

HOUSE COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEM

February 06, 2003 Hearing Room E
3:00 PM Tape 15

MEMBERS PRESENT: **Rep. Tim Knopp, Chair**
 Rep. Alan Brown, Vice-Chair
 Rep. Jeff Barker
 Rep. Tom Butler
 Rep. Greg Macpherson
 Rep. Mary Nolan
 Rep. Dennis Richardson
 Rep. Wayne Scott

MEMBER EXCUSED: **Rep. Deborah Kafoury, Vice-Chair**

STAFF PRESENT: **Cara Filsinger, Administrator**
 Annetta Mullins, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2004 - 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 15, A 003	Chair Knopp	Calls meeting to order at 3:08 p.m. and opens a public hearing on HB 2004.
<u>HB 2004 – PUBLIC HEARING</u>		
014	Mary Botkin	American Federation of State County and Municipal Employees (AFSCME). States they have been working with other unions and are interested in finding a solution that is less litigious. Expresses concern about how actuarial tables are implemented, the timing and certainty of the date. Recites questions that employees must answer in order to make their decisions to retire. Explains that those who are providing services will not retire making more than their salaries. Urges committee to make decisions so there can be predictability for the employees.
	Chair Knopp	Acknowledges that not all employees retire making more than their salaries.
093	Jack Sollis	Responds to comments by Bill Gary on contract rights at a previous meeting. States that when someone retires, it is a completed contract, not just a contract right. Doubts that the court or the legislature can open up a completed contract that was completed by mutual agreement between the parties in good faith. Thinks retroactivity will create legislation that a lot of attorneys would get rich on. Comments on calculations of benefits at various times for various employees. Cites enactments by the legislature since 1967. Believes that implementation of the tables after 90 or 120 days and if there is a lookback in it, would be fine. Believes those components are essential.
129	Joe Schwinhart	Associated Oregon Industries (AOI). Speaks in favor of HB 2004 and previous bills the committee has acted on.

142	Fred Andrews	PERS retiree and observer for the Lane County PERS Retirees Association. Presents statement (EXHIBIT A) .
174	Rep. Butler	Asks if it would be proper for someone to keep money that was erroneously in their bank account.
	Andrews	Responds he does not think that someone who retired January 1 of this year should be affected by a retroactive date.
	Rep. Butler	Comments it would not make it right if a bunch of people took advantage of the bank. States that he fears moving forward with anything less than what the judge directed.
219	Rep. Barker	Asks if Andrews sees a difference between a person who decides to retire today and one who retired January 1, 2003 if the date of the mortality tables is retroactive to January 1.
	Andrews	Responds affirmatively. Adds that it is the prerogative of the legislature to set the date. Does not think it would be fair to post-date it because people are making decisions based on information from the PERS Board, and the Boar is responsible to the legislature.
240	Chair Knopp	Advises that the committee has received a statement from Wally Curtis and that it is made a part of the record (EXHIBIT B) .
	Michelle Deister	League of Oregon Cities (LOC) and representing LOC, the Association of Oregon Counties, the Oregon School Boards Association, and Special Districts Association of Oregon. Submits copy of comments presented to the PERS Board on the Board's draft administrative rule for implementation of the mortality tables (EXHIBIT C) . States they continue to advocate for full and immediate implementation of the mortality tables pursuant to Judge Lipscomb's ruling. Notes recommendations to the PERS Board (EXHIBIT C, page 2) .
277	Chair Knopp	Advises that employers and employees need to reach an agreement by next Thursday. Counsels members and interested parties on efforts to reach a resolution. Expresses intent of the Chair for future committee agendas.
392	Chair Knopp	Adjourns meeting at 3:33 p.m.

EXHIBIT SUMMARY

A – HB 2004, prepared statement, Fred Andrews, 1 p

B – HB 2004, prepared statement, Wally Curtis, 2 pp

C – HB 2004, memo to PERS Board, Mary Deister, 2 pp