

SENATE SPECIAL SESSION COMMITTEE ON REVENUE

June 17, 2002 Hearing Room A
10:00 am Tapes 10 - 11

MEMBERS PRESENT: **Sen. Ted Ferrioli, Chair**
 Sen. Joan Dukes
 Sen. Bill Fisher
 Sen. John Minnis
 Sen. Cliff Trow

STAFF PRESENT: **Paul Warner, Administrator**
 Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:
 HB 4050 Public Hearing
 HB 4052A Public Hearing
 HB 4056 Public Hearing
 HB 4059 Public Hearing
 SB 1021 Public Hearing

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.

TAPE/#	Speaker	Comments
TAPE 10, A		
004	Chair Ferrioli	Convenes meeting at 1:55 p.m.
010	Paul Warner	Discusses Division of State Lands (DSL) legislative concept in regard to distribution of their earnings. Discusses size and number of firms in the state. Refers to tables. (EXHIBIT A)
038	Chair Ferrioli	Explains tap tap hearings on HB 4059, HB 4056, HB 4052, and HB 4050A. Announces Powerpoint presentation on PERS Benefits by Dick Yates, Legislative Fiscal Office (LFO). Opens public hearing on SB 1021.
SB 1021 PUBLIC HEARING		
010	Dick Yates	LFO. Gives powerpoint presentation on PERS Benefits Simplified. Discusses how changes in mortality tables have effect on benefits to retirees. (EXHIBIT B)
100	Yates	Explains reduction of 10 percent in benefits. Explains how different actions on the bill will affect beneficiaries.
124	Sen. Trow	Asks about the multi segment approach.
125	Yates	Answers, no, that is the approach in HB 4057.
127	Chair Ferrioli	Asks about Wear Away. Does it refer to diminishment of benefits?
139	Yates	PERS named Wear Away. Explains the growth in benefits occurring each year under each system. No action system produces negative results at first. Explains benefits with new mortality rates. Looks at benefits with floor. No change in benefits first two biennia. Refers to the 5-Year Wear Away approach. That needs a rule for adding losses.
190	Yates	Continues explaining the results of different actions on SB 1021.
229	Yates	Explains the segmented approach in HB 4057. Explains savings to the state.

280	Chair Ferrioli	Asks for questions. Welcomes Sen. Morrisette. Reiterates the savings for employers and the range of savings in the three approaches.
310	Sen. Morrisette	Asks if the 10 percent reduction in loss is. Relates a concern in the graduated part.
312	Yates	Explains what happens to member balances. Explains his assumptions in the example he gave earlier of growth of 8 percent a year. Variables would be more complicated. Explains changes in mortality tables effects. Explains the 10 percent reduction.
350	Chair Ferrioli	Says he has not heard from the employee representatives on the bill. Closes public hearing on SB 1021. Opens public hearing on HB 4059, HB 4051, HB 4052, and HB 4056.

HB 4059 PUBLIC HEARING

374	Warner	Explains briefly HB 4059.
399	Chair Ferrioli	These are companion bills to HJR 80?
400	Warner	And HB 4051.
405	Sen. Trow	Asks what they put on the ballot to vote on.
406	Warner	The two issues to vote on are the HJR 80, the stability fund measure, and an increase on the cigarette tax to \$1.43 per pack.
404	Chair Ferrioli	Questions. Closes public hearing on HB 4059. Opens public hearing on HB 4056.

HB 4056 PUBLIC HEARING

420	Warner	Explains briefly HB 4056.
436	Chair Ferrioli	Questions?
438	Sen. Trow	Asks if this would go into effect if the measure fails. Then you have the automatic backup financing with bonding?
439	Warner	Correct. Financing is revenue bonds backed by the master settlement agreement. The model this is based on is SB 832.
414	Chair Ferrioli	Questions? Closes HB 4056. Opens public hearing on HB 4052A.

HB 4052A PUBLIC HEARING

456	Warner	Explains briefly HB 4052A.
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TAPE 11A

022	Chair Ferrioli	Questions? Any testimony? Closes public hearing. Opens public hearing HB 4050.
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HB 4050 PUBLIC HEARING

	Chair	Questions? Testimony? Closes public hearing. Awaiting amendments on HJR 80. At 2:30 p.m., recesses until 4:00 p.m.
050	Chair Ferrioli	Reconvenes at 4:15 p.m. SJR 80 amendments are being distributed to Revenue and Fiscal. Adjourns meeting at 4:17 p.m.

Submitted By,

Reviewed By,

Nancy Masee
Administrative Support

Paul Warner
Administrator

EXHIBIT SUMMARY

A - DSL concept and tables, staff, 5 pp

B – PERS Benefits Simplified, 9 pp