

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

**April 04, 2005 Hearing Room B**

**8:30 A.M. Tapes 77 - 78**

**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 2578 – Public Hearing and Work Session**

**HB 2392 – Work Session**

**HB 2383 – 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
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**TAPE 77, A**

003	Chair Brown	Calls the meeting to order at 8:38 a.m. Opens the public hearing on HB 2578.
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**HB 2578 – PUBLIC HEARING**

008	Janet Adkins	Committee Administrator. Explains HB 2578. Submits and explains the -1 amendments <b>(EXHIBIT A)</b> .
028	Pamela Leavitt	Credit Union Association of Oregon. Submits written testimony in support of HB 2578 <b>(EXHIBIT B)</b> . States that it will change many aspects of the Oregon Credit Union Act. Believes that no opposition exists to the bill.
040	Hal Scoggins	Counsel, Credit Union Association of Oregon. Submits written testimony in support of HB 2578 <b>(EXHIBIT C)</b> . Asserts that HB 2578 consists mostly of technical changes. Addresses the issue of the mobile facility. Discusses how it would benefit credit unions. Says that the mobile facilities can operate in places that fall within the credit unions geographic membership area. Speaks about the importance of creating confidentiality standards.
098	Scoggins	Discusses the Regular Reserve Transfer <b>(EXHIBIT C, Page 3)</b> . Explains the differences that exist between the transfer requirements for banks and Oregon credit unions.
141	Adkins	Asks if the Oregon Banking Statute, in relation to confidentiality, currently applies to Oregon credit unions.
145	Scoggins	Believes that the current Oregon Banking Statute does cover credit unions.
151	Adkins	Asks if the change to the confidentiality rules is a substantive change.
151	Scoggins	Says that it is not a substantive change.
152	Chair Brown	Asks what the upper limit on deposit insurance is for credit unions.

154	Scoggins	Notes that the deposit insurance is similar to the Federal Deposit Insurance Company (FDIC) \$100,000 limit and says that \$100,000 limit is based on the type of account ownership.
163	Chair Brown	Closes the public hearing on HB 2578 and opens the work session on HB 2578

**HB 2578 – WORK SESSION**

169	Rep. Esquivel	<b>MOTION: Moves to ADOPT HB 2578-1 amendments dated 03/31/05.</b>
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171		<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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172	Rep. Esquivel	<b>MOTION: Moves HB 2578 to the floor with a DO PASS AS AMENDED recommendation.</b>
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178		<b>VOTE: 7-0-0</b>
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	<b>AYE:</b>	<b>In a roll call vote, all members present vote Aye.</b>
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	Chair Brown	<b>The motion CARRIES.</b>
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		<b>REP. ESQUIVEL will lead discussion on the floor.</b>
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190	Chair Brown	Closes the work session on HB 2578. Opens the work session on HB 2392.
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**HB 2392 – WORK SESSION**

192	Janet Adkins	Committee Administrator. Explains HB 2392. Mentions the -1 amendments <b>(EXHIBIT D)</b> .
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214	Rep. Kitts	<b>MOTION: Moves to ADOPT HB 2392-1 amendments dated 3/31/05.</b>
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217		<b>VOTE: 7-0-0</b>
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**Chair Brown**                      **Hearing no objection, declares the motion CARRIED.**

225              Rep. Kitts                      Asks if the committee would like a do pass recommendation to Ways and Means.

227              Chair Brown                      Suggest a do pass recommendation.

229              Rep. Gilman                      States that he does not favor a do pass recommendation.

**232              Rep. Kitts                      MOTION: Moves HB 2392 BE REFERRED as amended to the committee on Ways and Means WITHOUT RECOMMENDATION as to passage.**

242              Rep. Holvey                      Asks why it does not have a do pass recommendation.

244              Rep. Gilman                      Believes that it should have no recommendation.

246              Rep. Schaufler                      Urges the Ways and Means Committee to pass HB 2392.

**250                                      VOTE: 6-0-1**

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

**EXCUSED: 1 - Esquivel**

**Chair Brown                      The motion CARRIES.**

256              Chair Brown                      Closes the work session on HB 2392. Opens the public hearing on HB 2383.

