

SENATE COMMITTEE ON RULES

August 19, 2003
1:30 PM

Hearing Room B
Tapes 119-120

MEMBERS PRESENT: **Sen. Roger Beyer, Co-chair, Presiding**
 Sen. Kate Brown, Co-chair
 Sen. Jason Atkinson, Vice-chair
 Sen. Ginny Burdick, Vice-chair
 Sen. Tony Corcoran
 Sen. Bill Fisher

STAFF PRESENT: **Jim Stembridge, Committee Administrator**
 Romy Dye, Committee Assistant

MEASURES HEARD: **HB 2577 B – Public Hearing and Work Session**
 SB 943 – Public Hearing and Work Session
 HB 3638 – Public Hearing and Work Session
 SB 925 – Public Hearing and Work Session
 HB 3442 B – 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 119, A		
005	Co-chair Beyer	Calls the meeting to order at 1:40 PM. Opens a public hearing on HB 2577 B.
<u>HB 2577 B – PUBLIC HEARING</u>		
015	Rep. Laurie Monnes-Anderson	Oregon State Representative, District 50. Testifies in support of HB 2577 B. Refers to section 4 of the bill. Discusses need for solution to shortage of health care professionals in the state. Claims need to focus on efforts by Oregon Telecommunications Coordinating Counsel (OTCC) on health care distance learning and education. Notes the program takes no general fund money.
055	Sen. David Nelson	Oregon State Senator District 29. Testifies in support of HB 2577 B. Provides history of the bill. Discusses purpose of the bill. Refers to map submitted. Discusses parties involved in the process. Submits written material (EXHIBIT A).
085	Co-chair Beyer	Closes the public hearing on HB 2577 B and opens a work session on HB 2577 B.
<u>HB 2577 B – WORK SESSION</u>		
090	Sen. Atkinson	MOTION: Moves HB 2577 B to the floor with a DO PASS recommendation.
095		VOTE: 5-0-1
	Co-chair Beyer	EXCUSED: 1 - Sen. Burdick
		Hearing no objection, declares the motion CARRIED.
		SEN. NELSON will lead discussion on the floor.
095	Co-chair Beyer	Closes the work session on HB 2577 B and opens a public hearing on SB 943.
<u>SB 943 – PUBLIC HEARING</u>		
098	Jan McComb	Committee Administrator. Provides an overview of SB 943,

		which allows construction contractor to procure alternative form of security approved by Construction Contractors Board as substitute for public liability, personal injury and property damage insurance covering work of contractor. Presents -1 amendments from Sen. Schrader's dated 8/13/03 (EXHIBIT B) and -3 amendments from Scott Barrie dated 8/19/03 (EXHIBIT C).
113	Sen. Atkinson	Expresses appreciation to the committee for their work.
122	Scott Barrie	Oregon Building Industry Association (OBIA). Provides introduction of those testifying.
130	Jim Chapman	Legend Homes. Testifies in support of SB 943. Discusses the insurance crisis. Explains cost and premium increases with no coverage. Claims to propose a fix to allow to find other methods to protect self and public. Provides written material (EXHIBIT D).
170	Dan Leahy	Adair Homes Incorporated. Discusses impact of the insurance crisis on home building industry. Describes the nature of the home business. Explains costs. Points out the mission is providing affordable housing. Explains issue of limiting cost and seeing interest of the homebuyer creating value.
210	Dan Leahy	Discusses increase in insurance policy premiums and coverage. Explains insurance plans with Adair in nine years with the company. Describes claims. Relays comments from Craig Smith of Construction Contractors Board. States the purpose of SB 943.
245	Scott Barrie	Points out SB 943 is seen as a positive solution to the insurance crises. Discusses positive aspects of the bill.
255	Sen. Corcoran	Asks what the nature of the two claims mentioned was.
260	Leahy	Discusses Adair's contract. Explains the most recent claim.
285	Sen. Corcoran	Asks what the timeframe was for the 3,500 homes.
288	Leahy	Asks if referring to Oregon.
289	Sen. Corcoran	Responds where the 3,500 homes were.
292	Leahy	Claims that was his experience over the last nine years with Adair.
296	Sen. Corcoran	Asks if there is a mandatory dispute resolution process in place.
297	Leahy	Responds yes.
300	Sen. Corcoran	Points out there have been two court rulings. Asks how many mandatory dispute resolutions there have been.
302	Leahy	Responds approximately fifteen in the ten years spent with the company.
305	Sen. Brown	Asks for the -1 amendments to be addressed.
306	Barrie	Discusses the -1 amendments.
321	Sen. Brown	Asks if there are objections to part of the amendments.
323	Barrie	Responds not on the second part but on the first part there are serious concerns.
325	Sen. Atkinson	Asks for an explanation of difficulties some of the smaller builders are having.
330	Barrie	Responds. Discusses John Carroll's five companies he is unable to get insurance quotes for that he is moving to California.
340	Sen. Fisher	Points out there is a -3 amendment. Asks what the objection on the first part is.
350	Barrie	Discusses concern with the -1 amendment.
365	Co-chair Beyer	States HB 3264 needs a conflict amendment and will not be heard until tomorrow.
380	Jessica Harris-	Testifies in opposition of SB 943 on behalf of the Association of

