

# SENATE COMMITTEE ON GENERAL GOVERNMENT

June 11, 2003  
3:00 PM

Hearing Room B  
Tapes 62-63

**MEMBERS PRESENT:**     **Sen. Tony Corcoran, Chair**  
                                  **Sen. John Minnis, Vice-Chair**  
                                  **Sen. Bruce Starr**

**MEMBERS EXCUSED:**    **Sen. Vicki Walker**

**STAFF PRESENT:**       **Mark Ellsworth, Committee Administrator**  
                                  **Heather Gravelle, Committee Assistant**

**MEASURE/ISSUES HEARD**   **HB 3020 A – Public Hearing and Work Session**  
                                  **HB 2739 A – Public Hearing and Work Session**  
                                  **HB 2237 A – Public Hearing and Work Session**  
                                  **HB 2304 A – Public Hearing and Work Session**  
                                  **SB 763 – Public Hearing and Work Session**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 62, A</b>		
005	Chair Corcoran	Calls the meeting to order at 3:05 p.m. Opens a public hearing on HB 3020 A.
<b><u>HB 3020 A – PUBLIC HEARING</u></b>		
010	BethAnne Darby	Represents the Oregon Education Association and PERS Coalition. Testifies as a neutral on HB 3020 A, with the -A11 amendments. Presents the -A11 amendments dated 6/11/03 ( <b>EXHIBIT A</b> ).
025	Dave Hendricks	Testifies as a neutral party on HB 3020 A explaining the -A13 amendments. Discusses the intent and the changes in the -A13 amendments. Presents the -A13 amendments dated 6/11/03 ( <b>EXHIBIT B</b> ).
075	Chair Corcoran	Commends Mr. Hendricks for his hard work.
085	Hendricks	Discusses changes: Notes changes in relation with 238.255 addresses deficit account and PERS Board wants it to be clear as to what the changes are and how the process will proceed. Refers to page 4, line 11. States a provision was added to limit the earnings not applied to judges. Explains this means Judge members accounts will earn 8% guaranteed under existing law. Adds new judges will be phased out from application of provision.
110	Hendricks	Continues explaining -A13 amendments. Refers to section 12, page 5 which is a minimum account balance of 2003. Claims person will get at least what their account earned. Discusses two changes made: <ul style="list-style-type: none"><li>• Covered alternate payees who are spouses underneath divorce decree.</li></ul>

		<ul style="list-style-type: none"> <li>• A statement was made as to where the money was going to come from to pay the guarantee amount.</li> </ul>
135	Hendricks	<p>Clarifies if the Board was required to do that, it would be charged back to the deficit account for 8% guarantee. Discusses how to establish what there would have been with the 11% versus the 20% indicating the section doesn't apply to judge members but to alternate payees and beneficiaries. Categorizes the types of changes:</p> <ul style="list-style-type: none"> <li>• Changes with State Treasurer to ensure consistency as to how the transition accounts are balanced.</li> <li>• For issues relating to the judicial review provisions of 2003-2004 which are now the same.</li> </ul>
210	Chair Corcoran	Miscellaneous items set up at the end of the amendments. Asks for clarification on the –A7 amendments.
215	Hendricks	Explains the purpose of the –A7 amendments. Presents the -A7 amendments dated 6/6/03 ( <b>EXHIBIT C</b> ).
220	Grattan Kerans	Oregon University System (OUS). Explains the –A5 amendments pertaining to optional retirement program of the OUS. Explains reason for advancing the amendments. Provides background information as to how they reached the conclusion they did. Submits written testimony & presents -A5 amendments dated 6/5/03 ( <b>EXHIBITS D &amp; E</b> ).
280	Kerans	Notes the portable defined benefit option retirement plan has been significant. Expresses concern with what will happen in 12, 18 or 24 months. Claims not wanting to be tied to a rate which is not comparable to what the Board would want or tied to a rate that is no longer operative. Points out the object is to provide for a decoupling of that rate, allowing the State Board to set that rate and allow for those in the subject class to move over if they wish during an open window period.
290	Chair Corcoran	Asks if this applies only to faculty.
302	Kerans	Responds it applies to everyone outside the classified staff. Claims trying to soak up as many vacancies and create a smaller workforce as possible.
330	Mark Nelson	Association of Oregon Faculties. Testifies in opposition to the –A5 amendments. Discusses how the Optional Retirement System process works. Notes the main objection is the setting of the rate by the State Board of Higher Education. Believes the rate is set properly in statute. Feels the contribution rate should be the same for faculty.
380	Nelson	Feels the time allotted is not enough. Believes the rate should stay in statute without the State Board setting the rate and it will go up or down as the legislation moves onward.
390	Marie Keltner	Representing League of Oregon Cities and Association of Oregon Counties. Testifies in opposition to the -A6 amendments. Claims it will increase the cost to the employers who have equal or greater than plans. Explains how the process works. Expresses concerns with charge every two years when no change and additional cost involved affecting ten entities. Presents the -A6 amendments dated 6/5/03 ( <b>EXHIBIT F</b> ).

