

HOUSE COMMITTEE ON RULES AND PUBLIC AFFAIRS

July 29, 2003 Hearing Room HR E
1:30 PM Tapes 103 - 104

MEMBERS PRESENT: Rep. Dan Doyle, Chair
 Rep. Linda Flores, Vice-Chair
 Rep. Laurie Monnes Anderson, Vice-Chair
 Rep. Vic Backlund
 Rep. Phil Barnhart
 Rep. Betsy Close
 Rep. Joanne Verger

STAFF PRESENT: Cara Filsinger, Committee Administrator
 Ray Kelly, Administrator
 David Peffley, Committee Assistant

MEASURES HEARD: HB 3442 A – Work Session
 SB 908 – Public Hearing and Work Session
 SB 919 – Public Hearing and Work Session
 SB 909 – Public Hearing and Work Session
 HB 3628 – Work Session
 SB 757 A – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
Tape 103, A		
003	Chair Doyle	Calls the meeting to order at 1:35 p.m., announces the hearing schedule, and opens a work session on HB 3442.
<u>HB 3442 – WORK SESSION</u>		
014	Chair Doyle	Announces the –A3 amendments (EXHIBIT A).
026	Gary Conklin	Oregon Wine Growers. Recalls for the committee the previous hearings on the bill and addresses the changes called for by the Governor as evidenced in the –A3 amendments.
050	Rep. Flores	MOTION: Moves to ADOPT HB 3442-A3 amendments dated 4/29/03.
053		VOTE: 7-0-0
054	Chair Doyle	Hearing no objection, declares the motion CARRIED.
056	Rep. Flores	MOTION: Moves HB 3442A to the floor with a DO PASS AS AMENDED.
063		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
065	Chair Doyle	The motion CARRIES.
067	Rep. Doyle	MOTION: Moves HB 3442A be placed on the CONSENT CALENDAR.
068		VOTE: 7-0-0
070	Chair Doyle	Hearing no objection, declares the motion CARRIED.
071	Chair Doyle	Closes the work session on HB 3442 and opens up a public hearing on SB 908.
<u>SB 908 – PUBLIC HEARING</u>		

078	Pat Schwoch	Executive Director, Manufactured Homeowners of Oregon. Submits (EXHIBIT B) and testifies in support of SB 908. Notes that the bill is in fact HB 3069, which passed the house unanimously and stalled in the Senate Committee on Business and Labor, with one non-substantive word change.
123	David Nebel	Oregon Law Commission. Announces support for SB 908 and offers to answer questions on the bill.
128	John Brenneman	Manufactured Housing Communities of Oregon (for Chuck Carpenter). Testifies in support for SB 908.
140	Rep. Verger	Announces a potential conflict of interest as she owns a manufactured home in Salem.
145	Rep. Barnhart	Asks for a review of the status of HB 3069, the progenitor of the current legislation being considered.
148	Schwoch	Explains the path that HB 3069 took before becoming bogged down in the Senate.
151	Rep. Barnhart	Affirms that HB 3069 was Senator Walker's priority bill.
154	Chair Doyle	Asks the vote count on the House floor.
155	Nebel	Notes that the count was 58 - 0 - 2.
161	Chair Doyle	Closes the public hearing and opens a work session on SB 908.
<u>SB 908 – WORK SESSION</u>		
164	Rep. Flores	Comments that this legislation is important to her constituents.
167	Rep. Flores	MOTION: Moves SB 908 to the floor with a DO PASS recommendation.
170	Rep. Backlund	Commends that a consensus was able to be agreed upon amongst the proponents of the bill.
176		VOTE: 7-0-0 AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
177	Chair Doyle	MOTION: Moves SB 908 be placed on the CONSENT CALENDAR.
181	Rep. Doyle	VOTE: 7-0-0 Hearing no objection, declares the motion CARRIED.
182		Closes the work session on SB 908 and opens a work session on SB 919.
183	Chair Doyle	
186	Chair Doyle	
<u>SB 919 – WORK SESSION</u>		
194	Ray Kelly	Administrator. Summarizes SB 919, related to Landscape Contractors and notes that it is the same as HB 2965 which already passed the House floor.
209	Bill Cross	Oregon Landscape Contractors Association. Submits (EXHIBIT C) and offers to answer any questions the committee might have.
214	Rep. Close	Asks for an explanation of "b" on Lines 15, 16 regarding the \$500 figure.
221	Mike Snyder	Landscape Contractor's Board. Notes that the \$500 exemption has always been in the statutes. States the reasons for the exemption.
232	Rep. Close	References Page 3 and asks about the Portland, Salem, Oregon, Washington Consumer Price Index.
234	Snyder	Explains the reasons for the price index.
252	Rep. Close	Asks why Salem is being added and not Portland.
254	Snyder	Expresses uncertainty.
257	Rep. Barnhart	Offers a possible explanation.
260	Cross	Notes that the reference was inserted by Legislative Council, not at the request of the Landscape Contractors.

