

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

April 27, 2005 Hearing Room B

8:30 A.M. Tapes 105 - 106

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 2200 – Work Session

HB 2060 – Work Session

HB 2069 – Public Hearing and Work Session

HB 2720 – 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 105, A		
003	Chair Brown	Calls the meeting to order at 8:37 a.m. Opens the work session on HB 2200
<u>HB 2200 – WORK SESSION</u>		
007	Janet Adkins	Committee Administrator. Explains HB 2200. Submits the -3 amendments (EXHIBIT A).
024	Craig Smith	Construction Contractors Board. Speaks in support of HB 2200.
027	Rep. Kitts	MOTION: Moves to ADOPT HB 2200-3 amendments dated 04/25/05.
032		VOTE: 6-0-1 EXCUSED: 1 - Schaufler
	Chair Brown	Hearing no objection, declares the motion CARRIED.
034	Rep. Kitts	MOTION: Moves HB 2200 to the floor with a DO PASS AS AMENDED recommendation.
037		VOTE: 6-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 – Schaufler (NOTE: Please see page 3, tape 15A, of this tape log for Rep. Schaufler's vote.)
	Chair Brown	The motion CARRIES. REP. ESQUIVEL will lead discussion on the floor.
044	Chair Brown	Closes the work session on HB 2200 and opens the work session on HB 2060.

HB 2060 – WORK SESSION

- 046 Janet Adkins Committee Administrator. Explains HB 2060 and the -1 amendments **(EXHIBIT B)**. Submits fiscal statement on -1 amendments **(EXHIBIT P)**.
- 075 Lori Sattenspiel Oregon Community College Association. Talks about HB 2060 and the -1 amendments. Explains that clarifications have been made. States that they hope that only one plan will exist for all the community colleges. Says that FTE qualifications are still under dispute in another bill.
- 104 Rob Wagner American Federation of Teachers. Submits and reads from written testimony in opposition to HB 2060 **(EXHIBIT D)**. Expresses concern about the eligibility. Says that currently under the PERS calculations you are PERS eligible. States that they have colleges who are using only in-class time to calculate who is eligible for benefits. Agrees with the idea of having the system wide plan. Explains issue regarding line seven and eight of the -1 amendments. Wants all community colleges to offer an optional retirement plan.
- 160 Wagner Shares concern that some of the provisions may drive down benefits for professors.
- 170 BethAnn Darby Oregon Education Association (OEA). Submits written testimony in opposition to HB 2060 **(EXHIBIT C)**. States that there are fundamental issues that need to be addressed before the OEA can consider the bill. Expresses concern about the nature of part-time community college faculty. Mentions the main areas of concern **(EXHIBIT C, Page 1 and 2)**.
- 221 Chair Brown Asks if they can reach an agreement.
- 223 Darby Believes that they can reach an agreement. Explains the problems that have started to emerge as they explore the issue.
- 234 Chair Brown Speaks in support of HB 2060.
- 237 Darby Mentions the bill on the Senate side that will address some of the issues. Talks about a tier one or a tier two professor that will qualify and mentions the six percent contribution. States that they do not have objections to HB 2060 coming forward.

- 268 Rep. Schaufler Shares concern about the eligibility requirements. Says that he does not have a problem with the intent of HB 2060.
- 276 Rep. Holvey Wants all the eligibility requirements to be the same at each community college. Echoes Rep. Schaufler's concerns.
- 287 Rep. Esquivel Says that the problem of who determines a full time employee needs to be addressed. Wants to work the issue out and get every community college on the same page.
- 303 Rep. Shields Shares concerns about community college funding. Asks if they are committed to working towards a system-wide standard.
- 312 Sattenspiel Asserts that they are trying to work towards a system-wide standard.
- 322 Chair Brown Asks them to work on HB 2060 further. Closes the work session on HB 2060. Opens the public hearing on HB 2069.

