

SENATE COMMITTEE ON GENERAL GOVERNMENT

January 22, 2003
3:00 PM

Hearing Room B
Tapes 3 - 4

MEMBERS PRESENT: Sen. Tony Corcoran, Chair
Sen. John Minnis, Vice-Chair
Sen. Bruce Starr
Sen. Vicki Walker

STAFF PRESENT: Celia Núñez-Flores, Committee Administrator
Heather Gravelle, Committee Assistant

MEASURE/ISSUES HEARD: Informational Meeting
Chairman's Report House Special Task Force on PERS Sustainability and
Accountability

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 3, A		
010	Chair Corcoran	Calls the meeting to order at 3:10 PM. Opens Informational meeting.
<u>INFORMATIONAL MEETING</u>		
020	Rep. Tim Knopp	District 54. Gives overview on the Chairman's Report from the House Special Task Force on PERS Sustainability and Accountability. Provides written report (EXHIBIT A).
045	Rep. Knopp	Refers committee members to January 9, 2003 letter to Speaker Mark Simmons, urging the legislature to fix the PERS problem to protect retirement funds.
075	Rep. Knopp	States it would be beneficial to implement the current mortality tables as soon as legally possible.
085	Rep. Knopp	Suggests directing the Oregon Investment Council to partition Tier 1 active accounts for a more conservative investment strategy.
090	Rep. Knopp	Explains there needs to be a better definition of the "Call" in statute.
095	Rep. Knopp	Requests committee members work with the House committee to ensure there is consistency.
300	Sen. Minnis	Requests a definition of the PERS problem.
350	Rep. Knopp	Explains.
480	Chair Corcoran	Ask about benefit plans in other states.
485	Rep. Knopp	Explains PERS staff can supply that information.
TAPE 4, A		
005	Jim Voytko	PERS Director. Discusses PERS agency background and current issues. Provides written testimony (EXHIBIT B).
130	Chair Corcoran	Inquires about complexity of problem.
165	Voytko	Responds and continues to elaborate.

170	Sen. Minnis	Asks if it is strategically possible to create a simpler solution.
190	Voytko	Responds
345	Sen. Minnis	Asks about the health care issue.
370	Voytko	Responds.

TAPE 3, B

005	Sen. Minnis	Asks for comparison of other states.
015	Voytko	Responds no other states compare to current PERS plan.
025	Sen. Minnis	Requests director to identify where PERS problem began.
040	Voytko	Answers.
070	Sen. Minnis	Inquires if PERS problem is due to decisions previously made by legislation.
080	Chair Corcoran	Responds it is a combination of many elements.
140	Jim Green	Oregon School Boards Association; representing the PERS Employer Coalition.
160	Green	Comments the Employer Coalition would like immediate implementation of the mortality tables.
175	Chair Corcoran	Inquires if other states have reviewed the mortality tables.
210	Green	Responds.
358	Green	States the Employer Coalition is working closely with Rep. Knopp and the Governor's office.
390	Greg Hartman	Employee's Coalition. Comments there is nothing unique about Oregon and the PERS issue.

TAPE 4, B

40	Hartman	States the market has been the major factor leading to the current PERS problem.
060	Chair Corcoran	Inquires if HB 2001 will have a significant impact on rate increases for the employer.
065	Hartman	Responds.
190	Chair Corcoran	Closes informational meeting. Adjourns the committee meeting at 4:50 p.m.

EXHIBIT SUMMARY

A – Informational, PERS Report, Rep. Tim Knopp, 42 pp

B – Informational, PERS 2003 Agency background, Jim Voytko, 40 pp