

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

March 04, 2005 Hearing Room B

9:00 A.M. Tapes 46 - 47

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Jania Zeeb, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2124 – Work Session

Introduction of Committee Measures – Work Session

HB 2572 – Public Hearing

HB 2641 – Public Hearing

HB 2434 – Public Hearing

HB 2521 – Public Hearing and 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 46, A		
003	Chair Brown	Calls the meeting to order at 9:04 a.m. and opens the work session on HB 2124.

HB 2124 – WORK SESSION

006	Janet Adkins	Committee Administrator. Summarizes HB 2124. Discusses the -1 amendments (EXHIBIT L). Refers to the revenue impact statement (EXHIBIT A).
028	Rep. Esquivel	MOTION: Moves to ADOPT HB 2124-1 amendments dated 02/23/05.
030		VOTE: 6-0-1 EXCUSED: 1 - Kitts
	Chair Brown	Hearing no objection, declares the motion CARRIED.
033	Rep. Esquivel	MOTION: Moves HB 2124 to the floor with a DO PASS AS AMENDED recommendation.
036		VOTE: 6-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Kitts
	Chair Brown	The motion CARRIES. REP. ESQUIVEL will lead discussion on the floor.
039	Chair Brown	Closes the work session on HB 2124 and opens the public hearing on HB 2572.

HB 2572 – PUBLIC HEARING

049	Chair Brown	Closes the public hearing on HB 2572 and opens a work session to introduce committee measures.
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INTRODUCTION OF COMMITTEE MEASURES – WORK SESSION

058 Janet Adkins Committee Administrator. Summarizes the following LC Drafts :

LC 1591 (EXHIBIT D)

LC 1592 (EXHIBIT C)

LC 1593 (EXHIBIT E)

LC 3052 (EXHIBIT B)

069 Rep. Gilman MOTION: Moves LC's: 1591, 1592, 1593, 3052 BE INTRODUCED as committee bills.

070 **VOTE: 6-0-1**

EXCUSED: 1 - Kitts

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

072	Chair Brown	Closes the work session on the introduction of committee measures and opens a public hearing on HB 2572.
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HB 2572 – PUBLIC HEARING

078 Janet Adkins Committee Administrator. Summarizes HB 2572.

099	Rob Wagner	Political and Legislative Affairs, American Federation of Teachers Oregon. Testifies in opposition to HB 2575.
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115 Rep. Gene Whisnant House District 53. Begins testimony.

131	Chair Brown	Closes the public hearing on HB 2572 and opens the public hearing on HB 2572 and HB 2641.
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HB 2572 AND HB 2641 – PUBLIC HEARING

137	Rep. Whisnant	Submits and presents prepared testimony in support of HB 2572 and HB 2641 (EXHIBIT F). Uses the former Deschutes County Sheriff, Greg Brown, as an example of the need for HB 2572 and HB 2641.
201	Rep. Whisnant	Comments that HB 2572 and HB 2641 would hold public employees accountable for their actions. Summarizes HB 2641.
239	Rep. Whisnant	Discusses HB 2572. Comments that these bill are important to help restore confidence in public employees.
266	Chair Brown	Inquires if there was restitution for the funds stolen by Greg Brown.
269	Rep. Whisnant	Responds that the fines and court costs were repaid immediately.
276	Rep. Schaufler	Comments that he hopes that confidence in public employees can be restored. Asks for clarification of what would happen to the family of an employee who is disciplined.
298	Rep. Whisnant	Answers that protection of the family is important.
327	Rep. Shields	Expresses concern with unforeseen consequences. Asks about applying HB 2572 and HB 2641 only for elected officials.
345	Rep. Whisnant	Responds that it needs to cover all public employees because if you are paid by the public you should be held responsible.
370	Rep. Esquivel	Concurs with Rep. Whisnant. States that he thinks HB 2572 and HB 2641 are a good step.
383	Rep. Schaufler	Expresses support for Rep. Whisnant's concept. Emphasizes the importance of protecting the families and states that he thinks the scope of the bills should be broadened.
418	Rep. Shields	Comments that we should look at how this is being handled in the private sector.
428	Rob Wagner	Political and Legislative Affairs, American Federation of Teachers Oregon (AFT-Oregon). States that Rhode Island, New Jersey, and Massachutes have similar statutes.