	Adamson	General Contractors. Notes needing to acquire enough insurance to get a license and points out increasing amount of litigation and unknown stock market. Expresses concerns with difficulty for small contractors to self-insure and performance bonding only insuring short-term protection. Supports finding a solution.
417	Sen. Atkinson	Clarifies -3 amendments are limited to residential.
419	Harris-Adamson	Responds yes.
TAPE 120, A		
005	Steve Kafoury	Representing Oregon Remodeler's Association. Testifies in support of SB 943. Points out it will not help in the long term and most people will not benefit.
022	Co-chair Beyer	Closes the public hearing on SB 943 and opens a work session on SB 943.

The following prepared testimony is submitted for the record without public testimony for SB 943:

	Dana Baugher	Submits written testimony (EXHIBIT E)
<u>SB 943 – WORK SESSION</u>		
028	Sen. Atkinson	MOTION: Moves to ADOPT SB 943-3 amendments dated
033		VOTE: 6-0
	Co-chair Beyer	Hearing no objection, declares the motion CARRIED.
035	Sen. Atkinson	MOTION: Moves SB 943 to the floor with a DO PASS AS
		AMENDED recommendation.
036		VOTE: 6-0
	Co-chair Beyer	Hearing no objection, declares the motion CARRIED.
		SEN. ATKINSON will lead discussion on the floor.
038	Co-chair Beyer	Closes the work session on SB 943 and opens a public hearing on HB 3638.

HB 3638 A – PUBLIC HEARING

040	Marjorie Taylor	Committee Administrator. Provides an overview of HB 3638 A, which specifies that requirement that counties provide specified mental health, developmental disabilities and drug and alcohol services applies subject to availability of funds.
045	Bob Cantine	Association of Oregon Counties. Testifies in support of HB 3638 A. Discusses the process. Discusses current difficulty of expectations for service and county not having resources to deliver. Submits written testimony (EXHIBIT F).
057	Co-chair Beyer	Asks if any known opposition to the bill.
060	Cantine	Responds does not believe so.
067	Teresa Teeter	Client of Clackamas County Mental Health. Testifies in support of HB 3638 A.
		Asks about line 23.
082	Beyer	Responds that is current law.
	Teeter	Clarifies that affects the Oregon Health Plan (OHP). Asks when the OHP pays for funding for medicine then the public has a right to know what they are paying for.
090	Sen. Corcoran	Asks for Ms. Teeter's concerns to be addressed.
092	Teeter	States needing an answer to the question.
	Corcoran	Responds right.
	Teeter	Discusses illegal bipolar neurontin medication. Refers to lines 20 & 25. Explains involvement with lawsuit against Visor. States good idea for legislature to consider filing a lawsuit to get money back. Describes personal mental state. Urges passage of the bill.
130	Co-chair Beyer	Closes the public hearing on HB 3638 A and opens a work session on HB 3638 A.

HB 3638 A – WORK SESSION

135 Sen. Brown

MOTION: Moves HB 3638 A to the floor with a DO PASS recommendation.

145 Sen. Corcoran

Assumes problem to be resolved is cuts made in six special sessions so not a liability for the counties. Asks where liability exists. Supports the bill but expresses concern with handling services and what kind of leeway given to counties in providing services.