010 Sen. Minnis Comments it has been a long time since PERS did an evaluation of equal or better than category. Discusses a personal experience in the Sheriff's Office. Notes importance of balancing the PERS system now.

025 Chair Corcoran Summarizes a memo regarding the PERS issue. Points out Senator Minnis requested Mr. Voytko give his best estimate of the employer rates. States if the courts overturn any pieces of the puzzle, the employers rates would rise. Notes the agency would recommend to PERS inquiry instituted on normal pension plan set in the normal increase schedule at the beginning of 2005-2007 biennium.

060 Hendricks Refers to the -6 amendments on page 2, line 2, needing a form and style change from "shall" to "may." Claims it is a better solution to insert "is" and strike "may."

**The following prepared testimony submitted for the record without public testimony for HB 3020 A:**

**Jim Voytko Submits written testimony (EXHIBIT M)**

**PERS Coalition Submits written testimony (EXHIBIT N)**

**HB 3020 A – WORK SESSION**

070 Sen. Minnis **MOTION: Moves to SUSPEND the rules for the purpose of a conceptual amendment to the-A6 amendments to HB 3020 A.**  
**VOTE: 4-0**

075 Chair Corcoran **Hearing no objection, declares the motion CARRIED.**  
080 Sen. Minnis **MOTION: Moves to conceptually amend the –A6 amendments to HB 3020 A: page 2, line 2, strike the word “will” and replace with “is.”**  
**VOTE: 3-0**  
**EXCUSED – 1 Sen. Walker**

090 Chair Corcoran **Hearing no objection, declares the motion CARRIED.**  
095 Hendricks Clarifies another change needed in the amendment.  
100 Sen. Minnis **MOTION: Moves to SUSPEND the rules for the purpose of second conceptual amendment to the –A6 amendments to HB 3020 A.**  
**VOTE: 3-0**  
**EXCUSED: 1 - Sen. Walker**

110 Chair Corcoran **Hearing no objection, declares the motion CARRIED.**  
115 Sen. Minnis **MOTION: Moves to conceptually amend the –A6 amendments to HB 3020 A: page 2, line 2 strike the word “be”.**  
**VOTE: 3-0**  
**EXCUSED – 1 Sen. Walker**

120 Chair Corcoran **Hearing no objection, declares the motion CARRIED.**  
125 Sen. Minnis **MOTION: Moves to ADOPT the -A6 amendments to HB 3020 A, dated 6/5/03 AS CONCEPTUALLY AMENDED.**  
**VOTE: 3-0**  
**EXCUSED: 1 - Sen. Walker**

130 Chair Corcoran **Hearing no objection, declares the motion CARRIED.**  
Sen. Minnis **MOTION: Moves to ADOPT the -A7 amendments to HB 3020 A, dated 6/6/03.**  
**VOTE: 3-0**  
**EXCUSED: 1 - Sen. Walker**

