

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

February 09, 2005 Hearing Room B

8:30 A.M. Tapes 24 - 25

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. George Gilman

Rep. Paul Holvey

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2180 – Public Hearing

HB 2181 – Public Hearing

HB 2064 – Work Session

HB 2104 – Public Hearing and Work Session

Introduction of Committee Measures – Work Session

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 24, A

003 Rep. Esquivel Calls the meeting to order at 8:34 a.m. Opens the public hearing on HB 2180

HB 2180 – PUBLIC HEARING

011 Patrick Allen Manager, Office of Regulatory Streamlining. Speaks in support of HB 2180. Wants an inspection schedule to be driven in terms of risk to the public for elevators.

024 Mark Long Administrator, Building Codes Division. Submits and summarizes written testimony (**EXHIBIT A**). Remarks that elevators that move small distances do not need to be inspected with the same frequency and given the same priority level as those elevators that move over a larger distance. Says that the bill needs minor amendments.

040 Rep. Gilman Asks if every elevator needs to be inspected every year.

042 Long States that every elevator has to be inspected once a year under current statute.

047 Rep. Esquivel Asks for an example of an elevator that moves ten inches.

048 Long Notes that wheel chair lifts and small lifts are a couple of examples.

053 Rep. Holvey Asks who is inspecting the elevators.

055 Long Says that the division has inspectors that examine each of the elevators every year.

061 Rep. Esquivel Asks how the workload will be cut down by HB 2180.

- 063 Long Says that there are about 8,000 elevators in the state and does not know how many are of the smaller variety. Explains that the passage of the Americans with Disabilities Act has caused the number of elevators to grow by about 6 percent every biennium. Maintains that this bill will help them accommodate the increase in elevators and target those that really need to be inspected.
- 075 Rep. Esquivel Asks Rep. Holvey to be in the workgroup committee for HB 2180.
- 080 Rep. Holvey Confirms that he will be in the workgroup committee for HB 2180
- 085 Kathryn VanNatta Northwest Paper and Pulp Association. Submits written testimony requesting a workgroup for HB 2180 and HB 2181 (**EXHIBIT B AND D**). Asks to be included in the workgroups, because their industrialized paper mills do have specialized elevators.
- 095 Chair Esquivel Closes the public hearing on HB 2180 and opens the public hearing on HB 2181.

HB 2181 – PUBLIC HEARING

- 106 Patrick Allen Manager, Office of Regulatory Streamlining. Wants to simplify the process of issuing licenses.
- 116 Mark Long Administrator, Building Codes Division. Submits written testimony in support of HB 2181 with amendments (**EXHIBIT C**). Explains that 85 different licenses are issued through the Buildings Codes Division and elaborates on the process. Discusses program areas which include plumbing, electrical, manufactured housing licenses. Wants to make the process of applying for and receiving each license the same. Gives an example of someone who is a plumbing and electrical contractor.
- 149 Chair Esquivel Submits and reads an email from Jennings Ruffing in opposition to HB 2181 (**EXHIBIT E**). States that Mr. Ruffing wants ORS 479.86 to be stricken from the law.
- 172 Long Elaborates that HB 2181 is not designed to address the scope of the licenses. States that he is not sure he can address the issue stated, because they are trying to deal with the application process.
- 206 Rep. Esquivel Closes the public hearing on HB 2181 and forms a workgroup for HB 2181. Asks Rep. Holvey to be in the work group.

- 209 Rep. Holvey Agrees to be in the work group.
- 215 Rep. Esquivel Calls for a recess.
- 218 Chair Brown Reconvenes the committee and opens the work session on HB 2064.

HB 2064 – WORK SESSION

- 222 Janet Adkins Committee Administrator. Explains HB 2064 and why it came back to committee from the floor. Talks about the definition of resident.
- 237 Howard “Rocky” King Administrator, Insurance Pool Governing Board (IPGB). Mentions the Family Health Insurance Assistance Program (FHIAP). Explains that the program currently operates with federal funds and these funds cannot be used for non-qualified residents. Says it allows the IPGB to implement the decision to use federal funds. States that it will restrict the people that can be served.

- 285 Rep. Esquivel **MOTION: Moves HB 2064 to the floor with a DO PASS recommendation.**

VOTE: 6-0-1

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 – Shields

(NOTE: See tape 24 B at 001 on page 6 to see Rep. Shields’ vote.)

Chair Brown The motion CARRIES.