HB 2069 – PUBLIC HEARING

- 339 Janet Adkins Committee Administrator. Explains HB 2069.
- 353 Michael Snyder Landscape Contractors Board. Thanks Rep. Kitts for his hard work. Explains the -1 amendments (**EXHIBIT E**). Mentions that the issues in section two were not resolved. States that they are allowing employees of construction contractors to do landscaping if they are working on a custom home.
- 386 Bill Cross Oregon Landscaper Contractors Association. Thanks Rep. Kitts for heading up the workgroup. Speaks in support of HB 2069 and the -1 amendments.
- 409 Rep. Kitts Thanks everyone for their participation in the workgroup. States that the amendments make HB 2069 a very simple bill. Wants to work out a compromise on section two of the original HB 2069, which will not be addressed in the 2005 Legislative Session.

TAPE 106, A

- 004 Snyder Says that the impact on the agency will be minor and that it will not affect the General Fund

- 010 Adkins Says that the referral to Ways and Means may be rescinded.
- Elizabeth Rathbun Water Wise Landscape Designs. Submits written testimony in opposition to HB 2069 without oral testimony (**EXHIBIT Q**).
- 014 Chair Brown Closes the public hearing on HB 2069. Opens the work session on HB 2069.

HB 2069 – WORK SESSION

019 Rep. Kitts **MOTION: Moves to ADOPT HB 2069-1 amendments dated 04/25/05.**

021 **VOTE: 7-0-0**

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

022 Rep. Kitts **MOTION: Moves HB 2069 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.**

027 **VOTE: 7-0-0**

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

Chair Brown **The motion CARRIES.**

REP. KITTS will lead discussion on the floor.

038 Chair Brown Closes the work session on HB 2069 and opens a work session for the purpose of allowing Rep. Schaufler to vote on HB 2200.

HB 2200 – WORK SESSION

039 Rep. Kitts **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. SCHAUFLE to BE RECORDED as voting AYE on the motion to move HB 2200 to the floor with a DO PASS AS AMENDED recommendation.**

041

VOTE: 7-0-0

(NOTE: See page one, tape 10A, of this tape log for the original vote.)

Chair Brown

Hearing no objection, declares the motion CARRIED.

044

Chair Brown

Closes the work session for the purpose of allowing Rep. Schaufler to vote on HB 2200 and opens the public hearing on HB 2720.

HB 2720 – PUBLIC HEARING

046

Janet Adkins

Committee Administrator. Explains HB 2720 and submits the -1 amendments (**EXHIBIT R**). Submits written testimony on the behalf of Phillip Kennedy-Wong in opposition to HB 2720 (**EXHIBIT O**).

058

Rep. Jeff Kropf

House District 7. Says that farmers are going to automation to avoid hiring workers because minimum wage is too high. States that the minimum wage in Oregon makes it difficult for farmers with labor intensive crops to compete with farmers in Idaho, because Idaho uses the federal minimum wage. Notes that if minimum wage's expansion is not capped it could lead to higher inflation.

124

Lynn Lundquist

Oregon Business Association. Submits and reads written testimony in support of HB 2720 (**EXHIBIT F**). Notes that HB 2720 will keep Oregon businesses competitive during inflationary periods. Talks about companies looking at producing canola oil in Oregon.

179

Lundquist

States that Oregon farmers have to compete with Midwest farmers. Believes that the disparity between the federal minimum wage and Oregon's minimum wage will continue to increase. Notes that HB 2720 is a preemptive measure and allows minimum wage to stay stable.

219

Rep. Schaufler

Talks about a tax credit for farmers that would help offset the effects of minimum wage. Asks if he has examined this issue and how it would affect minimum wage.

240

Lundquist

States that he has not examined the agricultural tax credit.

248

Barry Bonder

Owner, Nestle Toll House Café, Beaverton. Submits and reads from written testimony in support of HB 2720 (**EXHIBIT G**). Asserts that no automatic increase should exist in relationship to Oregon's

minimum wage. States that the high minimum wage drives companies away from Oregon. Talks about hiring a new worker.

