

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

May 16, 2005 Hearing Room B

8:30 A.M. Tapes 128 - 129

Corrected 09/30/05

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

MEMBER EXCUSED: Rep. Mike Schaufler, Vice-Chair

Rep. Derrick Kitts

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

Public Contracting Code Revision – Information Meeting

SB 690A – Public Hearing and Work Session

SB 108 – Public Hearing and Work Session

SB 109 – Public Hearing and Work Session

SB 54 – Public Hearing and Work Session

SB 110 – Public Hearing and Work Session

SB 111A – 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
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TAPE 128, A

003	Chair Brown	Calls the meeting to order at 8:36 a.m. Opens the informational meeting on the Public Contracting Code Revision.
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PUBLIC CONTRACTING CODE REVISION – INFORMATIONAL MEETING

008	Janet Adkins	Committee Administrator. Explains HB 2214A and submits the Senate amendments (EXHIBIT A) .
020	Jessica Harris Adamson.	Submits and elaborates on written testimony explaining HB 2214A (EXHIBIT B) . Talks about the hours of labor provision and notes that HB 2214A reinstates the provisions of ORS 279 prior to its rewrite. Indicates that the Energy Savings Performance Contracts have been exempted from the bidding requirement in the Code.
075	Harris Adamson	Reads the “Other Provisions” that were changed (EXHIBIT B) . Offers to answer questions.
093	Chair Brown	Closes the informational meeting on Public Contracting Code Revision. Opens the public hearing on SB 690A.

SB 690A – PUBLIC HEARING

103	Janet Adkins	Committee Administrator. Explains SB 690A and submits the fiscal statement (EXHIBIT C) .
116	Rep. Holvey	Asks if SB 690A will have any impact on the Unemployment Trust Fund tax rate.
124	Tamara Brickman	

Legislative Coordinator, Employment Department. States that SB 690A will not have an impact on the tax rate. Says that the amount that is used for military personnel will be refunded by the military.

134 Chair Brown Closes the public hearing on SB 690A and opens the work session on SB 690A.

SB 690A – WORK SESSION

138 Rep. Esquivel **MOTION: Moves SB 690A to the floor with a DO PASS recommendation.**

141 **VOTE: 5-0-2**

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

EXCUSED: 2 - Kitts, Schaufler

Chair Brown The motion CARRIES.

148 Rep. Esquivel **MOTION: Moves SB 690A be placed on the CONSENT CALENDAR.**

150 **VOTE: 5-0-2**

EXCUSED: 2 - Kitts, Schaufler

Chair Brown Hearing no objection, declares the motion CARRIED.

151 Chair Brown Closes the work session on SB 690A and opens the public hearing on SB 108.

SB 108 – PUBLIC HEARING

154 Janet Adkins Committee Administrator. Explains SB 108.

168 Paul Cleary Executive Director, Public Employees Retirement System (PERS). Speaks in support of SB 108. Talks about the legislative advisory committee for the PERS.

198 Steve Delaney

Deputy Director, PERS. Submits written testimony in support of SB 108 (**EXHIBIT D**). States that SB 108 clarifies the definition of inactive member and qualifying position (**EXHIBIT D, Page 2-3**). Adds that it modifies the Individual Account Program.

237 Chair Brown Asks if, under the modified individual account, PERS would establish a minimum amount and any amount under it would be paid in a lump sum.

242 Delaney States that the scenario is correct.

244 Chair Brown Closes public hearing on SB 108. Opens the work session on SB 108.

SB 108 – WORK SESSION

245 Rep. Esquivel **MOTION: Moves SB 108 to the floor with a DO PASS recommendation.**

250 **VOTE: 5-0-2**

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

EXCUSED: 2 - Kitts, Schaufler

Chair Brown The motion CARRIES.

254 Rep. Esquivel **MOTION: Moves SB 108 be placed on the CONSENT CALENDAR.**

256 **VOTE: 5-0-2**

EXCUSED: 2 - Kitts, Schaufler

Chair Brown Hearing no objection, declares the motion CARRIED.

