBIT A. Community college equipment. ED-NET. Progress Board.

104 REP. HAYDEN: These next 2 items give me some pause. I am pleased to see pre-kindergarten shifted to the general fund. I have some what the same feeling toward the Progress Board, I think it might be better funded through general fund dollars.

114 CORTRIGHT: Continues EXHIBIT A. Prekindergarten. Dislocated Workers. OIT Portland Campus. Light rail.

149 REP. HAYDEN: I believe the current proposal for light rail is \$20 million a biennium.

161 CORTRIGHT: Prison construction.

172 REP. HAYDEN: Prison construction is rather tenuously connected to economic development.

179 CORTRIGHT: Strategic reserve fund.

192 SEN. HILL: Will there be any carry over?

196 CORTRIGHT: I think it is a question of whether there is uncommitted money and I would have to check with the department.

202 SEN. TIMMS: We have moved away from the Governor having the so much discretion over the lottery funds and given more to the committee. If we control it under the policies we have developed that we get the money to places we think it should go more so then under the Governor.

220 CORTRIGHT: Continues EXHIBIT A. Statewide Marketing. Forest Planning.

253 REP. CARTER: I think we are making a grave mistake not dealing with the issue of dredging in this state.

284 CO-CHAIR BAUM: Presents Status of Video Lottery (EXHIBIT B).

310 CO-CHAIR FAWBUSH: If 3151 passes you need to know what your options are.

337 CO-CHAIR FAWBUSH adjourns the meeting at 6:33 pm.

Submitted by,

Jeri Chase
Office Manager

EXHIBIT SUMMARY

EXHIBIT A - "Lottery Allocation Worksheet," submitted by Joe Cortright,
pgs. 1.

EXHIBIT B - Status of Video Lottery, submitted by Chair Ray Baum, pgs.9.