- 306 Bonder Continues to read from written testimony (**EXHIBIT G**). States that his employees are unskilled people doing unskilled work and are not using the money to support themselves. Notes that the minimum wage increases the cost of living.
- 357 JL Wilson National Federation of Independent Businesses. Speaks in support of HB 2720. Says that HB 2720 will protect businesses from “worse case scenarios”. Believes that if there is high inflation and low economic growth increasing the minimum wage would cause employment to cease to exist. Wants safeguards in place to protect businesses.
- 398 Rep. Shields Talks about a business possibly transferring their company to Canada because healthcare costs are lower. Asks if people would be willing to pay a little extra for food to ensure that others have decent wages.

TAPE 105, B

- 006 Lundquist Says that in competitive markets people will not pay more for a product. Wants to preserve costs and notes the problems that can occur during times of inflation.
- 020 Wilson Notes that if all businesses just competed with other businesses in Oregon then it would be a simpler issue. Says that the service economy does not drive economic growth and that industry drives growth. Expresses shock about Rep. Shield’s story of a company moving to Canada and says that he has not heard of any similar stories.
- 036 Bonder Says that some consumers are not going to pay the extra five percent and says that fixed costs still come into place.
- 042 Rep. Shields Asks if it is fair to cut minimum wage because one company wants to pay its employees less.
- 047 Bonder Talks about how workers in Texas are not all paid minimum wage. Notes that people get merit raises. Says that the current minimum wage is not fair to the adults working at minimum wage.

058

	Rep. Diane Rosenbaum	House District 42. Submits and reads written testimony in opposition to HB 2720 (EXHIBIT H). States that the majority of people working for minimum wage are over they age of 20. Says that minimum wage is helping working people pay for the increased cost of living. Notes that having arguments over HB 2720 goes against the will of the voters. Submits written testimony on the behalf of Sean Brown in opposition to HB 2720 (EXHIBIT H).
123	DeEtte Peck	Gresham. Submits and reads written testimony in opposition to HB 2720 (EXHIBIT I). Talks about living on minimum wage while going to school and supporting her daughters.
171	Patrick Green	Oregon AFL-CIO. Submits and reads written testimony in opposition to HB 2720 (EXHIBIT J). Mentions the importance of keeping workers above the federal poverty level. Talks about how jobs in Oregon have increased. Says that the inflation of the 70s and 80s will not come back. Notes that people who make minimum wage spend their paychecks in Oregon. Talks about other expenses that are not being capped.
279	Chair Brown	Talks about a bill that Rep. Schaufler and Rep. Kropf have in another committee that would allow for a tax credit tied to the Consumer Price Index's percentage change. Asks if Mr. Green supports the bill.
284	Green	States that the AFL-CIO does not have a position on the bill. Says that the bill Rep. Schaufler is speaking of resembles more of a strategic investment approach. Wants to protect workers from cost of living increases.
295	Rep. Schaufler	Speaks in opposition to HB 2720. Believes that the state of Oregon has created barriers to business through land use laws and electricity rates. Notes that Oregon has sustainable and abundant resources that are not used.
369	Mark Simmons	Oregon Association of Nurseries. Speaks in support of HB 2720. Talks about how nurseries are the largest segment of the agricultural industry in Oregon. Says that anyone can better themselves through initiative and that employees are not paid minimum wage for long if they take initiative. Talks about the difficulty in competing with other states where the minimum wage is lower.
386	Don Schellenberg	Oregon Farm Bureau. Submits and reads from written testimony in support of HB 2720 (EXHIBIT K). Talks about how the Consumer Price Index (CPI) is based on urban economies not rural economies. Notes that labor intensive crops have the possibility for added-value

and the non-labor intensive crops do not have much possibility for added-value processing. Notes that a trickle effect does not get back to the farmer.

