

**HOUSE COMMITTEE ON**  
**BUSINESS, LABOR, AND CONSUMER AFFAIRS**

**April 11, 2005 Hearing Room HR B**

**8:30 A.M. Tapes 85 - 86**

**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**

**Katie Howard, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**HB 2579 – Public Hearing and Work Session**

**HB 2008 – Public Hearing and Work Session**

**HB 3074 – Public Hearing**

**HB 3262 – Public Hearing and Work Session**

**HB 2294 – Work Session**

**HB 3435 – Work Session**

**HB 3436 – Work Session**

**HB 3437 – Work Session**

## HB 3022 – 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
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### TAPE 85, A

002	Chair Brown	Calls the meeting to order at 8:39 a.m. Opens the public hearing on HB 2579.
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### HB 2579 – PUBLIC HEARING

004	Janet Adkins	Committee Administrator. Explains HB 2579. Submits the -1 amendments ( <b>EXHIBIT A</b> ).
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022	Don Miner	Executive Director, Oregon Manufactured Housing Association. Submits written testimony in support of HB 2579 with the -1 amendments ( <b>EXHIBIT B</b> ). Talks about how HB 2579 corrects an oversight from SB 468 (2003).
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040	Mark Long	Administrator, Building Codes Division. Speaks in support of HB 2579. Talks about HB 2389 will correct oversights from SB 468 (2003).
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053	Chair Brown	Closes the public hearing on HB 2579 and opens the work session on HB 2579.
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### HB 2579 – WORK SESSION

055	Rep. Kitts	<b>MOTION: Moves to ADOPT HB 2579-1 amendments dated 03/08/05.</b>
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056		<b>VOTE: 7-0-0</b>
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	Chair Brown	<b>Hearing no objection, declares the motion CARRIED.</b>
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- 058 Rep. Kitts **MOTION: Moves HB 2579 to the floor with a DO PASS AS AMENDED recommendation.**
- 061 **VOTE: 7-0-0**
- AYE: In a roll call vote, all members present vote Aye.**
- Chair Brown **The motion CARRIES.**
- 065 Rep. Kitts **MOTION: Moves HB 2579 be placed on the CONSENT CALENDAR.**
- 066 **VOTE: 7-0-0**
- Chair Brown **Hearing no objection, declares the motion CARRIED.**
- 067 Chair Brown Closes the work session on HB 2579. Opens the public hearing on HB 2008.

### **HB 2008 – PUBLIC HEARING**

- 069 Janet Adkins Committee Administrator. Explains HB 2008 and references the -1 amendments (**EXHIBIT C**).
- 088 Don Miner Executive Director, Oregon Manufactured Housing Association Submits written testimony in support of HB 2008 with the -1 amendments (**EXHIBIT D**). References graph (**EXHIBIT D, Page 8**). Notes that HB 2008 is a jobs bill. Explains that HB 2008 allows manufacturers to manufacture modular homes to the state's standards where the homes will be placed. Talks about family wage jobs (**EXHIBIT D, Page 9**)
- 140 Miner Talks about how modular homes and manufactured homes cannot be built on the same assembly line if the homes are built to Oregon's standards. Mentions how Idaho passed a similar law after they experienced analogous problems. References the photo of modular homes and notes that these homes are being built in Idaho and are then shipped to California (**EXHIBIT D, Page 7**). Indicates that the Oregon manufactured homes' industry wants to be able to compete with Idaho when selling to other states such as California.
- 198 Miner

References the written testimony of Forrest Barnes and talks about how current regulations have caused job losses in Oregon (**EXHIBIT D, Page 10**).