259 Chair Brown Closes the work session on SB 109. Opens the public hearing on SB 109.

SB 109 – PUBLIC HEARING

263 Janet Adkins Committee Administrator. Explains SB 109.

268	Steve Delaney	Deputy Director, Public Employees Retirement System (PERS). States that SB 109 deals with an earning rate that the PERS Board pays on estimated benefits. Says that the PERS board will have the rule-making authority to determine the earning rates to be distributed to the individuals when that person receives an estimated benefit. Says that the blank in the bill needs to be filled with January 1.
299	Chair Brown	Closes the public hearing on SB 109. Opens the work session on SB 109.

SB 109 – WORK SESSION

308	Rep. Esquivel	MOTION: Moves to ADOPT SB 109 CONCEPTUALLY AMENDED on page 2, line 14, by inserting "January 1" after "on".
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310		VOTE: 5-0-2
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EXCUSED: 2 - Kitts, Schaufler

	Chair Brown	Hearing no objection, declares the motion CARRIED.
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314	Rep. Esquivel	MOTION: Moves SB 109 to the floor with a DO PASS as amended recommendation.
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317		VOTE: 5-0-2
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AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 2 - Kitts, Schaufler

	Chair Brown	The motion CARRIES.
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327	Rep. Esquivel	MOTION: Moves SB 109 be placed on the CONSENT CALENDAR.
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330		VOTE: 5-0-2
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EXCUSED: 2 - Kitts, Schaufler

	Chair Brown	Hearing no objection, declares the motion CARRIED.
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332 Chair Brown Closes the work session on SB 109. Opens the public hearing on SB 54.

SB 54 – PUBLIC HEARING

336 Steve Delaney Deputy Director, Public Employees Retirement System (PERS). Talks about a benefit option that allows a person to increase to a higher benefit level if a spouse dies or divorces while the employee receives benefits during divorce. Notes that some employees miss out on the benefits because they do not tell PERS about the death or divorce until years later and SB 54 allows PERS to pay the increase in benefits retroactively. Notes that it does not have a fiscal because the scenario is already taken into account when calculating benefits.

368 Chair Brown Closes the public hearing on SB 54. Opens the work session on SB 54.

SB 54 – WORK SESSION

370 Rep. Esquivel **MOTION: Moves SB 54 to the floor with a DO PASS recommendation.**

373 **VOTE: 4-0-3**

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

EXCUSED: 3 - Gilman, Kitts, Schaufler

(NOTE: Please see page 4, tape 129, A, of this tape log for Rep. Gilman's vote.)

Chair Brown The motion CARRIES.

382 Rep. Holvey **MOTION: Moves SB 54 be placed on the CONSENT CALENDAR.**

385 **VOTE: 4-0-3**

EXCUSED: 3 - Gilman, Kitts, Schaufler

(NOTE: Please see page 4, tape 129, A, of this tape log for Rep. Gilman's vote.)

Chair Brown

Hearing no objection, declares the motion CARRIED.

393 Chair Brown Closes the work session on SB 54. Opens the public hearing on SB 110.

SB 110 – PUBLIC HEARING

395 Steve Delaney Deputy Director, Public Employees Retirement System (PERS). Explains SB 110. Talks about an employee in PERS who named his first wife as a beneficiary and withdrew all of his money from PERS. Indicates that when the employee came back and started another PERS account his first wife was still a beneficiary, and when he died, his second wife got nothing from PERS.

TAPE 129, A

001 Delaney Says that SB 110 will create clarification about beneficiaries and prevent the scenario from happening again.

013 Janet Adkins Committee Administrator. Asks if it affects people who have terminated prior to the effective date. Submits the -2 amendments **(EXHIBIT E)**.

018 Delaney States that ORS 390 provides for payment of benefits when no beneficiary is listed. States that they were comfortable canceling the provision.

028 Janet Adkins Committee Administrator. Explains the -2 amendments.

049 Chair Brown Closes the public hearing on SB 110. Opens the work session on SB 110.

SB 110 – WORK SESSION

051 Rep. Esquivel **MOTION: Moves to ADOPT SB 110-2 amendments dated 05/13/05.**

054 **VOTE: 5-0-2**

EXCUSED: 2 - Kitts, Schaufler

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

056 **Rep. Esquivel** **MOTION: Moves SB 110 to the floor with a DO PASS AS AMENDED recommendation.**

058 **VOTE: 5-0-2**

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

EXCUSED: 2 - Kitts, Schaufler

Chair Brown **The motion CARRIES.**

REP. ESQUIVEL will lead discussion on the floor.