TAPE 106, B

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| 001 | Schellenberg | Says that HB 2720 will soften the CPI problem. |
| 026 | Simmons | Notes that the automatic increase in minimum wage counteracts incentives for workers. |
| 052 | Ellen Lowe | Oregon Law Center and the Oregon Food Bank. Speaks in opposition to HB 2720. Talks about the history of minimum wage. Says that increasing the minimum wage gradually is better than increasing it in large “jumps”. Says that the greatest economic stimulus comes when you add to the disposable income of the working poor in Oregon. |
| 121 | Rep. Schaufler | Thanks Ms. Lowe for her tireless effort on the behalf of Oregon workers. |
| 129 | Ramon Ramirez | Northwest Tree Planters and Farm Workers United. Speaks in opposition to HB 2720. Talks about how many workers work for less than minimum wage. Notes that European reporters were surprised to find that there are still third world conditions in the United States. States that ten percent of farm workers are under the age of 13. States that the nursery industry is booming in Oregon and says that there is no competition, because crops in the South cannot compete with crops from Oregon. Says that the minimum wage for guest workers is \$8.10 an hour. Offers to get statistics for the committee from the Department of Labor on guest workers. |
| 233 | Leodergario Vallejo | Speaks on behalf of Jorge Gavina. Says that earning minimum wage does not cover their families’ living expenses. States that if minimum wage does not go up then they will have to solicit state and federal benefits. |
| 286 | Rep. Brad Witt | House District 31. Speaks in opposition to HB 2720. Talks about how a decrease in minimum wage would hurt workers in Oregon. |
| 320 | Jeff Anderson | United Food and Commercial Workers. States that their union contracts state that the workers pay must float above the minimum wage. Talks about how healthcare costs are increasingly being paid by workers. |

355	Mark Digerness	SEIU. Submits and reads written testimony in opposition to HB 2720 (EXHIBIT L) . Talks about his experience working as a janitor. Notes his pay and the cost of living in Portland.
415	Kevin Grant	Oregon Student Association (OSA). Submits and reads written testimony in opposition to HB 2720 (EXHIBIT M) . Mentions the difficulties that college students have paying bills and says that many of them work minimum wage jobs. States that he will graduate \$24,000 in debt and that he has worked a minimum wage job the entire time.
	Dan Gardner	Submits written testimony in opposition to HB 2720 without oral testimony (EXHIBIT N) .
450	Chair Brown	Closes the public hearing on HB 2720 and adjourns the meeting at 10:31 a.m.

EXHIBIT SUMMARY

- A. **HB 2200, -3 amendments, staff, 2 pp**
- B. **HB 2060, -1 amendments, staff, 5 pp**
- C. **HB 2060, written testimony, BethAnn Darby, 3 pp**
- D. **HB 2060, written testimony, Rob Wagner, 2 pp**
- E. **HB 2069, -1 amendments, staff, 6 pp**
- F. **HB 2720, written testimony, Lynn Lundquist, 3 pp**
- G. **HB 2720, written testimony, Barry Bonder, 2 pp**
- H. **HB 2720, written testimony and written testimony of Sean Brown, Rep. Diane Rosenbaum, 2 pp**
- I. **HB 2720, written testimony, DeEtte Peck, 2 pp**
- J. **HB 2720, written testimony, Patrick Green, 3 pp**
- K. **HB 2720, written testimony, Don Schellenberg, 2 pp**
- L. **HB 2720, written testimony, Mark Digerness, 1 p**
- M. **HB 2720, written testimony, Kevin Grant, 2 pp**
- N. **HB 2720, written testimony, Dan Gardner, 2 pp**
- O. **HB 2720, written testimony, Phillip Kennedy-Wong, 1 p**
- P. **HB 2060, fiscal statement, staff, 2 pp**
- Q. **HB 2069, written testimony, Elizabeth Rathbun, 2 pp**
- R. **HB 2720, -1 amendments, staff, 1 p**