

SENATE COMMITTEE ON GENERAL GOVERNMENT

March 29, 2005
3:10 P.M.

Hearing Room B
Tapes 50 - 52

MEMBERS PRESENT: Sen. Frank Shields, Chair
Sen. Gary George, Vice-Chair
Sen. Bruce Starr
Sen. Joanne Verger
Sen. Vicki Walker

STAFF PRESENT: Judith Callens, Committee Administrator
Linda K. Gatto, Committee Assistant

MEASURES/ISSUES HEARD:

SB 556 – Public Hearing
SB 471 – Public Hearing
SB 854 – Public Hearing
SB 636 – Work Session
SB 995 – Public Hearing and Work Session
SB 477 – Public Hearing
SB 578 – Public Hearing
SAIF – Invited Testimony

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 50, A		
005	Chair Shields	Calls the meeting to order at 3:10 p.m. as a subcommittee and opens the public hearing on HB 556.
<u>SB 556 – PUBLIC HEARING</u>		
022	Tom Keck	Veterinarian, Dallas Animal Clinic, Immediate Past President of Oregon Veterinary Association. Speaking on behalf of Dr. Kurt Schrader. Submits and reads prepared testimony in opposition to SB 556 (EXHIBIT A).
084	Glenn Kolb	Executive Director Oregon Veterinary Medical Association. Provides information relative to public health since 1990 and notes there is an almost zero incidence of rabies in the state.
100	David Calderwood	Retired Professional Dog Handler. Submits and summarizes written testimony in opposition to SB 556 (EXHIBIT B).
127	Lorraine Still	Submits and summarizes prepared testimony in opposition to SB 556 (EXHIBIT C).
153	Sen. Verger	Confirms that Oregon mandates rabies vaccination. Asks how is it enforced.
154	Still	Responds that this bill is an effort to raise revenue and breach veterinarian/client privacy by putting who has and who has not vaccinated their animal into a data base.
195	Calderwood	Comments this is not about rabies reporting, this is about being in a government data base that will be cross referenced and can be shared with zoning.

211	Scott Bartlett	Lane County. Testifies in support of SB 556 and submits (Lane County Animal Regulation Advisory) LCARA Task Force suggested rabies vaccination reporting language (EXHIBIT D) . States that 83% of dogs in Lane County are not licensed, even though Oregon law mandates that dogs be licensed and vaccinated in six months. Comments on the reduction of euthanasia and impounds in New Hampshire after passage of a 1991 law. Submits prepared testimony from Dr. Roberta L. Boyden DVM in support of SB 556 (EXHIBIT E) for the record.
288	Bartlett	Continues with testimony; notes that children must have vaccination status revealed in order to enroll in school. Comments on the advantage of having an instant retrievable data base of rabies vaccines in the event of a bite.
309	Chair Shields	Asks how many states mandate and how many do not.
331	Bartlett	Responds he does not have exact numbers.
322	Chair Shields	Requests data on the states that are mandating and those that are not, whether compliance goes up or not.
331	Sen. Verger	Asks about the rabies inoculation.
335	Bartlett	Responds they are expensive and painful.
318	Sen. Verger	States the opposition seems to be to the database and inquires if there is a way to protect the privacy of individuals.
371	Bartlett	Responds that it could be restricted to public health authorities. Adds that veterinarians have commented on owners have more dogs than allowed by code and stating that they do not want to be in law enforcement.
402	Chair Shields	Closes the public hearing on SB 556 and opens the public hearing on SB 471.

Prepared testimony submitted for the record via e-mail by William A. Fleenor, Ph.D. (EXHIBIT F), Judge Cynthia Sinclair (EXHIBIT G), and John Rowton (EXHIBIT H).

