

SENATE COMMITTEE ON GENERAL GOVERNMENT

April 9, 2003
3:00 PM

Hearing Room B
Tapes 37-40

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

STAFF PRESENT: **Mark Ellsworth, Committee Administrator**
 Heather Gravelle, Committee Assistant

MEASURE/ISSUES HEARD: **SB 717 – Public Hearing**
 SB 867 – Public Hearing
 SB 258 – Work Session
 SB 396 – Public Hearing
 SB 325 – Work Session
 SB 570, 883, 876, 730, 725, 726 – Public Hearings

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 37, A		
005	Chair Corcoran	Calls the meeting to order at 3:10 PM. Opens a public hearing on SB 717.
<u>SB 717 – PUBLIC HEARING</u>		
010	Mark Ellsworth	Committee Administrator. Provides an overview of SB 717 with -1 amendments. Presents -1 amendments dated 4/4/03 (EXHIBIT A) .
015	Frank Morse	Oregon State Senator. Testifies in support of SB 717. Explains the history and background of SB 717.
035	Sen. Morse	Explains the intent and outcome of the bill. States the roles and responsibilities. Mentions review of performance. Discusses information on fair bidding, wages and benefits.
085	Chair Corcoran	Asks who would pay for the requirements.
090	Morse	States it is the Department of Administrative Services responsibility.
100	Chair Corcoran	Provides an example where child protective services contracted out family sex abuse treatment. Points out workers concerns: <ul style="list-style-type: none">● Lack of oversight once contract out one of the services● From agency perspective viewed as taking services that were expensive and profitable and leaving the hard part such as placement of children
115	Morse	Asks how creaming issue dealt with. Responds it is incumbent upon the Director of Department of Administrative Services to ensure it is handled appropriately.
135	Cathy Pollino	Director, Secretary of State Audits Division. Testifies as a neutral party on SB 717. Expresses concerns on amendments. Explains different audits. Proposes having a program audit

		instead of performance audit. Adds having an annual may be too frequent so recommend revising the requirement. Recommends modifications of definitions of program and performance audit be deleted. Submits written testimony (EXHIBIT B).
170	Marcy Eastham	Oregon Public Affairs Manager, Hewlett Packard. Testifies in support of SB 717. Explains position.
195	Chair Corcoran	Asks where Hewlett Packard contracts their services.
200	Eastham	Responds many in Corvallis and operate in over 160 countries worldwide.
205	Chair Corcoran	Asks if any countries in Asia.
210	Eastham	Responds yes.
212	Chair Corcoran	Asks if any in Southeast Asia.
215	Eastham	Responds yes.
217	Chair Corcoran	Believes there is also one in Ireland.
219	Eastham	Responds there is a large one in Ireland.
225	Michael Slater	Political Director, SCIU Local 503 Public Employees Union. Testifies in opposition of SB 717. Explains position of the union. Expresses concerns the bill will reduce trust and presumption privatization is cost effective.
245	Slater	Discusses privatization. Provides examples. Claims a good option would be to privatize or contract out government services instead of trying to identify specific areas in advance where efficiencies may be gained.
285	Mary Botkin	AFSCME Counsel 75. Testifies in opposition of SB 717. Claims work currently with others to find ways to deliver services more effectively, especially when it comes to cost. Provides an example of use of public contracting dollars with roads. Notes the goal should be a cooperative venture between the private sector and public sector to find ways to deliver level of services others are demanding. Comments it makes those feel like they are a partner instead of a victim when every contract is reviewed.
350	Botkin	Points out it is hard to measure what a public service worker does. Adds the public sector does not want most of what they do. Provides examples. Notes there needs to be a balance.
360	Sen. Minnis	Asks if that is not the intent of SB 717. Points out the bill is trying to concentrate the discussion that is already happening but the public does not know it. Suggests the dialogue needs to be brought forth for the public to be aware of.
410	Botkin	Comments it is the presumption that everything should be privatized making people feel like victims instead of partners.
TAPE 38, A		
015	Jessica Harris	Associated General Contractors. Testifies in support of SB 717. Expresses her opinion. Believes the bill creates an opportunity to the public and private sector to discuss what sections of government may be best outsourced. Urges possibly creating a process to determine what is most cost effective. Feels it is a good bill and good public policy.
030	Lisa Trussel	Associated Oregon Industries. Testifies in support of SB 717. Agrees with Ms. Harris's comments.
040	Chair Corcoran	Closes the public hearing on SB 717 and opens a public hearing on SB 867.