TAPE 47, A

020	Wagner	Lists three concerns that AFT-Oregon has with HB 2572 and HB 2641. Comments that it is possible that the state would face litigation as a result of these two bills.
038	Rep. Schaufler	Inquires if the Department of Justice has commented on this legislation.
042	Rep. Whisnant	Answers that Legislative Counsel should have checked with them. Discusses what was done in order to avoid litigation problems in the future.
052	Chair Brown	Comments that the committee can get that information from Legislative Counsel.
054	Janet Adkins	Provides information from her conversation with Legislative Counsel.
059	Rep. Whisnant	Responds that he understands the issues discussed with Legislative Counsel but still wants to move forward.
068	Rep. Esquivel	Reminds the committee that they are talking about convicted felons, who were employees of the state.
074	Rep. Holvey	Asks if there is a list of what classifies as work related felonies.
089	Rep. Whisnant	Answers that he did not go into that detail.
103	Paul Cleary	Executive Director, Public Employee Retirement System (PERS). Introduces Steve Delaney, Deputy Director, PERS. Submits and presents prepared testimony discussing concerns with HB 2572 (EXHIBIT G) and HB 2641 (EXHIBIT H) .
135	Cleary	States that they need to be careful not to do anything that will hurt people who are not involved in the crime.
141	Cleary	Discusses the concern with Internal Revenue Services (IRS) regulations. States that if these bills pass, they need to be approved by the IRS.

163	Chair Brown	Comments that he wants to create a work group to work on this issue.
175	Chair Brown	Closes the public hearing on HB 2572 and 2641 and opens a public hearing on HB 2434.

HB 2434 – Public Hearing

186	Janet Adkins	Committee Administrator. Summarizes HB 2434.
191	Rep. Gary Hansen	House District 44. Discusses HB 2434. Introduces Pat West.
217	Pat West	President, Oregon State Firefighters. Discusses the situation for firefighters who are injured on the job and how HB 2434 would help injured employees. Comments that they want to work with the Public Employees Retirement System (PERS) to come up with language to dissolve their concerns.
259	Rep. Hansen	Summarizes the problems that PERS is having with HB 2434.
277	Rep. Brown	Inquires if the employer is paying into the system during the time the employee is on disability.
281	Rep. Hansen	Responds that it is if the employee is receiving a salary.
289	Rep. Schaufler	Inquires if we are talking about on the job injuries only. Asks if men and women in reserves or national guard who leave and come back injured would also be included.
298	West	Answers that HB 2434 would not change how the reserve or national guards are handled.
300	Rep. Kitts	Asks what the maximum length of time a person can be on the temporary disabled list.
304	West	Responds that it is based on when they are declared medically stationary.
309	Rep. Kitts	Inquires if HB 2434 applies to any member in PERS.
311	Rep. Hansen	Concurs.

314	Rep Kitts	Comments that it is currently extremely unlikely that anyone would be classified as permanent total disability (PTD). Asks how HB 2434 would affect people awarded PTD.
331	West	Comments that it would not affect people with PTD, because PTD is tied to workers comp.
338	Rep. Esquivel	Asks what the private sector is doing regarding this issue.
348	West	Answers that he does not have a study on that.
353	Rep. Hansen	Remarks that it would vary from company to company.
368	Rep. Kitts	States that he would be interested to know if there is a comparable plan in the private sector.

