

# SENATE COMMITTEE ON GENERAL GOVERNMENT

June 30, 2003  
3:00 PM

Hearing Room C  
Tape 66

**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:** HB 2020 A – 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>
<b>TAPE 66, A</b>		
005	Chair Corcoran	Calls the meeting to order at 3:05 PM. Opens a work session on HB 2020 A.
<b><u>HB 2020 A – WORK SESSION</u></b>		
010	Chair Corcoran	States the -20 amendments have been adopted although PERS wanted to make changes not enough to warrant drafting and delaying the bill any further. Addresses concerns with -20 amendments. Commends PERS Committee and Representative Knopp on their hard work with repairing current system with 2003-2004. Presents – A20 amendments dated 6/26/03. <b>(EXHIBIT A)</b> .
025	Chair Corcoran	Claims there are two options on the table currently. States the question now is hybrid plan or tier 2. Notes the plan is a compromise plan signed by people in the building. Points out Representative Knopp sent a letter to the Governor that stated he respectively declines to concur as written raising six issues: <ul style="list-style-type: none"><li>• 6% pick up of employees by employers. Says the 6% is wages. Explains the alternatives.</li><li>• Benefit issue.</li><li>• Cost of living adjustments with maximum 2% cost of living increase.</li><li>• Explains disability benefits which are less costly.</li><li>• Legislators not being part of PERS.</li><li>• Option for new hires to choose defined contribution or hybrid.</li></ul>
090	Chair Corcoran	Notes this is a compromise where not everyone agrees with it, but it is fair. Claims false option to go back to tier 2 with cost drivers as opposed to going with the hybrid plan.
100	Sen. Minnis	Comments he supports the motion to move. Disagrees with Chair Corcoran whether it's defined contribution or defined

		benefit. Feel it is unfortunate not holding on longer to find common ground. Believes Representative Knopp's issues are valid and merit some discussion.
110	Sen. Minnis	<b>MOTION: Moves HB 2020 A to the floor with a DO PASS AS AMENDED recommendation.</b>
120	Sen. Starr	Claims to oppose the motion. Supports 401 K style defined contribution successor plan. Appreciates the work that Chair Corcoran has put into the bill and everyone who worked on it. Notes being financially better off as a state with 2020 rather than tier 2. Adds a defined contribution with some minor tweaks would have still been better.
145	Sen. Walker	Expresses frustration with paragraph three in Representative Knopp's letter. Quotes sections of the letter. Feels it is not just a Senate Democrat plan being there has been input from both sides with Representative Knopp involved in discussions early on. Expresses concern this has become a partisan issue when it is not. Expresses interest in tier 2 plan. Claims it is clear money has been saved under the 2020 plan. Asks if the House Republicans have been involved in negotiations in the Senate.
165	Chair Corcoran	Responds they have not been directly involved and the process has been ran transparently. Claims a process was used to get changes to the current plan, mortality tables and changes in PERS Board. The interested parties were there. Feels it is unfair to go back and re-negotiate Notes painful process getting to a certain spot where everyone had to give and did not get what they wanted completely. Adds there are parties on both sides who are off the plan so something must have been done right.
200	Sen. Walker	Agrees. Notes the plan started in the House and came to the Senate and the good work they started was finished. Claims issues that have been successfully addressed in Representative Knopp's letter.
210		<b>VOTE: 3-1</b> <b>AYE: 3 - Sen. Walker, Sen. Minnis, Chair Corcoran</b> <b>NAY: 1 - Sen. Starr</b>
	Chair Corcoran	<b>The motion Carries.</b> <b>SEN. MINNIS &amp; CHAIR CORCORAN will lead discussion on the floor.</b>
215	Chair Corcoran	Closes the work session on HB 2020 A and adjourns the meeting at 3:40 PM.

**The following prepared testimony submitted for the record without public testimony for HB 2020 A:**

- Margaret Hallock** Submits written testimony (EXHIBIT B)
- Mark Johnson** Submits written material (EXHIBIT C)
- Unknown** Submits written material (EXHIBIT D)

**EXHIBIT SUMMARY**

- A – HB 2020 A, -A20 amendments dated 6/26/03, staff, 98 pp**
- B – HB 2020 A, written testimony, Margaret Hallock, 3 pp**

**C – HB 2020 A, written material regarding cost rate, Mark Johnson, 1 p**

**D – HB 2020 A, written material regarding hybrid plan, unknown, 6 pp**