SB 471 - PUBLIC HEARING

417	Sen. Frank Morse	Senate District 8. Provides a brief summary of SB 471. Submits a copy of proposed amendments (EXHIBIT I) .
TAPE 51, A		
015	Sen. Morse	Explains this bill is to institutionalize the concept of agencies identifying opportunities of what can be done more efficiently, with less cost, and higher quality and make it part of the budget process.
084	Sen. Johnson	Senate District 16. States the amendment is intended to provide agencies with another tool. States the intent is to put best business practices in place as part of the ways and means process resulting in better agency oversight.
105	Sen. B. Starr	Asks will this affect every board and commission in statute.
108	Sen. Johnson	Responds that she hopes to eventually.
111	Chair Shields	Comments that if there is a volunteer board, how would a time requirement be addressed in the first sentence.
127	Sen. Johnson	Responds that the engagement would be described by each of the agencies appropriate to their boards.
158	Chair Shields	Closes the public hearing on SB 471 and opens the public hearing on SB 854.

SB 854 – PUBLIC HEARING

165	Sen. Frank Morse	Senate District 8. States that this is a work in progress that will move the ratios of management to non-management from those agencies whose ratios are inadequate.
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230	Chair Shields	Refers to testimony from Dale Penn (EXHIBIT J).
233	Chair Shields	Closes the public hearing on SB 854. Announces that SB 963 is not being heard today. Opens the work session on SB 636.
<u>SB 636 – WORK SESSION</u>		
247	Judith Callens	Committee Administrator. Reviews the key components of SB 636.
281	John Van-Landingham	Oregon State Tenants Association. States that there are about 40 changes in the -2 amendments (EXHIBIT K) of which five are substantive and have been negotiated. The intent is to not monkey with utility policy.
313	Sen. Verger	Refers to page five of the -2 amendments and asks if it has to do with installing the meters.
320	Van Landingham	Responds it has to do with reading the meters. States the reason for the changes is to make this language consistent with an existing statute that regulates access allowing access without advance notice only for the purpose of reading the meter.
337	Sen. Verger	Inquires about the cost per meter.
361	Van Landingham	Answers to buy and install a meter is about \$50 – \$100.
377	Sen. George	MOTION: Moves to ADOPT SB 636-2 amendments dated 3/29/05.
384		VOTE: 5-0-0
387	Sen. George	MOTION: Moves SB 636 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on ways and means by prior reference.
395	Sen. Verger	States no objection to sending the bill to Ways and Means but reserves the right to change her vote at a later time.
		VOTE: 5-0-0
402	Chair Shields	Hearing no objection, declares the motion CARRIED.
405	Chair Shields	Closes the work session on SB 636 and opens the public hearing on SB 995.
<u>SB 995 – PUBLIC HEARING</u>		
416	Judith Callens	Reviews the provisions of SB 995 and the -1 amendments (EXHIBIT L).
446	Cynthia Byrnes	Attorney General's Office representing the Office of the State Treasurer. Explains the history behind the bill and the -1 amendments.
<u>TAPE 50, B</u>		
050	Sen. Walker	Asks will they still pay into Department of Administrative Service (DAS) for services.
051	Byrnes	Responds there are some things that DAS assists the Treasurers office with such as collective bargaining. Explains how the proceedings would be paid for.
069	Linda Haglund	Deputy State Treasurer. States the bill provides the ability to use DAS and their personnel computer system.
075	Chair Shields	Asks what does this bill do for the Treasurer and Secretary of State's office.
076	Haglund	Answers that it does not do anything from a process perspective
079	Chair Shields	Confirms that it codifies current practices.
080	Haglund	Responds it is how the agencies have acted since the mid 1950s. Explains it was noted there were inconsistencies in ORS 240. States the biggest change is that without this bill the governor could be the boss of the Treasurer and Secretary of State.
105	Jen Coney	Director of Human Resources, Secretary of State. Explains the