263	Chair Doyle	Reaffirms Cross' statement and adds that it is merely a stylistic issue and that it is not adding anything substantive.
271	Chair Doyle	Closes the public hearing and opens a work session on SB 919.
<u>SB 919 Work Session</u>		
274	Rep. Flores	MOTION: Moves SB 919 to the floor with a DO PASS recommendation.
281		VOTE: 7-0-0
	Chair Doyle	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
283	Chair Doyle	MOTION: Moves SB 919 be placed on the CONSENT CALENDAR.
284		VOTE: 7-0-0
285	Chair Doyle	Hearing no objection, declares the motion CARRIED.
285	Chair Doyle	Closes the work session on SB 919 and opens a public hearing on SB 909.
<u>SB 909 – PUBLIC HEARING</u>		
288	Scott Barrie	Oregon Building Industry Association (OBIA). Notes that SB 909 is the reincarnation of HB 2389, which passed the House 58-0 and urges passage.
316	Rep. Barnhart	Asks if the defect in the original bill has been repaired in the current legislation.
321	Rep. Close	Notes that HB 2389 had much work done to it in the House Committee on Labor and Consumer Affairs.
327	Lana Butterfield	Professional Insurance Agents of Oregon and Idaho. Submits (EXHIBIT D) and expresses confidence that the proposed legislation will be quite beneficial to insurance concerns.
334	Chair Doyle	Closes the public hearing on SB 909 and opens a work session on SB 909.
<u>SB 909 – WORK SESSION</u>		
338	Rep. Flores	MOTION: Moves SB 909 to the floor with a DO PASS recommendation.
345		VOTE: 7-0-0
	Chair Doyle	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
349	Chair Doyle	MOTION: Moves SB 909 be placed on the CONSENT CALENDAR.
351		VOTE: 7-0-0
352	Chair Doyle	Hearing no objection, declares the motion CARRIED.
354	Chair Doyle	Closes the work session on SB 909 and opens a work session on HB 3638.
<u>HB 3638 – WORK SESSION</u>		
363	Chair Doyle	States that this bill has changed with the submission of the -4 amendments (EXHIBIT E) at the request of the Governor.
366	Bob Cantine	Association of Oregon Counties (AOC). Submits (EXHIBIT F) and speaks to the consensus reached with various state agencies. Speaks in support of the -4 amendments. Addresses the need for this legislation. Requests the removal of the subsequent referral to Ways and Means, as there is no longer any fiscal impact.
421	Chair Doyle	Confirms that indeed there is no fiscal impact.
TAPE 104, A		
002	Rep. Monnes Anderson	Asks who would assume liability in the circumstance of a lawsuit regarding the provision of services.
006	Cantine	Replies that the County could be liable and possibly the State, as

well.

011 Rep. Verger Asks about the Commission on Children and Families and whether it is addressed by the -4 amendments.

014 Cantine Affirms that they are not included in the -4 amendments, but will be part of the larger policy discussion.

021 Chair Doyle Enters the July 29 letter from Barry Kast, Assistant Director of the Department of Human Services (DHS) (**EXHIBIT G**) into the record.

Erinn Kelley-Siel Policy Advisor for Health and Human Services to Governor Kulongoski. Submits written testimony in support of the HB 3638-4 but does not testify (**EXHIBIT H**).

025 Rep. Flores **MOTION: Moves to ADOPT HB 3638-4 amendments dated 7/15/03.**

026 **VOTE: 7-0-0**

027 Chair Doyle **Hearing no objection, declares the motion CARRIED.**

029 Rep. Flores **MOTION: Moves HB 3638 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.**

034 **VOTE: 7-0-0**

035 Chair Doyle **AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.**

035 Rep. Doyle **MOTION: Moves HB 3638 be placed on the CONSENT CALENDAR.**

VOTE: 7-0-0

040 Chair Doyle **Hearing no objection, declares the motion CARRIED.**
Chair Doyle Closes the work session on HB 3638 and opens a public hearing on SB 757.

SB 757 – PUBLIC HEARING

044 John Shilts Administrator, Worker’s Compensation Division of the Department of Consumer and Business Services. Submits (**EXHIBIT I**) testifies in support of SB 757 A, which will improve the equity of permanent partial disability awards for injured workers and simplify a complex benefit structure. Gives background to the existing law and asserts that the bill is cost-neutral. Addresses the sunset clause.