TAPE 46, B

029	Steve Delaney	Deputy Director, PERS. Submits prepared testimony in opposition to HB 2434. Comments on unintentional consequences of HB 2434.
038	Rep. Schaufler	Asks if we can examine private plans.
045	Delaney	Answers that he does not have contact with private plans, but we can look at how other states handle this.
053	Jim Green	Oregon School Boards Association. Discusses the unintended consequences of HB 2434 for schools. Comments that he is worried about the extra cost this could add to the schools.
083	Rep. Kitts	Inquires if it is a violation of the union contract to hire a temporary employee for the duration of the injury of a worker.
084	Green	Answers that it is not a violation of a collective bargaining agreement. Explains the situation with PERS.
094	Rep. Kitts	Asks if there is something they could put in HB 2434 to help alleviate the problem in regards to PERS.

100	Green	Responds that there is nothing to prohibit it from being put in the bill, but he thinks there would not be full support for that.
104	Rep. Schaufler	Inquires if special districts, school districts, or local governments are required to be in PERS, or enter into a collective bargain contract with the union.
109	Green	Remarks that school districts are required to be in PERS and they must collectively bargain.
115	Rep. Schaufler	Comments that HB 2434 would be a burden, but we should not focus on the burden we should also discuss the benefits we are getting as a result of the program.
125	Green	States that we are getting benefit, but it is still important for us to look at the cost of providing those services.
133	Janet Adkins	Submits prepared testimony from Michelle Deister in opposition to HB 2434 (EXHIBIT J) .
138	Mary Botkin	American Federation of State County and Municipal Employees (AFSCME). Comments on the importance of taking care of employees and making sure they do not suffer ill effects if they get injured on the job.
189	Chair Brown	Closes the public hearing on HB 2434 and opens the public hearing on HB 2521.

HB 2521 – PUBLIC HEARING

211	Rep. John Dallum	House District 59. Introduces Del Ceaser. Gives the history of the issue of forgiveness of state taxes for Public Employees Retirement System (PERS) retirees.
221	Del Ceaser	Citizen, The Dalles. Testifies in support of HB 2521. Gives a background on his involvement on the issue and a history of HB 2521.
278	Ceaser	Submits and reads a letter, dated February 10, 1999, from Governor Kulonski regarding the issue (EXHIBIT K).

307	Chair Brown	Inquires if there are other cities that are affected.
310	Ceaser	Responds that the only one he knows of is Astoria. Comments on retirement plans in small communities.
321	Rep. Schaufler	Expresses support for HB 2521. Asks if they opted not to be in PERS.
324	Ceaser	States that the city council opted not to be in PERS, not the employees.
338	Rep. Gilman	Comments that Eagle Point is not a PERS city.
343	Ceaser	Remarks that this problem affects anyone who retired before 1991.
347	Rep. Dallum	Offers to check if there are other cities that are impacted.
360	Chair Brown	Closes the public hearing on HB 2521 and opens the work session on HB 2521.

HB 2521 – WORK SESSION

367	Rep. Schaufler	MOTION: Moves HB 2521 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Revenue by prior reference.
377		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Brown	The motion CARRIES.
397	Chair Brown	Closes the Work Session on HB 2521 and adjourns the meeting at 10:34.

EXHIBIT SUMMARY

- A. **HB 2124, revenue impact statement, staff, 1 p**
- B. **Introductions, LC 3052, staff, 2 pp**
- C. **Introductions, LC 1592, staff, 3 pp**
- D. **Introductions, LC 1591, staff, 4 pp**
- E. **Introductions, LC 1593, staff, 39 pp**
- F. **HB 2572 and HB 2641, prepared testimony, Rep. Gene Whisnant, 3 pp**
- G. **HB 2572, prepared testimony, Paul Cleary, 2 pp**
- H. **HB 2641, prepared testimony, Paul Cleary, 1 p**
 - I. **HB 2434, prepared testimony, Paul Cleary, 2 pp**
 - J. **HB 2434, prepared testimony, Michelle Deister, 1 p**
- K. **HB 2521, letter, Del Cesar, 1 p**
- L. **HB 2124, -1 amendments, staff, 1 p**