Chair Corcoran **Hearing no objection, declares the motion CARRIED.**

135	<b>Sen. Minnis</b>	<b>MOTION: Moves to ADOPT the -A11 amendments to HB 3020 A, dated 6/11/03.</b> <b>VOTE: 3-0</b> <b>EXCUSED: 1- Sen. Walker</b>
140	<b>Chair Corcoran</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
145	<b>Sen. Minnis</b>	<b>MOTION: Moves to ADOPT the-A13 amendments to HB 3020 A, dated 6/11/03.</b> <b>VOTE: 3-0</b> <b>EXCUSED: 1- Sen. Walker</b>
155	<b>Chair Corcoran</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
160	<b>Sen. Minnis</b>	<b>MOTION: Moves HB 3020 A to the floor with a DO PASS AS AMENDED recommendation.</b> <b>VOTE: 3-0</b> <b>EXCUSED: 1- Sen. Walker</b>
162	<b>Chair Corcoran</b>	<b>Hearing not objection, declares the motion CARRIED. CHAIR CORCORAN will lead discussion on the floor.</b>
165	Chair Corcoran	Closes the work session on HB 3020 A and opens a public hearing on HB 2739 A.

**HB 2739 A – PUBLIC HEARING**

170	George Gilman	Oregon State Representative, District 55. Testifies in support of HB 2739 A. Presents the -A4 amendments dated 6/2/03 & -A5 amendments dated 6/11/03 ( <b>EXHIBITS G &amp; H</b> ).
175	Jeannette Holman	Assistant Director, Division of State Lands. Testifies in support of HB 2739 A. Explains purpose of the –A5 amendments.
180	Doug Tindall	State Maintenance Engineer, Oregon Department of Transportation (ODOT). Expresses primary interest in the bill is section 2. Submits written testimony ( <b>EXHIBIT I</b> ).
185	Chair Corcoran	Closes the public hearing on HB 2739 A and opens a work session on HB 2739 A.

**HB 2739 A – WORK SESSION**

190	<b>Sen. Starr</b>	<b>MOTION: Moves to ADOPT the-A4 amendments to HB 2739, dated 6/2/03.</b>
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**VOTE: 3-0**

200	Chair Corcoran Sen. Starr	<p><b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>MOTION: Moves to ADOPT the –A5 amendments to HB 2739 A, dated 6/11/03.</b>  <b>VOTE: 3-0</b></p>
202 205	Chair Corcoran Sen. Starr	<p><b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>MOTION: Moves HB 2739 A to the floor with a DO PASS AS AMENDED recommendation.</b>  <b>VOTE: 3-0</b></p>
210 215	Chair Corcoran Sen. Minnis	<p><b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. STARR will lead discussion on the floor.</b>  <b>MOTION: Moves to RECONSIDER the vote by which HB 2739 A was sent to the floor with a DO PASS AS AMENDED recommendation.</b>  <b>VOTE: 3-0</b></p>
225	Chair Corcoran Sen. Starr	<p><b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>MOTION: Moves HB 2739 A to the Committee on Ways and Means with a DO PASS AS AMENDED recommendation.</b>  <b>VOTE: 3-0</b></p>
235	Chair Corcoran Chair Corcoran	<p><b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>MOTION: Moves HB 2739 A to the Committee on Ways and Means with a DO PASS AS AMENDED recommendation.</b>  <b>VOTE: 3-0</b>  <b>EXCUSED: 1- Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>          Closes the work session on HB 2739 A and opens a public hearing on HB 2237 A.</p>

**HB 2237 A – PUBLIC HEARING**

235	Mark Ellsworth	Committee Administrator. Provides overview of HB 2237 A
245	Maria Keltner	Presents the -A5 amendments dated 5/29/03 ( <b>EXHIBIT J</b> ). League of Oregon Cities and Association of Oregon Counties. Comments previously testified in opposition of SB 445 and SB 446 which are what the -A5 amendments are. Points out still in opposition of HB 2739 A.
285	Chair Corcoran	Closes the public hearing on HB 2237 A and opens a work session on HB 2237 A.

**HB 2237 A – WORK SESSION**

290	Sen. Starr	Asks what the status of SB 445 and 446 is.
295	Chair Corcoran	Responds both bill are in the Committee on House Rules.
320	Sen. Minnis	<p><b>MOTION: Moves to ADOPT the-A5 amendments to HB 2237 A, dated 5/29/03.</b>  <b>VOTE: 3-0</b></p>
325 335	Chair Corcoran Sen. Minnis	<p><b>EXCUSED: 1 - Sen. Walker</b>  <b>Hearing no objection, declares the motion CARRIED.</b>  <b>MOTION: Moves HB 2237 A to the floor with a DO PASS AS AMENDED recommendation.</b></p>

**VOTE: 3-0**

345                    **Chair Corcoran**                    **EXCUSED: 1 - Sen. Walker**  
**Hearing no objection, declares the motion CARRIED.**  
**SEN. MINNIS will lead discussion on the floor.**

348                    Chair Corcoran                    Closes the work session on HB 2237 A and opens a public hearing on HB 2304 A.