SB 867 – PUBLIC HEARING

043	Mark Ellsworth	Committee Administrator. Provides an overview of SB 867.
048	Jackie Dingfelder	Oregon State Representative, District 45. Testifies in support of

		SB 867. Explains position. Submits written testimony (EXHIBIT C) .
055	Rick Metsger	Oregon State Senator, District 26. Testifies in support of SB 867.
135	Billy Dalto	Reiterates Representative Dingfelder's testimony. Oregon State Representative, District 21. Testifies in support of SB 867. Provides personal example of placing a computer in a dumpster. Comments on dangers in landfill system of accumulating these type of materials. Feels the bill is not a mandate on business but it is a necessary good to determine how to dispose of hazardous materials. Comments Marion County provides a place to recycle electronics.
155	Sen. Walker	Comments Eugene has a similar program for recycling.
165	Dalto	Encourages others on how to make a profitable business out of reclaiming consumer electronic products.
175	Floyd Prozanski	Oregon State Representative. Testifies in favor of SB 867. Feels bill is reasonable and puts components in place to get parties together to discuss seriousness of waste and how to deal with it.
190	Sen. Minnis	Refers to page 3, lines 6 & 7. Expresses concerns with language.
200	Dingfelder	Comments that is an excellent point and has been discussed in the pre-stages of SB 867. Mentions DEQ would not move forward until direction from the advisory committee. Claims the committee would not have the actual authority.
220	Sen. Minnis	Comments rules need to have origin in statute created by legislature. Urges advisory committee coming back with suggestions after working on the language.
230	Dingfelder	Responds open to discussion.
235	Sen. Walker	Mentions other programs that are available in Eugene.
240	Dingfelder	Affirms there are programs around the state. Claims this bill would help people to be informed there is an option for recycling. Hopes to look at ways to expand existing recycling infrastructure and create markets making it an economic development opportunity. Notes many cities and counties hesitate to advertise because they are overwhelmed.
260	Prozanski	Comments on recycling outdated electronics.
275	Frank Marella	Sharp Electronics, New Jersey. Testifies in support of SB 867. States how they do business in New Jersey. Claims there should be a national solution to the problem. Expresses concerns with large number of questions needing answers in this area which SB 867 could address. Notes willingness to strengthen infrastructure, educating consumers and retiring as many old products as possible that minimizes environmental impact. Points out Sharp is educating consumers on products directing people to a web site identifying where all the recycling events are located.
330	Steven McGeady	Testifies in support of SB 867. Expresses position. Claims Oregon has shown leadership through the years in addressing livability issues. Mentions specific examples. States why we are faced with the enormous wave of products which needs to be disposed of. States all multi-national companies will be faced with addressing the recycling issue. Submits written testimony (EXHIBIT D) .
385	Chair Corcoran	Asks what Europe is doing that we are not doing.
395	McGeady	Explains bills have been passed and are currently operating.
400	Wayne Rifer	Cedar Mill. Testifies in favor of SB 867. Provides specific examples:

- Waste is a local issue and the bill puts in a position to be able to be an early implementer
- As an Oregonian, would not propose this bill if they thought it would hurt the current and future budget

Submits written testimony (**EXHIBIT E**)

TAPE 37, B

005	Sen. Minnis	Asks whether there have been a lot of problems with state or federal laws regarding the recycling problem in general. Claims problems have not been addressed.
020	Rifer	States the recycling of plastics from computers is a problem. Notes the concept behind the program is flow of product needs to be developed.
035	Sen. Minnis	Asks if industry is prepared to collect materials. Asks what is going to be done with all the materials which could be more expensive than raw materials.
045	Marella	Explains what happens with raw materials.
050	Sen. Minnis	Asks where the product goes once it is created and recovered.
055	McGeady	Claims not trying to leapfrog answers from questions that have not been fully examined yet.
060	Chair Corcoran	Closes the public hearing on SB 867 and opens a work session on SB 258.