- 210 Steve Leedom Plant General Manager, Champion Homes of Oregon – Silverton. Speaks in support of HB 2579 and submits informational packet (**EXHIBIT E**). Talks about how they produce manufactured homes. Notes that the manufactured homes industry has been losing jobs. Mentions that they pay \$11 to \$16 an hour and have health insurance benefits. Talks about the opportunity to build modular homes for the Fort Lewis Military Base in Washington. References the packet and the photographs of modular houses (**EXHIBIT E**).
- 260 Leedom Indicates that \$100 million will be generated by the construction of modular housing at Fort Lewis and most of the dollars will come back to Oregon. Explains the benefits of modular housing.
- 300 Rep. Schaufler Speaks in support of HB 2579. Asks if the houses will be built to the standards of the states where the communities will end up, if the homes built for other states could end up in Oregon, and if the families of the workers receive health benefits.
- 315 Leedom Says that the families do receive health benefits.
- 315 Rep. Holvey Says that he supports of the spirit of HB 2008. Speaks in opposition to HB 2008 because it uses unlicensed plumbers and electricians to meet out of state requirements.
- 333 Leedom Says that, in a site construction environment the manufacturer, the knowledge required to install plumbing and electrical systems is much greater than for modular homes. States that, since the electrical system is so regulated in the manufacturing process, they do not need to use licensed electricians.
- 365 Miner Notes that the state of California does not require licensed plumbers and electricians. Stresses that each home comes with an identification number and does not believe that there is much risk of the homes that built for other states being bought by consumers in Oregon for use in Oregon.
- 381 Chair Brown Asks if the manufactured and modular homes go through an inspection process by the Building Codes Division or another regulatory agency.

- 385 Leedom States that five full-time inspectors work for Champion and two to three state inspectors examine the process. Adds that the federal government also makes sure that the homes are in compliance with federal regulations.
- 393 Miner Says that the modular process will be regulated by the state that they are shipped to and sold if HB 2008 passes.
- 398 Chair Brown Asks if the state will have onsite inspectors.
- 400 Miner Notes that it depends on how the state intends to inspect the homes.
- 404 Chair Brown Asks if there is any history of electrical and plumbing problems that have occurred in modular and manufactured homes.
- 411 Miner Says that there were problems with the older homes that were built before June of 1976. Believes that it is not a severe problem within the manufactured housing industry.
- 421 Rep. Schaufler Asks if the manufactured housing industry will be able to come before the legislature and demonstrate that HB 2008 generated more jobs.
- 425 Miner States that, if the law is used, HB 2008 should generate more jobs.

**TAPE 86, A**

- 006 Mark Long Administrator, Building Codes Division (BCD). Says that, for Housing and Urban Development (HUD) projects, the codes are set by federal standards. States that if a modular home is built under a HUD program the homes are inspected under the federal guidelines. Explains HB 2008. References the -1 amendments and talks about the report that is required by the BCD (**EXHIBIT C**).
- 031 Rep. Holvey Asks if there is any reason why out of state requirements could not be met by using licensed electricians and plumbers.
- 035 Long Says that the regulations could be met. Talks about how the BCD has no responsibility to the state of California's standards.
- 045 Rep. Holvey

States that Oregon usually requires licensed workers and wants to know why those standards from other states cannot be met by licensed workers.

- 050 Long Says that when building the HUD homes licensed electricians are not used.
- 059 Rep. Holvey Asks if the products in Oregon, that are built and stay in Oregon, are required to have licensed electricians and plumbers working on them.
- 062 Long States that if it is built and stays in Oregon then the home is built to the standards set by the state unless it is a HUD project.
- 067 Chair Brown Closes the public hearing on HB 2008 and opens the work session on HB 2008.

#### **HB 2008 – WORK SESSION**

- 072 Rep. Kitts **MOTION: Moves to ADOPT HB 2008-1 amendments dated 04/06/05.**
- 073 **VOTE: 7-0-0**
- Chair Brown **Hearing no objection, declares the motion CARRIED.**
- 074 Rep. Kitts **MOTION: Moves HB 2008 to the floor with a DO PASS AS AMENDED recommendation.**
- 077 Rep. Schaufler Says that he is concerned about the workers' treatment and states that, if anyone wants to organize the manufactured housing workers, he will support them. Wants the jobs that HB 2008 will provide in Oregon.
- 086 Rep. Kitts Thanks the industry for providing HB 2008, because it will create jobs in Oregon.
- 099 Chair Brown Speaks in support of HB 2008. Says that the home construction industry will not be affected by HB 2008 and HB 2008 adds jobs to Oregon.