- 301 Rep. Gilman **MOTION: Moves HB 2064 be placed on the CONSENT CALENDAR.**

VOTE: 6-0-1

EXCUSED: 1 – Shields

Chair Brown Hearing no objection, declares the motion CARRIED.

- 310 Chair Brown

Closes the work session on HB 2064 and opens the public hearing on HB 2104.

HB 2104 – PUBLIC HEARING

- 313 Janet Adkins Committee Administrator. Explains HB 2104. Refers to HB 2104-1 amendments (**EXHIBIT F**). Says the amendments further detail the withdrawal process from Public Employees Retirement System (PERS) to the Optional Retirement Plan (ORP).
- 363 Lisa Zavala Office of Government Relations, Oregon University System (OUS). Submits and summarizes written testimony in support of HB 2104 (**EXHIBIT G**). Elaborate how the retirement plan works and discusses the history of the OUS retirement plans. Explains HB 2104. Notes that ORP is for mobile, professional faculty and staff.

TAPE 25, A

- 001 Zavala Explains that with the changes made in 2003, employees hired on or after the August 23, 2003 date and those enrolled in the individual account plan have to satisfy additional provisions to establish eligibility. Mentions that a work group that was put together to look at the difference between ORP and PERS.
- 023 Zavala Reads from written testimony (**EXHIBIT G, Page 2**) starting with the first full paragraph. Outlines how the HB 2104-1 amendments would affect current statute (**EXHIBIT F**).
- 070 Rep. Schaufler Asks if Associated Oregon Faculty, American Federation of Teachers, American Association of University Professors-Portland State University, the Inter-Institutional Faculty Senate, ORP Fund Sponsors, and OUS were in support of the changes being made.
- 073 Zavala Affirms that every group is in support of HB 2104 and the amendments.
- 075 Rep. Holvey Asks if the whole system of ORP creates more stability problems for the PERS system.
- 082 Zavala Says that there would be no fiscal impact to PERS. Explains that ORP has been in existence since 1995.

093	Rep. Gilman	Asks if the work group considered that this ORP is not needed anymore.
096	Zavala	Says that they did not because they feel that ORP is very important.
105	Denise Yunker	Administrator, Human Resources Department, OUS. Explains that ORP allows retirement plans to be portable and there is about a ten percent turnover of people who elect to have the plan. States that the turnover shows that the program is meeting the needs of people for whom it was designed.
118	Chair Brown	Reiterates testimony and talks about very mobile OUS employees that the ORP covers.
126	Rep. Schaufler	Asks if there has been an increase in mobility out of the state by OUS employees due to cuts in wages.
132	Yunker	Says they will give statistics to the committee.
135	Rep. Schaufler	Wants the best and the brightest to teach our children and expresses concern that the mobility may be going up.
140	Rep. Gilman	Asks how many people are enrolled in ORP who are eligible.
142	Yunker	Says that the enrollment in the plan has been about 30% for those who are eligible for ORP and PERS.
150	Rep. Gilman	Asks if ORP is available for all university employees.
152	Yunker	States that ORP is not.
153	Chair Brown	Asks if there is a fiscal impact
154	Yunker	Denies there being any additional fiscal impact, because the HB 2104-1 amendments (EXHIBIT F) just continue a state program.
158	Adkins	States that the funds that are transferred to ORP do not appear in ORP accounts on the same day and asks Ms. Zavala to speak to the issue.
162	Zavala	

Says that Ms. Adkins is correct. Mentions that when they talked to the PERS staff, the staff wanted to make sure that the language in HB 2104-1 amendments (**EXHIBIT F, Page 3**) beginning on line 2 made it clear that transfers did not occur on the same day that they were requested. PERS wanted OUS to state for the record that when the PERS receives the request, it will transfer the funds to ORP and will initiate the process when requested.

- 177 Rep. Holvey Asks if a public employee can access the plan only when they are no longer working for a PERS employer.
- 184 Zavala Says that a university employee can elect to participate in the ORP during the one time enrollment period and there mobility is not a factor.
- 191 Yunker Clarifies that a participant in ORP does not have access to PERS benefits. States that the provisions in HB 2104 and the HB2104-1 amendments are intended to prevent someone from receiving PERS benefits and contributing to the ORP.
- 207 Chair Brown Asks if it is correct that an employee only has one time option to enroll in one of the programs.
- 208 Yunker States that it is correct.
- 210 Zavala Says that the language in reference to the lump sum amount is intended to prevent the reduction in employer contributions that occurred in Fall of 2004.
- 219 Bill Linden Association of Oregon Faculties (AOF). Speaks in support of HB 2104. Explains the history of ORP. Says that it is important for the faculty to have the option, because it allows the OUS to compete nationally. Notes that a temporary disagreement occurred over the rate basis that occurred after Measure 29 (2003) passed and it resulted in the overall state PERS rate. Explains that the basis for the ORP rate will not be affected by any “buy down” of liabilities in the PERS system.
- 246 Rep. Holvey Asks why it would not be available to all PERS employees.
- 254 Linden Says that, in terms of the faculty, the mobility is well documented. Explains that he does not know if other groups want it to be available statewide.