### **HB 2383 – PUBLIC HEARING**

260              Janet Adkins                      Committee Administrator. Explains HB 2383.

275              Rep. Donna Nelson                      House District 24. Submits informational packet **(EXHIBIT E)** and speaks in support of HB 2383. Talks about her experience in the private business world. Says that competitive bidding is very important and believes that there should be private and public competition for public contracts.

336 Rep. Nelson Believes that HB 2383 will bring the government contracting program into line with the consumer needs. Notes that HB 2383 is long overdue and reads the paper “Exposing the Myths and Realities of Competitive Sourcing”(EXHIBIT E, Page 14 – 18). Says that unions have attacked competitive sourcing.

390 Rep. Nelson Addresses and reads myth number one (EXHIBIT E, Page 14). Begins to read myth number two (EXHIBIT E, Page 15).

**TAPE 78, A**

001 Rep. Nelson Continues to read myth number two (EXHIBIT E, Page 15). Reads myth number three (EXHIBIT E, Page 15). Speaks in support of achieving desired outcomes through performance and mission critical activities.

054 Rep. Nelson Reads myth number five (EXHIBIT E, Page 16). Reads myth six (EXHIBIT E, Page 16 – 17).

093 Rep. Nelson Talks about a bidding process that her company went through with the government and how they wanted to use a bar code system. States that the government agency did not approve using the bar code and notes that, since the government agency could not move quickly, money was lost. Mentions Planned Loving Adoptions Now (PLAN) in McMinnville.

134 Rep. Holvey Asks about competitive sourcing and if there are assurances that the competition will not reduce wages.

136 Rep. Nelson States that it could be written into the process.

139 Chair Brown Asks if the Mayor of Indianapolis made similar changes to those in HB 2383.

144 Rep. Nelson States that she does not know.

148 Sandra Bishop Fair Competition Alliance (FCA). States that the FCA is in support of HB 2383 as long as it is broadened. Talks about Qualified Rehabilitation Facilities (QRF) and how they secure contracts. Says that QRFs are forcing wages down and family wage jobs are being lost. Wants to amend HB 2383 to include a review of the current Oregon public purchasing and public contract processes and policies.

186	Bishop	Talks about Vendor Collected Administrative Fee and gives an example of the administrative fee. States that the people who bid on a printing contract for the state were told that they would have to pay an administrative fee to the Department of Administrative Services (DAS). Says that HB 2383 could be a vehicle to investigate the total public procurement process.
202	Rep. Schaufler	Asks if the fee is currently being paid by the vendors.
205	Bishop	Says that the fee is not currently being paid. States that it was addressed in the 2003 House Audits Committee and the Legislature said that they would not allow DAS to charge the fee.
213	Rep. Schaufler	Wants to see a tight, narrow definition of disabled before the statute can be changed.
221	Bishop	States that FCA is pushing for greater transparency in the public contracting process and that getting a definition of disabled is impossible.
239	Chair Brown	Closes the public hearing on HB 2383. Opens a work session for the reconsideration of HB 2392.

**HB 2392 – WORK SESSION**

245	Rep. Kitts	<b>MOTION: Moves to RECONSIDER the vote by which HB 2392 was REFERRED as amended to the committee on Ways and Means WITHOUT RECOMMENDATION as to passage.</b>
270	Rep. Gilman	States that he will not vote against reconsidering the vote, but says that he will be voting against HB 2392.
271		<b>VOTE: 7-0-0</b>
	Chair Brown	<b>Hearing no objection, declares the motion CARRIED.</b>
273	Rep. Kitts	<b>MOTION: Moves HB 2392 with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>
280		<b>VOTE: 6-1-0</b>

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

**NAY: 1 – Gilman**

**Chair Brown The motion CARRIES.**

292 Chair Brown Closes the work session for the reconsideration of HB 2392.  
Adjourns the meeting at 9:29 a.m.

### **EXHIBIT SUMMARY**

- A. HB 2578, -1 amendments, staff, 1 p
- B. HB 2578, written testimony, Pamela Leavitt, 5 pp
- C. HB 2578, written testimony, Hal Scoggins, 3 pp
- D. HB 2392, -1 amendments, staff, 1 p
- E. HB 2383, informational packet, Rep. Donna Nelson, 18 pp