100

**VOTE: 6-1-0**

**AYE: 6 - Esquivel, Gilman, Kitts, Schaufler, Shields, Brown**

**NAY: 1 - Holvey**

**Chair Brown**

**The motion CARRIES.**

**REP. KITTS will lead discussion on the floor.**

106

Chair Brown

Closes the work session on HB 2008. Opens the public hearing on HB 3074.

**HB 3074 – PUBLIC HEARING**

109

Janet Adkins

Committee Administrator. Explains HB 3074.

132

Tim Kral

Executive Director, Oregon Rehabilitation Association. Submits written testimony in support of HB 3074 (**EXHIBIT F**). Talks about where their offices operate. States that in September of 2003, the attorney general made it clear that temporary employees could only work for the state as a temporary employee for six months. Notes that only people with disabilities will be exempt from ORS 240.309.

174

Debi Melton

Galt Foundation. Submits and reads from written testimony in support of HB 3074 (**EXHIBIT G**). Talks about Galt's state contract and how people with disabilities are helped.

235

Evan Burroughs

Employee, Oregon Department of Transportation representing self. Speaks in support of HB 3074. Describes how being a temporary employee for the Oregon Department of Transportation (ODOT) helped him meet the necessary requirements to become an ODOT Engineering Specialist. States that being able to work continuously kept his skills up and helped him get a permanent job at ODOT.

285

Julie Reifel

Speaks in support of HB 3074. Talks about her experience as a data entry clerk for the Department of Motor Vehicles and her work with the state government. Speaks about her experience being unemployed. Notes that the interview process is difficult for her and that Galt has helped her obtain employment.

338

Rep. Schaufler

States that this issue is the most painful issue that he faces as a legislator. Says that, if someone is doing a job, they deserve the same

wages and benefits as the other people who are doing the same job. Shares concern that people with disabilities will not be paid the same wages and receive the same benefits if HB 3074 passes. Asks for clarification about the definition of disabled.

394 Melton Says that they follow the Americans with Disability Act (ADA) definition of what constitutes a disability. States that the people who come to Galt have to have a condition that creates a barrier to their employability.

408 Kral Mentions the Oregon Products of Disabled Individuals Law. States that the Oregon Revised Statutes is stricter than the ADA definition because it includes a barrier to employment definition.

#### **TAPE 85, B**

011 Rep. Schaufler Supports flexibility in the law to help people with disabilities to receive training that helps those people get jobs.

021 Burroughs States that the reason that it took so long to gain employment at ODOT was due to reorganization issues.

031 Rep. Schaufler Talks about limited duration employees. Indicates that a person should get the wages and the benefits that other people are receiving after working for the state after a certain amount of time.

048 Rep. Shields Asks about language on page one line 20-23 and if the language allows them to be employed in the same position longer than 1,040 hours.

053 Melton Says that a person can be moved into another position at the state after 1040 hours, but cannot stay in the same position for longer than 1040 hours should HB 3074 pass. Notes what was done by Galt before the 1040 hour limit was imposed.

073 Kral States that the language in HB 3074 should not create a temporary job that will extend beyond 1040 hours. Says that employees do not have to stay with Galt and that these people can apply to work with the State on a permanent basis.