		intent of the -1 amendments is to maintain the status quo. Confirms that this does not change the way they do business. Clarifies for record that SB 995 applies to management and unclassified or executive service staff. Classified employees in Treasury are represented and would be covered by their collective bargaining agreement.
125	Haglund	
127	Chair Shields	Closes the public hearing on SB 995 and opens the work session on SB 995.
<u>SB 995 – WORK SESSION</u>		
137	Sen. George	MOTION: Moves to ADOPT SB 995-1 amendments dated 3/16/05.
141		VOTE: 5-0-0
	Chair Shields	Hearing no objection, declares the motion CARRIED.
150	Sen. George	MOTION: Moves SB 995 to the floor with a DO PASS AS AMENDED recommendation.
153		VOTE: 5-0-0
	Chair Shields	Hearing no objection, declares the motion CARRIED.
		SEN. GEORGE will lead discussion on the floor.
159	Chair Shields	Closes the work session on SB 995 and opens the public hearing on SB 477.
<u>SB 477 – PUBLIC HEARING</u>		
163	Judith Callens	
170	Dan Gardner	Committee Administrator. Reviews the provisions of SB 477. Commissioner, Bureau of Labor and Industries (BOLI). States that SB 477 is an effort to identify ways to streamline prevailing wage and potential investigations.
181	Christie Hammond	Administrator, Wage and Hour Division, BOLI. Submits and reads prepared testimony from Commissioner Gardner in support of SB 477 (EXHIBIT M). Refers to the payroll/certified statement report on page three and continues to read testimony.
259	Gardner	Adds there are other bills that address moving investigations faster. States for the record that BOLI is willing to work with parties concerned about withholding of payment.
300	Sen. Verger	Comments on contractors claiming ignorance to a prevailing wage project. Asks what is the responsibility of the contractor when the sub-contractor fails to do something.
320	Hammond	Responds that the contractor is liable for the unpaid wages of subcontractors by virtue of the prime contractor's bond.
313	Gardner	Reiterates that the prime contractor is the one with the bond. Agrees with Sen. Verger that most contractors do know when it is a prevailing wage project.
359	Sen. Verger	Clarifies that in the law now when the subcontractor fails to pay the contractor is liable.
362	Hammond	Responds affirmatively. Explains there is a scenario where a subcontractor may not be aware of a prevailing wage contract because their part of the contract is \$25,000 or less.
387	Ed Glad	Citizen. Testifies in support of SB 477. States that every county in Oregon voted to maintain the prevailing wage law. States that in the last ten years, BOLI's ability to enforce the prevailing wage law has been cut back by 33%.
440	Jessica Adamson	Association of General Contractors. Testifies in support of SB 477. Explains there are technical concerns regarding the paperwork incurred, the withholding components in Section 2 for subcontractors etc.,

TAPE 51, B

035	Adamson	Continues; putting the burden on the contractor with regard to whether all subcontractors have submitted their certified statements.
047	Sen. George	Asks if this is a real risk.
051	Adamson	Answers it is believed this is an unintended consequence of the bill. States that innocent parties should not have to be held up because of those who have not complied.
060	Sen. George	Asks why not isolate it to just the wages.
064	Adamson	Responds that figuring out how to handle wages against material suppliers can be worked on. States the mechanism is in currently in place but would like to see this included in the bill.
071	Rep. Gary Hanson	House District 44. States that this bill will work and smooth the process. Explains that the basic principal of prevailing wage is that governments have to go to low bid and this levels the playing field.
100	Chair Shields	Closes the public hearing on SB 477 and opens the public hearing on SB 578.