**HB 2304 A – PUBLIC HEARING**

353                    Mark Ellsworth                    Committee Administrator. Provides an overview of HB 2304 A.

358                    Bill Penhollow                    Association of Oregon Counties. Representing Oregon Telecommunications Coordinating Counsel. Explains the intent of the HB 2304 A. Comments the bill would provide a policy encouraging the state and local governments to work together on emergency preparedness and ensure the system in place is workable. Submits written testimony (**EXHIBIT K**).

**TAPE 62, B**

005                    Chair Corcoran                    Closes the public hearing on HB 2304 A and opens a work session on HB 2304 A.

**The following prepared testimony submitted for the record without public testimony for HB 2304 A:**

**Ann Steeves**                    **Submits written testimony (EXHIBIT O).**

**HB 2304 A – WORK SESSION**

005                    **Sen. Starr**                    **MOTION: Moves HB 2304 A to the floor with a DO PASS recommendation.**  
**VOTE: 3-0**  
**EXCUSED: 1 - Sen. Walker**

010                    **Chair Corcoran**                    **Hearing no objection, declares the motion CARRIED.**  
**CHAIR CORCORAN will lead discussion on the floor.**

015                    Chair Corcoran                    Closes the work session on HB 2304 A and opens a public hearing on SB 763.

**SB 763 – PUBLIC HEARING**

025                    Sen. Starr                    Explains the intent of SB 763 with -6 amendments. States almost everyone is in agreement with the language at this point. Presents SB 736-6 amendments dated 6/11/03 (**EXHIBIT L**).

030                    Chair Corcoran                    Closes the public hearing on SB 763 and opens a work session on SB 763.

**SB 763 – WORK SESSION**

035                    **Sen. Minnis**                    **MOTION: Moves to ADOPT the -6 amendments to SB 763, dated 6/11/03.**  
**VOTE: 3-0**

040                    **Chair Corcoran**                    **Hearing no objection, declares the motion CARRIED.**

045                    **Sen. Minnis**                    **MOTION: Moves SB 763 to the floor with a DO PASS AS AMENDED recommendation.**  
**VOTE: 3-0**  
**EXCUSED: 1 - Sen. Walker**

**Chair Corcoran**                    **Hearing no objection, declares the motion CARRIED.**  
**SEN. STARR will lead discussion on the floor.**



**EXHIBIT SUMMARY**

- A – HB 3020 A, -A11 amendments dated 6/11/03, Staff, 7 pp**
- B – HB 3020 A, -A13 amendments dated 6/11/03, Staff, 35 pp**
- C – HB 3020 A, -A7 amendments dated 6/6/03, Dave Hendricks, 3 pp**
- D – HB 3020 A, written testimony, Grattan Kerans, 3 pp**
- E – HB 3020 A, -A5 amendments dated 6/5/03, Grattan Kerans, 5 pp**
- F – HB 3020 A, A6 amendments dated 6/5/03, Maria Keltner, 2 pp**
- G – HB 2739 A, -A4 amendments dated 6/2/03, Rep. George Gilman, 3 pp**
- H – HB 2739 A, -A5 amendments dated 6/11/03, Rep. George Gilman, 1 p**
- I – HB 2739 A, written testimony, Doug Tindall, 1 p**
- J – HB 2237 A, -A5 amendments dated 5/29/03, Staff, 7 pp**
- K – HB 2304 A, written testimony, Bill Penhollow, 1 p**
- L – SB 763, -6 amendments dated 6/11/03, Staff, 5 pp**

**The following exhibits are listed out of order in the body of the tape log:**

- M – HB 3020 A, written testimony, Jim Voytko, 2 pp**
- N – HB 3020 A, written testimony, PERS Coalition, 58 pp**
- O – HB 2304 A, written testimony, Ann Steeves, 2 pp**