SB 258 – WORK SESSION

0700	Chair Corcoran	Explains the amendments to SB 258. Presents the -2 amendments dated 4/9/03 (EXHIBIT F).
088	Dallas Weyand	Legislative Fiscal Office. Explains the amendments with detailed information. Claims information received from PERS.
115	Sen. Minnis	MOTION: Moves to ADOPT SB 258-2 amendments dated 4/9/03.
120		VOTE: 4-0
	Chair Corcoran	Hearing no objection, declares the motion CARRIED.
125	Sen. Minnis	MOTION: Moves SB 258 to the floor with a DO PASS AS AMENDED recommendation.
130	Sen. Starr	Asks if there is an idea on money that will be saved.
133	Chair Corcoran	Responds has heard debate among attorneys about impact.
138	David Bailey	PERS Deputy Director. Comments on savings targeted at members under age 45. Explains PERS standpoint on the issue. States with a one year window unfunded liability of system would be reduced.
145	Chair Corcoran	Asks whether a prediction can be made of inactive accounts with correct information to even contact them with.
150	Bailey	Responds that is another variable we don't know. Claims there are not addresses for all the inactive accounts. Comments would like to include in fiscal some type of advertising to get the word out on availability.
155	Chair Corcoran	Asks if there are any personal observation in your capacity as to the percentage of people eligible now that might jump on this.
160	Bailey	Responds cannot really answer that. Claims might survey part of the group prior to implementation of this to get a better idea of the answer to the question.
162	Sen. Minnis	Comments there are search firms to find people and have them sign a contract.
170	Sen. Walker	States in the last hearing two months ago there were 45,000

175	Chair Corcoran	inactive accounts and 16,000 were not vested employees. VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye. The motion CARRIES. SEN. FERRIOLLI will lead discussion on the floor.
180	Chair Corcoran	Closes the work session on SB 258 and opens a public hearing on SB 396.
<u>SB 396 – PUBLIC HEARING</u>		
190	Mark Ellsworth	Committee Administrator. Provides an overview of SB 396.
195	Bob Repine	Citizen and former legislative member of the assembly. Claims not on state clock currently. Testifies in support of SB 396. States position and mentions being haunted by the issue. States the law says when elected officials opt out of the PERS process then the only recourse they have is to make effort to modify the statutes to allow them to jump in to make buybacks possible.
225	Repine	Asks for legislative assembly to consider the opportunity for a window opportunity as bill suggests to allow for someone to buy back their PERS for a period of time they chose not to take based on situation at the time. Comments on making sure no costs are shifting to counties or cities. Mentions being in legislature.
275	Chair Corcoran	Comments the state benefits from you making the change in your occupation because you have expertise in the work you do. Asks why you chose to opt out.
290	Repine	Responds it was not a political statement and the government arena was short and time to move on and do other things. Claims current retirement process is based on PERS so trying to buy back what might have had if using more sound thinking in the past.
300	Sen. Walker	Asks about comment on short trigger of sixty days when the bill states ninety days.
310	Repine	Claims he is wrong assuming it was sixty days.
315	Mike Caldwell	Citizen. Testifies in support of SB 396. Mentions personal experience. Requests an amendment to back it up to 1980 if do carry out the bill.
365	Mary Botkin	Testifies in support of SB 396. Expresses view that best interest for Oregon is to promote and hold onto every talent and allow elected officials to buy back time not taken advantage of at the time. Claims no one should be forced out of PERS unless they want to be. Feels it is a good bill especially if no cost.
385	Maria Keltner	Association of Oregon Counties League of Oregon Cities Oregon School Boards Association and Special Districts Association of Oregon. Testifies in opposition of SB 396. Expresses opposition in adding purchases that are not full cost.
400	Chair Corcoran	Asks if willing to work with PERS to draft acceptable language.
415	Sen. Minnis	Comments about buying back time for service in other states. Asks if it is true whether police officers from Los Angeles and other places are not able to do the same kind of buy in for services.
TAPE 38, B		
005	Steve Delaney	PERS. Responds that is true; elaborates.
015	Sen. Minnis	Agrees with full purchase idea but need an even policy for everyone.
020	Chair Corcoran	Mentions working with PERS to draft language. Closes the public hearing on SB 396 and opens a work session on SB 325.