SB 578 – PUBLIC HEARING

105	Judith Callens	Committee Administrator. Reviews the provisions of SB 578.
120	Dugan Petty	Deputy Administrator State Services Division, Department of Administrative Services (DAS). Submits a prepared statement on SB 578 stating neutrality (EXHIBIT N). Notes that the Department of Justice has advised that the bill as written could have constitutional concerns regarding foreign commerce provisions and interstate commerce. Suggests a clearer definition of services and allowing for rules to be developed.
169	Tim Nesbitt	Oregon AFL/CIO. Supports the bill as drafted and is encouraged by work on amendments to address the problem of high technology jobs being outsourced to poorer countries.
207	Jim Craven	American Electronics Association. States that as printed there are potential conflicts with existing federal and international law that need to be considered.
235	Craven	Expresses concern about the “blanket prohibition” that the bill includes employees that are located in a foreign country and would be prohibited from bidding to the state.
290	Paul Cosgrove	Oregon Financial Services Association. Provides an example of 1,000 jobs that were outsourced from Great Brittan to Tigard, Oregon.
316	Dan Gardner	Commissioner, Bureau of Labor and Industries (BOLI). Submits prepared testimony in support of SB 578 (EXHIBIT O). Discusses the broad scope of outsourcing of Oregon jobs.
368	Sen. Verger	Discusses whole towns that are on state services because all jobs have been outsourced.
363	Chair Shields	Closes the public hearing on SB 578. Announces that on Thursday there will be a discussion on SAIF and it will be invited testimony only. Explains that the presentation today is being allowed because some committee members could not be available Thursday.
440	John DiLorenzo, Jr.	Representing Oregonian for Sound Economic Policy (OSEP). Submits a binder with prepared invited testimony and associated exhibits (EXHIBIT P).

TAPE 52, A**SAIF PRESENTATION - INVITED TESTIMONY**

004	DiLorenzo, Jr.	States the purpose of his testimony and reads prepared testimony.
030	DiLorenzo, Jr.	Refers to the chart at (EXHIBIT P, Tab 2) referring to OSEP's, recommendation to the Senate Interim Committee on General Government and SAIF's responses and actions. Discusses recommendations 1, 2, 8, and 9 relative to group plans.
056	DiLorenzo, Jr.	Discusses group contracts and SB 310. Discusses contributions from groups to the Committee for SAIF Keeping (EXHIBIT P, Tab 5) .
112	DiLorenzo, Jr.	Refers to correspondence (EXHIBIT P, Tab 6, 7, and 8) .
170	DiLorenzo, Jr.	Refers to AOI limited agency agreement (EXHIBIT P, Tab 11) .
200	DiLorenzo, Jr.	Refers to SAIF documents regarding AOI risk management services (EXHIBIT P, Tabs 15 and 16) .
254	DiLorenzo, Jr.	Refers to an interoffice memo regarding AOI group contracts (EXHIBIT P, Tab 19) .
300	DiLorenzo, Jr.	Continues to read prepared testimony (EXHIBIT P, Page 9) . Concludes testimony reviewing recommendations.
372	Chair Shields	States there will be no questions at this time but the committee member may request more information.
387	Sen. Walker	Requests that David Thurber be brought before the committee.
411	Chair Shields	States that the memo dated January 17, 2005 raises questions. Responds he will take the request under consideration. Adjourns the meeting at 5:30 p.m.

EXHIBIT SUMMARY

- A. SB 556, prepared testimony, Tom Keck DVM, 2 pp
- B. SB 556, written testimony, David K. Calderwood, 2 pp
- C. SB 556, prepared testimony, Lorraine Still, 2 pp
- D. SB 556, LCARA Task Force Suggested Rabies Vaccination Reporting Language, Scott Bartlett, 6 pp
- E. SB 556, prepared testimony, Dr. Roberta L. Boyden, DVM, 2 pp
- F. SB 556, prepared testimony, William A. Fleenor Ph.D., 2 pp
- G. SB 556, prepared testimony of Judge Cynthia Sinclair forwarded via e-mail, William and Kimberly Fleenor, 2 pp
- H. SB 556, prepared testimony, John Rowton, 1 p
- I. SB 471, Legislator Amendment Request, Senator Frank Morse, 1 p
- J. SB 854, prepared testimony, Dale W. Penn, 2 pp
- K. SB 636, -2 amendments, staff, 3 pp
- L. SB 995, -1 amendments, staff, 2 pp
- M. SB 477, prepared testimony, Dan Garner, 5 pp
- N. SB 578, prepared statement, Dugan Petty, 3 pp
- O. SB 578, prepared testimony, Dan Garner, 2 pp
- P. SAIF, prepared testimony and associated exhibits, John DiLorenzo, 113 p