

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

February 21, 2005 Hearing Room B

8:30 A.M. Tapes 34 - 35

Corrected 09/27/05

MEMBERS PRESENT: **Rep. Alan Brown, Chair**

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. Derrick Kitts

Rep. Chip Shields

MEMBER EXCUSED: **Rep. George Gilman**

STAFF PRESENT: **Janet Adkins, Committee Administrator**

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2436 – Public Hearing

HB 2392 – Public Hearing

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.

TAPE/#	Speaker	Comments
TAPE 34, A		
003	Chair Brown	Calls the meeting to order at 8:35 a.m. Opens a public hearing on HB 2436.

HB 2436 – PUBLIC HEARING

006	Janet Adkins	Committee Administrator. Explains HB 2436. Addresses -1 amendments (EXHIBIT A). Talks about line 40 on page 4 of HB 2436 and explains what is being considered. Articulates that ICMA Retirement Corporation has offered the plan because the salaried reduction is not considered salary for Public Employees Retirement System (PERS) and this creates a disincentive to sign up for the Health Savings Account and Retirement Account.
037	Michelle Deister	League of Oregon Cities (LOC). Speaks in support of HB 2436 with the -1 amendments. Talks that the changes to PERS made the ICMA accounts somewhat obsolete.
052	Gregory Settle	Northwest Regional Vice President, ICMA Retirement Corporations. Clarifies that the company is a not-for-profit company that provides benefits to government employees. Says that they have plans set up with state and local employers in Washington state and nine employers in Oregon. Asserts that, with the -1 amendments, the benefits will be on the same level as employers in other states.
080	Chair Brown	Asks if the changes made to PERS in 2003 and the creation of tier three caused the problem that HB 2436 is trying to fix.
086	Deister	Says that it is the case.
089	Settle	Submits information packet including a brochure of the VantageCare Retirement Health Savings Plan, a brochure of Streamlining Plan Administration through Technology, the VantageCare Retirement Health Savings Plan Program Comparison, and the VantageCare Retirement Health Savings Program Plan Adoption (EXHIBIT C).
095	Bob Livingston	Oregon States Fire Fighters Council. Speaks in support of HB 2436. Questions why the language for the salary reduction would be in place. Believes that the -1 amendments could be prohibitive and not encapsulate a majority of the people the authors would like to help.

113	Adkins	Asks whether the contribution to a Health Savings Account would be by an employee or an employer.
117	Livingston	Asks for the question again.
120	Adkins	Reiterates the question.
126	Livingston	Says that, if you limit it to salary reduction even though the Health Savings Account is at the choice of the employee, you limit the bill even more. Says that there is savings with the employer if the salary is reduced, because they do not have to pay taxes on the salary.
142	Deister	Says that right now employees do not have this option at all. Says that the -1 amendments are a very important component of the bill. States that the amendment explains what happens when an employee chooses to make a contribution over and above what they are diverting from their salary for PERS purposes that will not also be counted as PERS salary.
153	Rep. Schaufler	Asks if Ms. Deister would prefer if the bill not go forward if it did not include the -1 amendments.
155	Deister	Says that she would prefer that it not go through if it did not have the -1 amendments.
160	Chair Brown	Closes the hearing on HB 2436 and opens the public hearing on HB 2392.

HB 2392 – PUBLIC HEARING

170	Bill Cross	Oregon State Police Officers Association (OSPOA). Introduces Dan Swift.
176	Dan Swift	President, OSPOA. Submits and reads from written testimony in support of HB 2392 (EXHIBIT B). Wants a competitive pay salary with the marketplace. Outlines problems with comparing the Oregon State Police to those in surrounding states.
230	Swift	Continues to read from written testimony (EXHIBIT B). Talks about the difference between the economy of Oregon and the economies of surrounding states. Mentions the need for a competitive salary

package. Compares troopers' salaries to five Oregon cities' police officers. Notes the small amount of people that showed up for the state troopers' examination.

- 269 Swift Continues to read from written testimony **(EXHIBIT B)**. Says that the bill gives the state five and a half years to bring the state troopers' salaries into line with police officers' salaries. Mentions that troopers put themselves in danger everyday.
- 299 Rep. Schaufler Speaks in support of state troopers. Asks if there are any numbers that show exactly the effect of state troopers acting as an apprenticeships for other law enforcement agency
- 315 Swift Says that 129 troopers were laid off last year and about 90 have returned. States that he does not know what the attrition rate is for state troopers. Talks about how they are having a problem filling positions and believes that pay is a component of this problem.
- 340 Rep. Kitts References the Oregon State Police Association Compensation Comparison **(EXHIBIT B, Page 4)** and wants time for the numbers to be verified. States that Beaverton is not larger than Hillsboro.
- 348 Swift Says that the comparison was made by a law firm and at the time that the comparison was being made Beaverton was larger than Hillsboro.
- 370 Chair Brown Says that the bill does not say a comparison of the five largest cities. States that HB 2392 just lists five cities with which to do a comparison.
- 373 Rep. Esquivel States that the whole problem is not just the wage rate. Wants to get the level of state troopers back to what it was in the 1970s.
- 411 Rep. Kitts Refers to the statement about the five largest cities in Oregon **(EXHIBIT B, Page 2)**.
- 422 Chair Brown Notes that the bill just says five cities.

TAPE 35, A

- 001 Cross Says that the bill is a redo of a bill introduced two years ago in which the city of Beaverton was larger than the city of Hillsboro. States that the written testimony **(EXHIBIT B)** was updated from that bill.

008	Chair Brown	Says that the problem is not only in the state troopers. Talks about how police officers are trained in small cities and then the police leave for higher pay in larger cities.
019	Rep. Holvey	Says that he is concerned that Oregon is losing quality folks. Talks about how public universities are having problems keeping professors and believes that this pattern goes through many state industries. Speaks in support of keeping state troopers' salaries competitive.
029	Rep. Shields	Talks about methamphetamines and the importance of having good law enforcement. Says that conventional law enforcement intervention is much more effective than jail time.
041	Chair Brown	Closes the public hearing on HB 2392 and adjourns the meeting at 9:07 a.m.

EXHIBIT SUMMARY

- A. **HB 2436, -1 amendments, staff, 1 p**
- B. **HB 2392, written testimony, Daniel Swift, 7 pp**
- C. **HB 2436, informational packet, Gregory Settle, 31 pp**