153 Rep. Barnhart Asks the current State average weekly wage.

163 Shilts States that the average wage is slightly more than \$650/week.

173 Rep. Backlund Asks how the current problem with award distortion developed.

177 Shilts States that he is not sure how the trend developed.

188 Rep. Backlund Asks what percentage range of the state average injured workers can receive.

193 Shilts Notes that injured workers fall just a little bit below the state average weekly wage.

210 Rep. Verger Asks if scheduled or unscheduled are based on the doctors’ reports.

214 Shilts Gives the process of doctors’ diagnoses with regard to scheduling.

231 Rep. Verger Addresses constituent complaints regarding the long distances traveled in order to receive medical care and asks Shilts to address this issue.

236 Shilts Addresses the problem and the reasons for the great distances.

264 Rep. Verger Expresses satisfaction that the problem is being addressed.

		Continues by expressing constituent concerns about transportation to medical care.
281	Shilts	States that he'd like to hear more concerns from workers in order to address them.
285	Rep. Flores	Recalls that this legislation is intended to simplify a very complex process and ask for clarification on how Pages 5-6 accomplish that end.
294	Shilts	Addresses the complexities in the process which still exist. Reaffirms that the legislation will, however simplify the benefit structure.
318	Chair Doyle	Asks for confirmation that the sunset provision will not take effect until 2008.
321	Shilts	Confirms that is correct.
324	Rep. Monnes Anderson	Asks whether the higher awards to be paid will exacerbate current reserves or whether the rates will have to be adjusted.
335	Shilts	Reiterates that this proposal is intended to be cost neutral.
353	Rep. Monnes Anderson	Asks whether the workers comp amount which is taken out of the paycheck is standard for everyone.
357	Shilts	Affirms that is correct. Elaborates on the funding of the program.
376	Rep Barnhart	Asks about the nature of the payments to be received by the injured workers.
382	Shilts	Notes that they are generally lump-sum payments at the end of the claim when the worker's recovery is relatively stationary.
410	Rep. Barnhart	Asks if significant awards can be annuitized.
414	Shilts	Replies that the award is generally in the form of a lump sum, but that the worker could arrange an annuity.
421	Rep. Barnhart	Asks Shilts to describe the case where a worker returns to work according to the bill.
447	Shilts	Explains awards under various circumstances.
TAPE 103, B		
015	Shilts	Concludes his explanation of awards vis-à-vis SB 757 A.
024	Rep. Verger	Asks if there is an ombudsman or grievance process aggrieved workers can utilize.
029	Shilts	Affirms that the Department does have an ombudsman.
039	JL Wilson	National Federation of Independent Business (NFIB). Supports the workman's comp bill whole heartedly. Discusses cost-neutrality and specifies his preference to see the bill pass without the -A6 amendments (EXHIBIT J), which were submitted at NFIB's request.
065	Brad Witt	Oregon American Federation of Labor – Congress of Industrial Organizations (AFL-CIO). Testifies in support SB 757 A, stating that this bill is an innovative approach to workers compensation. Addresses compensation for those unable to work and incentives to get people back to work.
111	Chair Doyle	Closes the public hearing on SB 757 A and opens a work session on SB 757 A.

SB 757 A – WORK SESSION

114	Rep. Flores	MOTION: Moves SB 757A to the floor with a DO PASS recommendation.
118	Rep. Barnhart	Expresses satisfaction that this bill introduces a system to get people back to work.

144	Rep. Verger	Addresses the great challenges to those critically hurt on the job. Encourages this issue to be explored further during the interim.
163		VOTE: 7-0-0
165	Chair Doyle	AYE: In a roll call vote, all members present vote Aye.
169	Barnhart	The motion CARRIES. States that he doesn't believe that SB 757 A should be placed on the consent calendar.
171		Chair Doyle will lead the discussion on the floor.
174	Chair Doyle	Closes the work session on SB 757 A and adjourns the meeting at 2:46 p.m..

EXHIBIT SUMMARY

- A – HB 3442, -A3 amendments, staff, 1 p.**
- B – SB 908, written testimony, Pat Schwock, 3 pp.**
- C – SB 919, written testimony, Bill Cross, 1 p.**
- D – SB 909, written testimony, Lana Butterfield, 1 p.**
- E – HB 3638, -4 amendments, staff, 9 pp.**
- F – HB 3638, written testimony, Robert Cantine, 3 pp.**
- G – HB 3638, written testimony, Barry Kast, 1 p.**
- H – HB 3638, written testimony, Erinn Kelley-Siel, 1 p.**
- I – SB 757 A, written testimony, John Shilts, 2 pp.**
- J- SB 757 A, -A6 amendments, staff, 6 pp.**