SB 325 – WORK SESSION

030	Chair Corcoran	Explains merging SB 750 into SB 325 with -3 amendments. Presents -3 amendments dated 4/8/03 (EXHIBIT G).
040	Sen. Minnis	MOTION: Moves to ADOPT SB 325 -3 amendments dated 4/8/03.
045	Sen. Minnis	MOTION: Moves SB 325 to the floor with a DO PASS AS AMENDED recommendation.
045	Chair Corcoran	Comments -4 amendments arrived from John Powell. States there is much discussion.
050	Sen. Minnis	MOTION: Moves to SUSPEND the rules for the purpose of reconsideration of SB 325.
055		VOTE: 3-0
		EXCUSED: 1 – Sen. Walker
	Chair Corcoran	Hearing no objection, declares the motion CARRIED.
085	John Powell	Oregon Sheriffs Association. Testifies in support of SB 325. Explains view and where it will apply. Presents the -4 amendments dated 4/9/03 (EXHIBIT H).
100	Sen. Minnis	States it is a good idea. Provides personal experience.
115	Chair Corcoran	Claims have not heard much opposition.
120	Bethanne Darby	Oregon Education Association. Feels 1,039 hour rule is sufficient. Believes it is important to allow younger, newer employees to move up in the ranks and acquire same level of opportunity. Understands uncertainty with PERS but feel in this environment it is poor public policy to allow retirees to collect money, especially in this economy where there aren't enough jobs to begin with.
130	Starr	Asks if this bill applies to teachers or law enforcement.
140	Darby	Responds the bill applies to public safety only.
142	Chair Corcoran	Comments this bill applies to others such as National Guard.
142	Darby	Expresses opposition of the bill and the amendments.
145	Mary Botkin	AFSCME Counsel 75. Believes there is a role for retirees and it is an important process. Feels building economy is having a lot of people with available funds.
150	Chair Corcoran	Asks how Polk County can benefit from that theory with two officers short.
155	Botkin	Responds 1,039 hours allows time to rebuild budget and an officer when needed. Claims we are not facing up to the problem which is a budget crisis. Acknowledges there is use for talent that the retired community provides and halftime employment gives employers opportunity to take advantage of the talent.
165	Chair Corcoran	Asks if taking same position as Ms. Darby to not make any regional exceptions.
168	Botkin	Supported regional exceptions when 1,039 rule was added because understood the need to have the experienced work force with the new work force in a dangerous environment. Comment it is a difficult situation and feel no reason why new workers cannot be brought in with jobs being so limited.
180	Sen. Minnis	Mentions personal example of taking a test with lots of applicants for Portland Police Bureau. Discusses changing job market. Claims the problem is having talented people with the skills to do the job.
200	Botkin	Responds do not philosophically disagree. Notes economy is fragile right now needing the talent and ensure there is a younger

		work force following. Expresses concern in some communities not enough jobs for young people now and filling them up with retirees will make it worse.
215	Tricia Smith	Oregon School Employees Association. Testifies in opposition of SB 328 -4 amendments. OSCA supports the concept for specific school employee jobs. Comments members do not want to lose their jobs. Believes school districts will not have the ability to hire new people to fill the positions. Feels good for schools and good for members as eligible to return to work without the 1039 restriction.
258	Brian DeLashmutt	Oregon Counsel Police Associations. Discusses draw plan.
275	Sen. Minnis	Asks for more information on the draw plan and whether it works inter-agency.
280	DeLashmutt	Understands it works in your agency or in another agency. Explains draw plan further. Explains it is tax-free.
310	DeLashmutt	Suggests before passing -4 amendments to work on the issue and go through discussion first coming to a reasonable solution setting perimeters. Claims was not aware of the John Powell amendments.
330	Chair Corcoran	Clarifies for the record that a double dipper is someone who draws two pensions and doesn't work.
345	Sen. Walker	Agrees the term is incorrect.
350	DeLashmutt	Comments on hearing it in the press.
351	Chair Corcoran	Directs Mark Ellsworth to work with House staff and Representative Knopp to see how close they are to bringing it forward creating a combination bill. Closes the work session on SB 325 and opens public hearings on SB 570, SB 883, SB 876, SB 730, SB 725 and SB 726.