083 Rep. Schaufler Reiterates that everyone who is doing the same job should receive the same benefits and wages.



092	Rep. Kitts	Asks if people are employees of Galt and if Galt pays the employees.
095	Melton	States that Galt pays the employees and manages their retirement and unemployment insurance costs.
100	Rep. Holvey	Asks why the state would not consider a person a full time employee if they had been working at the state for more than six months.
102	Melton	Talks about the situations that create a need for temporary employees.
113	Kral	Notes the restriction that the state has on how many permanent employees can exist and says that they use temporary employees as needed.
120	Rep. Holvey	Reiterates that the issue is very difficult. Speaks in support of fully integrating disabled people into the workforce. Shares concerns about outsourcing and commissions that are taken by those who provide temporary employment to the state.
131	Kral	Says that his organization is funded by taking a very low percentage of the wages, which amounts to about \$225,000 a year on a net gross of over \$40 million.
142	Rep. Holvey	Mentions concerns about the language on the DePaul website about outsourcing. Talks about his concern that the goal is to displace workers. Supports putting disabled people to work.
155	Burroughs	Says that when he was working for Galt he was getting a wage higher than what ODOT was paying the original employee. States that the perceived low wage paid to people with disabilities is inaccurate.
181	Rep. Schaufler	Says that he believes that in Mr. Burroughs' case he got paid a good wage, but that there are examples of workers being displaced and low wages being paid.
192	Reifel	Asserts that every state agency needs temporary employees. Talks about how they are asking for a person with disabilities to be considered for employment. States that she has never had the experience of being paid less than other employees who have worked in the same position.

- 217 Chair Brown Notes that Ms. Reifel is correct.
- 219 Rep. Esquivel States that the concern is that the system may be abused if HB 3074 passes and that they do not want people to be a permanent temporary employees who does not receive the same benefits.
- 230 Melton Talks about how Ms. Reifel has difficulty interviewing and is afraid to apply for jobs. States that Galt is a good bridge for some disabled people to obtain employment.
- 258 Mary Botkin American Federation of State County and Municipal Employees. Speaks in opposition to HB 3074. States what the policy of the state is in relation to the employment of disabled people. Says that a decade ago Oregon realized that the state government was exploiting temporary employees. Notes that the difference between permanent employees and temporary employees is that the permanent employees get full benefits, seniority, and are protected by the unions. States that an integrated workforce must include people of different races, sexes, and abilities.
- 310 Botkin Says that the private sector should have to adhere to the standards that have been set by the state. Asserts that HB 3074 allows people to keep temporary employees on a permanent basis. States that there is a need for temporary employees and that after six months they should be moved to limited duration status.
- 366 Jessica Stevens Service Employees International Union. Speaks in opposition to HB 3074. Talks about the need for opportunities for disabled peoples. Believes that the language in HB 3074 is too broad and HB 3074 may cause the elimination of family wage jobs. States that HB 3074 may make it more difficult for people with disabilities to gain employment.

**TAPE 86, B**

- 001 Stevens Reiterates that HB 3074 does not address steady and permanent employment for people with disabilities.
- 010 Botkin States that if an employee does not interview well then that person should be coached to get through the interview process. Asserts that there are other ways than those proposed under HB 3074 to help disabled people obtain employment.

023 Chair Brown Closes the public hearing on HB 3074 and opens the public hearing on HB 3262.

### **HB 3262 – PUBLIC HEARING**

032 Elizabeth Poecker Employee, Department of Justice representing self. Submits and reads from written testimony in support of HB 3262 **(EXHIBIT H)**. Talks about her service in the military and in the state of Oregon. Says that veterans need to have the right to buy back four years for their Public Employment Retirement System (PERS) account at different methods rather than the highest monthly benefit requirement.

065 Rep. Jeff Kropf House District 17. Submits written testimony in support of HB 3262 **(EXHIBIT I)**. Says that veterans need the opportunity to buyback PERS benefits. States that HB 3262 costs the state nothing. Thanks Steve Delaney from PERS for his hard work.