150

Co-chair Beyer

VOTE: 6-0

Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.

162 Co-chair Beyer

Closes the work session on HB 3638 A and opens a public hearing on SB 925.

SB 925 – PUBLIC HEARING

166 Marjorie Taylor

Committee Administrator. Provides an overview of SB 925, which directs Director of Human Services and local mental health authorities to develop formula for distribution of moneys to counties for purpose of providing mental health services. Presents -2 amendments proposed by Dennis Mulvihill dated 8/15/03 (**EXHIBIT G**).

172 Dennis Mulvihill

Washington County. Testifies in support of SB 925. Discusses three key points of the -2 amendments. Provides understanding of the purpose of the bill. Discusses timelines.

220 Scott Johnson

Testifies on behalf of the Deschutes County Commissioners, local Mental Health Advisory Board and Commission on Children and Families in support of the bill. Urges passage of the bill due to needing new method for allocating state mental health dollars. Discusses four key points in urging passage of the bill:

- State funding
- Inequities around Oregon
- Difficulty with Oregon taxpayers
- Statute needed

275 Mitch Anderson

Claims have not seen -2 amendments. Submits written testimony for Gary Smith (**EXHIBIT H**) Deputy Administrator, Benton County Health Department & President of Associated Mental Health Programs. Testifies in support of SB 925 with -2 amendments. Notes the need for a solution and consensus in terms of working with Department of Human Services and counties.

305 Angela Kimball

National Alliance for Mentally Ill of Oregon. Represents those suffering from mental illness. Believes funding should follow the client. Recognizes need for funding to allow capacity to serve. Expresses concerns:

- Predetermined base amount could be a problem when resources limited
- Disparity and distribution not addressed
- Distribution of funds for specific projects for specific needs

350 Sen. Burdick

Feels amendments address most of the concerns. Refers to the Washington County chart. Expresses confusion

		with disparity and funding shown on a per capita basis. Mentions not being able to determine where the people are. Asks what would make more sense than a per capita system for evaluating how the funds are being allocated.
372	Anderson	Responds the intent was to address that issue in the past. Explains the goal over the past year was to compose several different formulas to get an accurate picture of where the mentally ill were within the state.
390	Sen. Burdick	Asks if confident with -2 amendments allowing flexibility to come up with a rational formula.
395	Anderson	Responds the -2 amendments allow flexibility to go that direction. Adds it is a difficult issue to resolve.
TAPE 119, B		
010	Donna Tewksbury	Director, Columbia Community Mental Health. Explains own county affected with minimal dollars to zero dollars to provide services. Expresses need for equitable distribution of mental health money to serve people in need. Discusses waiting list for those needing to be served. Submits written testimony for others sharing concerns (EXHIBITS I-M) .
032	Tony Hyde	Commissioner, Columbia County. Testifies in support of SB 925. States the system needs readjustment which the bill allows. Stresses the importance of the bill.
052	Rob Rockstroh	Director, Lane County Health and Human Services. States does not like the bill a lot but can live with it if amended enough. Points out wanting to make it work for everyone. Expresses concern with particular language in the bill. Feels need time to do a process to look at system differently. States interest in having consumer and advocate groups. States need for a better broader formula that is data driven. Submits written testimony (EXHIBIT N) .
110	Martha Schrader	Clackamas County Commissioner. Testifies in opposition of SB 925. Expresses concerns with the bill of which many have already been discussed in July. Submits written testimony (EXHIBIT O) .
165	Melinda Mowery	Director of Mental Health Services, Clackamas County. Testifies in opposition of SB 925. Expresses concerns: <ul style="list-style-type: none"> ● Lack of clarity about the funds ● Returning here in two years with no legislative review and making the gains hoped for in the process ● Discussing existing funds instead of new funds <p>Feels SB 925 does not address the issue it should. States there is a crisis in funding and need to look closer at various needs. Offers an alternative to work with various groups looking towards looking at funding and policy decisions with goal to return in 2005 with a new strategy. Submits written testimony (EXHIBIT P).</p>
235	Sen. Corcoran	Believes nothing in the bill would prohibit broadening. Agrees to broadening the base to include client groups. Understands more time has been allowed for development and there is a requirement to report to the legislature. Discusses consensus versus majority rule. States a mechanism should be arranged for minority reports. Understands concerns but with -2 amendments

275 Mowery there is no reason why you could not express your opinion even if consensus was not reached. Urges bringing the bill forward. Agrees. Expresses concerns with cost, time and energy looking at it in the same perspective as before and bias of a county by county system. Feels the system needs to be re-designed. Notes the bill only looks at one piece with inherent bias.