SB 570, 883, 876, 730, 725, 726 – PUBLIC HEARING

395	Chair Corcoran	Closes the public hearings on SB 570, SB 883, SB 876, SB 730, SB 725 and SB 726. Opens a public hearing on SB 867.
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SB 867 – PUBLIC HEARING

420	Lori Stole	Resident of Washington County. Representing Recycling Advocates. Testifies in favor of SB 867. Explains position. Submits written testimony (EXHIBIT I).
460	Oso Martin	Resident of Portland, Oregon. Executive Director, Free Geek Community Technology Center. Testifies in favor of SB 867. Explains position. Expresses the problems people have with computer disposal. Submits written testimony (EXHIBIT J).
TAPE 39, A		
025	Martin	Notes SB 867 is a model that can be duplicated nationally encouraging businesses to recycle with minimal cost.
050	Doug Myers	Association of Oregon Recyclers. Testifies in support of SB 867. Elaborates on recycling of computers and electronics. Submits written testimony (EXHIBIT K).
055	Chair Corcoran	Inquires about certain parts of the recycling process that are difficult to recycle. Asks if there are some materials in the computers that have no market for recycling.
065	Myers	Responds the question is too complicated for him but will research it and get back to the committee.
070	Sen. Minnis	Asks if it is a problem to find places for taking the materials.
075	Myers	Responds there is a problem with markets which varies.
085	Jim Craven	Testifies in favor of SB 867. Comments a lot of attention being paid on this issue. Claims if the best way is to mandate then back

		it up with funding. Points out specific language in the bill and would like to see the legislature give the direction. Expresses concern with section 5 that has Department of Administrative Services trying to determine language and definitions. Feels work is best done at the federal level. Claims very committed to continue working on the issue.
155	Craven	Discusses the Students Recycling Used Technology (StRUT) program.
160	Greg Sampson	Resident of Troutdale, Oregon. Points out impacts StRUT program has had in last two years. All done domestically, no exporting, diverted 4 million pounds of electronic waste from Oregon landfill, only work with vendors not putting materials in landfills. Placed an average 4,000 computers a year into use in Oregon schools. No charge to put over \$2 million of new high end networking equipment back in school districts. Notes they will take any computer regardless of age or quality. Provides an example in Tillamook Middle School. Submits written testimony (EXHIBIT L) .
190	Chair Corcoran	Asks if students are utilized in this work.
195	Sampson	Responds the program is similar to auto shop but with computers with students getting hands on experience and then the computer is returned into the K-12 system. Comments work closely with DEQ, Metro and other agencies.
200	Sen. Minnis	Asks if tied into Mt. Hood Community College.
210	Sampson	Responds yes. Discusses instructor course started recently with the college.
215	Sen. Minnis	Asks how the program got started.
220	Sampson	Responds it started in 1995 and grew with Intel funding it the first three years. Claims \$10 million of material all has gone into the schools within the last seven to eight years. Notes three years ago moved into actual reclamation portion of the program.
225	Sen. Minnis	Responds it is very innovative. Discusses industry providing technical tools to community colleges with a lot of funding for equipment for many programs. Expresses interest in whether industry could collaborate with the public school system to get ideas going.
240	Sampson	Responds programs are from 4 th grade through high school.
245	Sen. Walker	Claims first learned of this program in 1999. Mentions experience.
255	Sampson	Notes charge a \$10 fee to dispose of the monitor.
265	Sen. Walker	Comment to Mr. Craven about a bill in the 1999 session where there was money with no funding.
270	Jennifer Allen	Liaison, Economic Community and Development Department. Testifies in support of SB 867 to address problem of growing electronic waste. Discusses department involvement. Claims there would be a fiscal impact at the high end it would be \$50,000. Notes the bill allows the department to receive funding from other sources as well.
280	Chair Corcoran	Asks if there are active fundraisers that ask for money.
284	Allen	Responds have been working with a broad group of partners over the last few years and there would be a lot of interest and cooperation in terms of trying to find those resources.
285	Bob Danko	Department of Environmental Quality (DEQ). Expresses support