090 Rep. Kitts Asks about the request for an emergency clause.

094 Rep. Kropf Says that it will take an amendment.

097 Chair Brown Suggest that it could be amended on the Senate side.

099 Rep. Kropf Indicates that he will take care of the amendment.

103 Rep. Schaufler Asks if the committee can make a conceptual amendment.

104 Rep. Kitts States that there is language in HB 3262 that would have to be deleted.

108 Rep. Kropf Recommends that the committee wait for Legislative Counsel to draft the amendments.

116 Chair Brown Closes the public hearing on HB 3262 and opens the work session on HB 3262.

### **HB 3262 – WORK SESSION**

118 Rep. Kitts

**MOTION: Moves HB 3262 to the floor with a DO PASS recommendation.**

122 Rep. Schaufler Thanks Ms. Poecker and Rep. Kropf for bringing the legislation forward.

126 **VOTE: 7-0-0**

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

**Chair Brown The motion CARRIES.**

130 Rep. Kitts **MOTION: Moves HB 3262 be placed on the CONSENT CALENDAR.**

132 **VOTE: 7-0-0**

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

133 Chair Brown Closes the work session on HB 3262. Opens a work session on HB 2294.

**HB 2294 – WORK SESSION**

136 Janet Adkins Committee Administrator. Explains HB 2294.

168 Rep. Schaufler Asks if the Labor-Management Advisory Committee (MLAC) approved HB 2294.

170 Chair Brown States that HB 2294 was approved by MLAC.

171 Rep. Kitts **MOTION: Moves HB 2294 to the floor with a DO PASS recommendation.**

175 **VOTE: 7-0-0**

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

**Chair Brown The motion CARRIES.**

- 180 Rep. Kitts **MOTION: Moves HB 2294 be placed on the CONSENT CALENDAR.**
- 182 **VOTE: 7-0-0**
- Chair Brown **Hearing no objection, declares the motion CARRIED.**
- 183 Chair Brown Closes the work session on HB 2294. Opens the work session on HB 3435, HB 3436, HB 3437, and HB 3022.

**HB 3435, HB 3436, HB 3437, HB 3022 – WORK SESSION**

- 185 Janet Adkins Committee Administrator. Believes that the sponsor wanted the committee to move the bills to the Joint Committee on Ways and Means without recommendation.
- 187 Chair Brown States that if the bills come back they will look very different.
- 190 Rep. Holvey States that he has reservations about HB 3022.
- 195 Rep. Kitts Recommends that a separate vote be taken on HB 3022.
- 197 Rep. Schaufler Reiterates his right to oppose any of the bills.
- 200 Rep. Kitts **MOTION: Moves HB 3435, HB 3436, and HB 3437 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Ways and Means.**
- 215 **VOTE: 7-0-0**
- AYE: In a roll call vote, all members present vote Aye.**
- Chair Brown **The motion CARRIES.**
- 220 Rep. Kitts **MOTION: Moves HB 3022 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Ways and Means.**
- 225 Rep. Holvey States that he does have opposition to HB 3022.

230

**VOTE: 6-1-0**

**AYE: 6 - Esquivel, Gilman, Kitts, Schaufler, Shields, Brown**

**NAY: 1 - Holvey**

**Chair Brown The motion CARRIES.**

238 Adkins Talks about the possibility of an evening meeting.

251 Chair Brown Closes the work session on HB 3435, HB 3436, HB 3437, and HB 3022. Adjourns the meeting at 10:23 a.m.

#### **EXHIBIT SUMMARY**

- A. **HB 2579, -1 amendments, staff, 1 p**
- B. **HB 2579, written testimony, Don Miner, 1 p**
- C. **HB 2008, -1 amendments, staff, 2 pp**
- D. **HB 2008, informational packet and written testimony of Forrest Barnes, Don Miner, 11 pp**
- E. **HB 2008, informational packet, Steve Leedom, 9 pp**
- F. **HB 3074, written testimony, Tim Kral, 1 p**
- G. **HB 3074, written testimony, Debi Melton, 1 p**
- H. **HB 3262, written testimony, Elizabeth Poecker, 1 p**
- I. **HB 3262, written testimony, Rep. Jeff Kropf, 1 p**