

## SENATE COMMITTEE ON RULES

March 03, 2005  
8:30 A.M.

Hearing Room 343  
Tape 20

**MEMBERS PRESENT:**     **Sen. Kate Brown, Chair**  
                                  **Sen. Jason Atkinson**  
                                  **Sen. Charlie Ringo**  
                                  **Sen. Frank Shields**

**MEMBER EXCUSED:**     **Sen. Ted Ferrioli, Vice-Chair**

**STAFF PRESENT:**       **Tiffany Harris, Committee Administrator**  
                                  **Patricia Nielsen, Committee Assistant**

**MEASURE/ISSUES HEARD:**

**SB 54 – Public Hearing and Work Session**  
**SB 108 – Public Hearing and Work Session**  
**SB 109 – Public Hearing and Work Session**  
**SB 110 – Public Hearing and Work Session**  
**SB 111 – Public Hearing and Work Session**

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 20, A</b>		
005	Chair Brown	Calls the meeting to order at 8:33 a.m. Opens as subcommittee. Opens public hearing on SB 54, SB 108, SB 109, SB 110, and SB 111.
<b><u>SB 54, SB 108, SB 109, SB 110, and SB 111 – PUBLIC HEARING</u></b>		
010	Tiffany Harris	Committee Administrator. Presents overview of SB 54, SB 108, SB 109, SB 110 and SB 111.
025	Paul Cleary	Executive Director, Public Employees Retirement System (PERS). Testifies in support of all measures. Explains that due to PERS reform, improving market conditions and decisions of the PERS Board, unfunded liability has been reduced from \$15 billion two years ago to \$2 billion today. Discusses measures used to reduce risks. Describes unfunded liability.
050	Chair Brown	Asks how 92 percent funding level compares to other state pension systems.
055	Cleary	Explains Fortune 500 average is 84 percent and public sector systems range from mid-80 percent to mid-90 percent. Describes continued risks, including pending court decisions and market conditions. Discusses increases in employer rates.
080	Steve Delaney	Deputy Director, PERS. Testifies in support of all measures. Submits written testimony ( <b>EXHIBIT A</b> ). Discusses activities of the PERS Board Legislative Advisory Committee.
105	Chair Brown	Gavels in full committee. Asks for comparison between the PERS Advisory Committee and the Management Labor Advisory Committee (MLAC).
110	Delaney	Discusses differences in directives and appointment procedures

for the two committees. Describes proposed changes under SB 54.

135 Delaney Continues and discusses proposed changes under SB 108. Explains definition changes and modifications to Individual Account Program.

175 Delaney Continues and discusses proposed changes under SB 109. Explains earnings distribution rate and proposed rule-making authority.

195 Delaney Continues and discusses proposed changes under SB 110. Describes changes to beneficiary designations.

215 Chair Brown Asks about beneficiary changes during divorce proceedings.

220 Delaney Responds the courts now inform PERS of divorces. Continues and discusses proposed changes under SB 111. Discusses proposed -1 amendments (**EXHIBIT B**).

250 Cleary Adds that the changes improve the stability of the PERS program.

270 Chair Brown Closes public hearing and opens work session on SB 54, SB 108, SB 109, SB 110 and SB 111.

**SB 54, SB 108, SB 109, SB 110, and SB 111 – WORK SESSION**

280 Sen. Atkinson **MOTION: Moves SB 54 to the floor with a DO PASS recommendation.**

285 **VOTE: 4-0-1**  
**EXCUSED: 1 - Ferrioli**  
 Chair Brown **Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.**

290 Sen. Atkinson **MOTION: Moves SB 108 to the floor with a DO PASS recommendation.**

295 **VOTE: 4-0-1**  
**EXCUSED: 1 - Ferrioli**  
 Chair Brown **Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.**

300 Sen. Atkinson **MOTION: Moves SB 109 to the floor with a DO PASS recommendation.**

305 **VOTE: 4-0-1**  
**EXCUSED: 1 - Ferrioli**  
 Chair Brown **Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.**

310 Sen. Shields Comments about consensus on all the measures.

320 Chair Brown Affirms.

325 Sen. Atkinson **MOTION: Moves SB 110 to the floor with a DO PASS recommendation.**

330 **VOTE: 4-0-1**  
**EXCUSED: 1 - Ferrioli**  
 Chair Brown **Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.**

335 Sen. Atkinson **MOTION: Moves to ADOPT SB 111-1 amendments dated 2/22/05.**

340 **VOTE: 4-0-1**  
**EXCUSED: 1 - Ferrioli**  
 Chair Brown **Hearing no objection, declares the motion CARRIED.**

345 Sen. Atkinson **MOTION: Moves SB 111 to the floor with a DO PASS AS AMENDED recommendation.**

350 **VOTE: 4-0-1**

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**Chair Brown**

Chair Brown

**EXCUSED: 1 - Ferrioli**

**Hearing no objection, declares the motion CARRIED.  
SEN. BROWN will lead discussion on the floor.**

Closes work session. Adjourns the committee at 8:58 a.m.

**EXHIBIT SUMMARY**

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- A. SB 54, SB 108, SB 109, SB 110, SB 111, written testimony, Steve Delaney, 7 pp**
- B. SB 111, -1 amendments (2-22-05), staff, 1 p**