

# SENATE SPECIAL SESSION COMMITTEE ON REVENUE

June 29, 2002 Hearing Room A  
2:45 p.m. Tape 21

**MEMBERS PRESENT:**        **Sen. Ted Ferrioli, Chair**  
                                      **Sen. Joan Dukes**  
                                      **Sen. Tom Hartung**  
                                      **Sen. Cliff Trow**

**MEMBER EXCUSED:**        **Sen. Bill Fisher**

**STAFF PRESENT:**         **Dallas Weyand, Legislative Fiscal Analyst**  
                                      **Patsy Wood, Administrative Support**

**MEASURE/ISSUES HEARD:**        **SB 1027 Public Hearing and Work Session**  
  **HB 4062A Public Hearing and Work Session**

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 21, A</b>		
004	Chair Ferrioli	Calls the meeting to order at 2:50 p.m. and opens a public hearing on SB 1027 which provides that Public Employees Retirement Board must establish separate account within Public Employees Retirement Fund for each lump sum payment made against accrued unfunded liabilities attributable to employees of certain public employers.
<b><u>SB 1027 PUBLIC HEARING</u></b>		
018	Dallas Weyand	Legislative Fiscal Analyst. Introduces the -4 and -5 amendments to SB 1027 ( <b>EXHIBITS A &amp; B</b> ).
037	Chair Ferrioli	Asks for clarification that this is a full-disclosure, truth-in-accounting, and basic chart-of-accounts segregation type of bill.
039	Weyand	Responds affirmatively.
040	Chair Ferrioli	Asks who brought forward this legislation.
047	Ken Armstrong	Seattle NW Securities. Replies that Seattle NW Securities and the Oregon School Boards Association brought forward this request.
050	Chair Ferrioli	Asks if it is their desire that these accounts be tracked, segregated and disclosed separately.
052	Armstrong	Says, yes, as a result of SB 134 (2001) and SB 1004 (first special session) which insures that when lump sum payments are made, the interest earned (or the losses) would be attributed to those specific accounts and not to the system as a whole. Notes that this is a collaborative effort with PERS, employers and employee community. Supports the -5 amendments.
064	Weyand	Describes the -4 amendments and -5 amendments in detail.
092	Sen. Trow	Asks if these amendments contradict each other.
093	Weyand	Replies, no.

098	Chair Ferrioli	Refers to documents that he asked to be produced ( <b>EXHIBITS C &amp; D</b> ) showing potential savings in a buyout plan if people are not currently employed in a PERS membership organization. Wonders if it is imperative for PERS to maintain an account for five years after separation of an employee, if the person is non-vested.
161 166	Chair Ferrioli Sen. Trow	Closes the public hearing on SB 1027 and opens a work session. <b>MOTION: Moves to ADOPT SB 1027-4 amendments dated 06/20/02.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Fisher</b>
169	Chair Ferrioli	<b>Hearing no objection, declares the motion CARRIED.</b>
170	Sen. Trow	<b>MOTION: Moves to ADOPT SB 1027-5 amendments dated 06/24/02.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Fisher</b>
173	Chair Ferrioli	<b>Hearing no objection, declares the motion CARRIED.</b>
174	Sen. Trow	<b>MOTION: Moves SB 1027 to the floor with a DO PASS AS AMENDED recommendation.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Fisher</b>
178	Chair Ferrioli	<b>Hearing no objection, declares the motion CARRIED.</b> <b>SEN. DUKES will lead discussion on the floor.</b>
187	Chair Ferrioli	Closes the work session on SB 1027 and opens a public hearing on HB 4062A.
<b><u>HB 4062A PUBLIC HEARING</u></b>		
191	Dallas Weyand	Legislative Fiscal Analyst. Explains HB 4062A relating to judicial review of certain rules of the Public Employees Retirement Board.
222	Sen. Trow	Asks for the origin of bill.
225	Chair Ferrioli	Indicates he is not sure who brought forward the bill, but earlier PERS hearings indicated it would be in everyone's best interest to expedite judicial review of litigation to get answers quicker. Asks if this action would prejudice action pending before any court. Feels PERS will take actuarial review of its own accord.
267	Sen. Trow	Asks if there is opposition to this legislation.
268	Chair Ferrioli	Indicates that no one signed up to testify in opposition.
273	Chair Ferrioli	Closes the public hearing on HB 4062A and opens a work session.
276	Sen. Trow	<b>MOTION: Moves HB 4062A to the floor with a PASSAGE OF THE A-ENGROSSED MEASURE recommendation.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Fisher</b>
280	Chair Ferrioli	<b>Hearing no objection, declares the motion CARRIED.</b> <b>SEN. DUKES will lead discussion on the floor.</b>
286	Chair Ferrioli	Closes the work session on HB 4062A.
289	Chair Ferrioli	Recesses the committee to the call of the chair at 3:07 p.m.

Submitted By,

Reviewed By,

Patsy Wood,  
Administrative Support

Kim Taylor James,  
Office Manager

**EXHIBIT SUMMARY**

**A – SB 1027 –4 amendments, dated 6/20/02, submitted by staff, 1 pg.**

**B – SB 1027 –5 amendments, dated 6/24/02, submitted by staff, 1 pg.**

**C – SB 1027, Inactive PERS Member Chart, dated 6/04/02, submitted by Sen. Ferrioli, 1 pg.**

**D – SB 1027, Enhanced Lump Sum PERS Payment Memo, dated June 17, 2002, submitted by Sen. Ferrioli, 3 pgs.**