067 **Chair Brown** **Closes the work session on SB 110. Re-opens the work session on SB 54 for the purpose of allowing Rep. Gilman to vote.**

SB 54 – WORK SESSION

069 **Rep. Brown** **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. GILMAN to BE RECORDED as voting AYE on the motion to move SB 54 to the floor with a DO PASS recommendation and be placed on the CONSENT CALENDAR.**

072 **VOTE: 5-0-2**

EXCUSED: 2 - Kitts, Schaufler

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

074 **Chair Brown** **Close the work session on SB 54 for the purpose of allowing Rep. Gilman to vote. Opens the public hearing on SB 111A.**

SB 111A – PUBLIC HEARING

075 **Janet Adkins** **Committee Administrator. Submits the written testimony on the behalf of Marcia L. Chapman and Danelle Romain and the fiscal statement (EXHIBIT G, H, and I).**

081 **Steve Delaney**

Deputy Director, Public Employees Retirement System (PERS). Explains SB 111A clarifies that only one PERS plan exists but that it can have different component parts.

098	Bill Linden	Circuit Court Judges Association. Submits the –A3 amendments (EXHIBIT F) . Speaks in support of SB 111A with the –A3 amendments. Explains the –A3 amendments. Says that they make SB 111A effective 91 days after the adjournment of the 2005 Legislature. Talks about the judges’ retirement statute and how it differs from PERS. Notes that it is a true defined benefit, defined contribution plan with caps.
150	Linden	Talks about how judges are hitting the cap of 75 percent before they turn 60 years of age. References section 26 and says that it aligns the accrual rate with the terms of office.
200	Linden	States that all of the changes are prospective. Says that there will be no fiscal impact in 2005-2007 and they do not know exactly what the fiscal impact will be in 2007-2009.
220	Chair Brown	Asks if the fiscal comes in 2009 because of the change from 16 to 18 years.
231	Linden	States that it is unclear how much is attributable to the change or the 58 year retirement option. Notes that both of them will be recalculated in the rate setting process in 2009.
246	Paul Cleary	States that setting the rate is at the discretion of the legislature and that PERS can administer the program. States that the estimate that it will be a \$275,000 increase.
257	Adkins	States the fiscal impact for 2007-2009 biennium will be \$275,000. Indicates that it may be higher. Submits written testimony on the behalf of Deborah Tremblay (EXHIBIT J) . Notes that the estimate from Ms. Click said it would be \$285,000.
262	Cleary	Discusses the system evaluation in 2005 for the judges’ new plan that would occur. Notes that by 2007-2009 PERS will have a better estimate.
270	Adkins	States that it would affect the General Fund.
277	Chair Brown	

Closes the public hearing on SB 111A. Opens the work session on SB 111A.

SB 111A – WORK SESSION

279 **Rep. Gilman** **MOTION: Moves to ADOPT SB 111-A3 amendments dated 04/25/05.**

282 **VOTE: 5-0-2**

EXCUSED: 2 - Kitts, Schaufler

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

284 **Rep. Gilman MOTION: Moves SB 111A to the floor with a DO PASS AS AMENDED recommendation.**

287 **VOTE: 5-0-2**

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

EXCUSED: 2 - Kitts, Schaufler

Chair Brown The motion CARRIES.

REP. GILMAN will lead discussion on the floor.

304 Janet Adkins Committee Administrator. Mentions the Tuesday May 17, 2005 meeting.

318	Chair Brown	Closes the work session on SB 111A. Adjourns the meeting at 9:29 a.m.
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EXHIBIT SUMMARY

- A. **Public Contracting Code Revision, Senate amendments to HB 2214A, staff, 16 pp**
 B. **Public Contracting Code Revision, written testimony, Jessica Harris, 1 p**
 C. **HB 690, fiscal statement, staff, 1 p**

- D. SB 108, written testimony, Steve Delaney, 5 pp
- E. SB 110, -2 amendments, staff, 1 p
- F. SB 111, -A3 amendments, staff, 9 pp
- G. SB 111, written testimony of Marcia L. Chapman, 3 pp
- H. SB 111, written testimony of Danelle Romain, staff, 1 p
- I. SB 111, fiscal statement, staff, 1 p
- J. SB 111, written testimony of Kingsley Click, staff, 1 p