300	Dianne Lancaster	of the bill. Requests clarification in section 4 on language. DAS. Testifies in support of SB 867. States position. Supports cooperative procurement effort with other states. Submits written testimony (EXHIBIT M) .
360	Stacey Oller	Business Services Manager, state Property Distribution Center. Testifies in support of SB 867. Claims are developing interim policy to make state agencies more responsible with identifying what computer equipment is within working condition and non working condition making sure it is disposed of in an accountable manner. Adds working closely with DEQ to design a policy accountable and reasonable for state agencies.
370	Sen. Walker	Refers to concerns Mr. Craven had with section 5. Comments on what a great job done in the department and if it can be continued.
385	Lancaster	Expresses appreciation will continue with the good work.
400	Sen. Minnis	Asks how many computers Oregon purchases every year.
420	Oller	Comments do not have purchasing information. Claims ten pallets of miscellaneous equipment will come through the warehouse every month.
423	Sen. Minnis	Asks how many computers on a pallet.
425	Oller	Responds it varies between fifteen to thirty monitors or combination of CPU's and monitors. Comments they are not always received in complete units. Points out when in working condition they are put on- line for competitive auction and nationwide customer base.
430	Sen. Minnis	Asks if disposals are done for Oregon University System.
434	Oller	Responds yes.
TAPE 40, A		
005	Sen. Minnis	Asks in regards to public schools and computers if a bunch of computers are sold and functional.
015	Oller	Responds yes. Cites the regulations and law they are ruled by. Claims needing to provide priority to common educational school districts computer equipment and that it be transferred. Transferred with no charge. States the process.
025	Sen. Minnis	Asks if it has to be purchased.
027	Oller	Responds no because per statute it is transferred at no charge. Claims there is a state screener who school districts will contact and state their need. Discusses the transfer process.
033	Sen. Minnis	Asks if the systems are on the ten or fifteen pallets or are they separated out.
035	Oller	Responds they can be separated out.
037	Sen. Minnis	Asks how many computers are going to schools.
039	Oller	Responds does not know but can get the information.
042	Chair Corcoran	Closes the public hearing on SB 867 and adjourns the meeting at 5:00 PM.

The following prepared testimony is submitted for the record without public testimony for SB 867:

Heather Bowman	Submits written testimony (EXHIBIT N)
Seth Karpinski	Submits written testimony (EXHIBIT O)
Julie Daniel	Submits written testimony (EXHIBIT P)
Am. Electronic Assn.	Submits written testimony (EXHIBIT Q)
David Bragdon	Submits written testimony (EXHIBIT R)

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EXHIBIT SUMMARY

- A – SB 717, -1 amendments dated 4/4/03, staff, 3 pp**
- B – SB 717, written testimony, Cathy Pollino,, 1 p**
- C – SB 867, written testimony, Jackie Dingfelder, 3 pp**
- D – SB 867, written testimony, Steven McGeady, 2 pp**
- E – SB 867, written testimony, Wayne Rifer, 2 pp**
- F – SB 258, -2 amendments dated 4/9/03, staff, 1 p**
- G – SB 325, -3 amendments dated 4/8/03, staff, 2 pp**
- H – SB 325, -4 amendments dated 4/9/03, John Powell, 1 p**
- I – SB 867, written testimony, Lori Stole, 1 p**
- J – SB 867, written testimony, Oso Martin, 1 p**
- K – SB 867, written testimony, Doug Myers, 1 p**
- L – SB 867, written testimony, Greg Sampson, 3 pp**
- M – SB 867, written testimony, Dianne Lancaster, 2 pp**
- N – SB 867, written testimony, Heather Bowman, 3 pp**
- O – SB 867, written testimony, Seth Karpinski, 2 pp**
- P – SB 867, written testimony, Julie Daniel, 2 pp**
- Q – SB 867, written testimony, submitted by Frank Marella for American Electronics Association, 1 p**
- R – SB 867, written testimony, David Bragdon, 2 pp**