- 263 Zavala Explains that in 1995 when ORP was created, the classified employees asked not to be included.
- 271 Rep. Schaufler Asks if the courts decisions will have any impact on the bill.
- 275 Linden Explains that only if the courts decision results in a retroactive employer change.
- 282 Rep. Schaufler Asks if it would just be the quantity of the contribution.
- 283 Linden Says that he believes it would be just the quantity of the contribution. Explains that it is tied to PERS in that the contribution rate of PERS is the contribution rate of ORP.
- 295 Chair Brown States that he sees Ms. Yunker affirming what Mr. Linden is saying. Closes the public hearing on 2104 and opens the work session on HB 2104.

HB 2104 – WORK SESSION

- 306 Rep. Kitts **MOTION: Moves to ADOPT HB 2104-1 amendments dated 2/8/05.**
- 310 Rep. Holvey Says that he does have concerns about the Class 1 Employees not being able to participate in the Optional Retirement Program (ORP) and if excluding these employees leaves the system open to possible litigation.
- 326 Mary Botkin American Federation of State Municipal Employees. Explains that when the retirement plan was initially put together when they hired someone to do a side by side analysis of Public Employee Retirement System (PERS) and ORP so that they could make a recommendation about what system employees should go use. Says that after the analysis it was determined that ORP is a nice option to attract limited or temporary talent into Oregon. States that no objections exist to the changes being made today.
- 365 Rep. Holvey Expresses concern about the Classified Employee who wants to enter into ORP and that there may be legal problems in terms of discrimination against that class of employees.
- 376 Botkin

Appreciates the concerns. Says for a long term employee, they do not know why they would want to be anywhere but PERS.

388

VOTE: 6-0-1

EXCUSED: 1 - Shields

Chair Brown

Hearing no objection, declares the motion CARRIED.

389

Rep. Esquivel

MOTION: Moves HB 2104 to the floor with a DO PASS AS AMENDED recommendation.

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Brown

The motion CARRIES.

REP. GILMAN will lead discussion on the floor.

TAPE 24, B

001

Chair Brown

Closes the work session on HB 2104 and opens the work session on HB 2064.

HB 2064 – WORK SESSION

002

Rep. Kitts

MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. SHIELDS to BE RECORDED as voting AYE on the motion to move HB 2064 to the floor with a DO PASS recommendation.

005

VOTE: 7-0-0

Chair Brown

Hearing no objection, declares the motion CARRIED.

006

VOTE: 7-0-0

(NOTE: See tape 24A at 385 on page 3 to see original vote on HB 2064.)

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

013 Chair Brown Closes the work session on HB 2064 and opens the work session for the introduction of committee measures.

INTRODUCTION OF COMMITTEE MEASURES – WORK SESSION

016 Janet Adkins Committee Administrator. Submits and explains LC 2489
(EXHIBIT H).

022 Rep. Kitts MOTION: Moves LC 2489 BE INTRODUCED as a committee bill.

VOTE: 7-0-0

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

028 Adkins Asks how members would like materials to be routed.

033 Rep. Esquivel Request that he get amendments a little earlier.

040 Rep. Kitts Says that either paper or email is fine.

045 Chair Brown Closes the work session on the introduction of committee measures.
Adjourns the meeting at 9:46 a.m.

EXHIBIT SUMMARY

- A. **HB 2180, written testimony, Mark Long, 2 pp**
- B. **HB 2180, written testimony, Kathryn VanNatta, 1 p**
- C. **HB 2181, written testimony, Mark Long, 2 pp**
- D. **HB 2181, written testimony, Kathryn VanNatta, 1 p**
- E. **HB 2181, written testimony of Jennings Ruffing, Rep. Sal Esquivel, 1 p**
- F. **HB 2104, -1 amendments, staff, 3 pp**
- G. **HB 2104, written testimony, Lisa Zavala, 2 pp**
- H. **Introductions, LC 2489, staff, 16 pp**