306 Co-chair Beyer Closes the public hearing on SB 925 and opens a work session on SB 925.

The following prepared testimony is submitted for the record without public testimony for SB 925:

Rod Branyan

Submits written testimony (**EXHIBIT Q**)

SB 925 – WORK SESSION

310 Sen. Atkinson **MOTION: Moves to ADOPT SB 925-2 amendments dated 8/15/03.**

315 **VOTE: 5-0-1**

Co-chair Beyer **EXCUSED: 1 – Sen. Burdick**

320 Sen. Atkinson **Hearing no objection, declares the motion CARRIED.**

MOTION: Moves SB 925 to the floor with a do pass recommendation asking the President to remove the subsequent referral to Ways and Means.

325 **VOTE: 5-1**

AYE: 5 - Co-chair Beyer, Sen. Atkinson, Sen. Corcoran. Sen. Burdick, Sen. Fisher

Co-chair Beyer **NAY: 1 – Sen. Brown**

The motion Carries.

330 Co-chair Beyer **CO-CHAIR BEYER will lead discussion on the floor.**

Closes the work session on SB 925 and opens a work session on HB 3442 B.

HB 3442 B – WORK SESSION

335 Jim Stembridge Committee Administrator. Provides an overview of HB 3442 B, which creates Oregon Wine Board as a semi-independent state agency. Presents –B6 amendments dated 8/14/03 (**EXHIBIT R**).

340 Sen. Atkinson **MOTION: Moves to adopt HB 3442 B-B6 amendments dated 8/14/03.**

345 **VOTE: 5-0-1**

Co-chair Beyer **EXCUSED: 1 – Sen. Brown**

350 Sen. Atkinson **Hearing no objection, declares the motion CARRIED.**

MOTION: Moves HB 3442 B to the floor with a DO PASS AS AMENDED recommendation.

355 **VOTE: 5-0-1**

Co-chair Beyer **EXCUSED: 1 – Sen. Brown**

Hearing no objection, declares the motion CARRIED.

SEN. ATKINSON will lead discussion on the floor.

360 Co-chair Beyer Closes the work session on HB 3442 B. States HB 2825 A will not be heard today. Adjourns the committee at 3:00 PM.

EXHIBIT SUMMARY

- A – HB 2577 B, written material, Sen. David Nelson, 3 pp**
- B – SB 943, -1 amendments dated 8/13/03, staff, 5 pp**
- C – SB 943, -3 amendments dated 8/19/03, staff, 2 pp**
- D – SB 943, written material, Jim Chapman, 2 pp**
- E – SB 943, written testimony, Dana Baugher, 1 p**

F – HB 3638 A, written testimony and letters, Bob Cantine, 4 pp
G – SB 925, -2 amendments dated 8/15/03, staff, 2 pp
H – SB 925, written testimony submitted by Scott Johnson for Gary Smith, 5 pp
I – SB 925, written testimony submitted by Donna Tewksbury for Anthony Hyde, 1 p
J – SB 925, written testimony submitted by Donna Tewksbury for Stan Mendenhall, 1 p
K – SB 925, written testimony submitted by Donna Tewksbury for Chris Iverson, 1 p
L – SB 925, written testimony submitted by Donna Tewksbury, Cheryl Fautz, 1 p
M – SB 925, written testimony submitted by Donna Tewksbury, Donna Stetzel, 1 p
N – SB 925, written testimony, Rob Rockstroh, 1 p
O – SB 925, written testimony, Martha Schrader, 2 pp
P – SB 925, written testimony, Melinda Mowery, 3 pp
Q – SB 925, written testimony, Rod Branyan, 3 pp
R – HB 3442 B, -B6 amendments dated 8/14/03, staff, 3 pp