

HOUSE COMMITTEE ON GOVERNMENT EFFICIENCY

February 20, 2001
8:30 AM

Hearing Room D
Tape 20

MEMBERS PRESENT: **Rep. Jerry Krummel, Chair**
 Rep. Chris Beck, Vice-Chair
 Rep. Patti Smith, Vice-Chair
 Rep. Alan Brown
 Rep. Bill Garrard
 Rep. Jim Hill
 Rep. Jeff Kruse
 Rep. Steve March
 Rep. Carolyn Tomei
 Rep. Kelley Wirth

MEMBER EXCUSED: **Rep. Deborah Kafoury**

STAFF PRESENT: **Matt Wingard, Committee Administrator**
 Patrick Brennan, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2545 Public Hearing and Work Session**
 HB 2117 Work Session
 Introduction of Committee Measures

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 19, A		
004	Chair Krummel	Calls the meeting to order at 8:37 a.m. Indicates that HB 2546 will not be heard at this time and will be rescheduled. Opens a public hearing on HB 2545.
<u>HB 2545 PUBLIC HEARING</u>		
011	Rep. Tom Butler	House District 60. Testifies in support of HB 2545. Indicates that HB 2545 is similar to a bill introduced by State Treasurer Randall Edwards, HB 2114 (EXHIBIT A). Discusses the need for savings programs. States that Oregonians have a history of low personal savings and high personal debt. Adds that fewer employers than in other states provide pensions to their employees. Clarifies that HB 2545 will not require General Fund dollars. Suggests that private financial institutions could be involved in educating Oregonians about personal savings.
050	Randall Edwards	Oregon State Treasurer. Testifies in support of HB 2545 (EXHIBIT B). States that the Treasurer's Office is well suited to carrying out the task of educating Oregonians on the benefits of retirement savings. Emphasizes the critical need to counteract the lack of savings among the aging state population. References a report produced by the Treasurer's Office five years ago that called attention to the need for savings education. Details the ways that the state could encourage retirement savings and planning.
092	Edwards	Explains that the Treasurer's Office currently has no way to fund the program, as it typically operates on a fee-for-service basis.

		Willing to work on finding a way to pay for it. Reiterates that the point is to help Oregonians save for retirement.
104	Rep. Tomei	Assumes that the measure would not require schools to provide classes on savings programs, but that it would allow and encourage it.
107	Rep. Butler	Concurs. Suggests that schools may want to invite experts to speak to students regarding the creation of savings accounts.
118	Chair Krummel	Mentions that the Legislative Fiscal Office (LFO) has issued a fiscal analysis of the measure (EXHIBIT C).
135	Edwards	Indicates that Treasurer Jim Hill had sought to implement the program without using General Fund dollars, but that Emergency Board funds were needed to get the program off the ground. Explains that the Treasurer's Office typically works on a fee-for-service basis, but that in this case it is unclear who should pay for the program. States that there are currently no funds assigned to the project and that grants or other funding mechanisms will need to be tapped.
160	Rep. Butler	Points out that the LFO analysis shows that only Other-Fund dollars will be used. Asserts that all Oregonians will be the long-term beneficiaries of savings education.
167	Rep. Garrard	Ponders whether the state should involve itself in promoting long-term savings.
171	Rep. Butler	Replies that it should. Argues that lack of knowledge about how to save for retirement will become increasingly problematic as Oregon's population continues to age. Predicts that without savings education there will be increasing numbers of elderly Oregonians relying upon welfare assistance programs in the future.
190	Rep. Hill	Inquires whether the proponents have approached private banks and other financial institutions regarding possible participation or provision of funding for the program.
197	Edwards	Responds that the Oregon Bankers Association has performed savings education in the past, albeit on a small scale. Underscores the point that the Treasurer's Office is the best entity around which to organize a savings education program, as it serves as a bridge between government and the financial community.
231	Chair Krummel	Asks if there have been any requests for amendments to the bill. Expresses concern about LFOs inability to find a funding source. Wonders whether the Treasurer's Office will be able to fit the program into its existing budget.
247	Rep. Hill	Suggests that the measure should be sent to the Committee on Ways and Means.
251	Matt Wingard	Committee Administrator. Indicates that the measure has a subsequent referral to the Committee on Ways and Means.
254	Rep. Butler	States that the Ways and Means committee will help address the funding issue. Says that the Treasurer's Office will be able to bring banks and other financial institutions into the process, which should help lessen the fiscal impact. Reiterates that it was his intention to bring HB 2545 forward as a funding-neutral bill.
275	Chair Krummel	Closes the public hearing and opens a work session on HB 2545.

HB 2545 WORK SESSION

280 Rep. Hill

MOTION: Moves HB 2545 to the floor with a DO PASS recommendation and BE REFERRED to the

committee on Ways and Means by prior reference.

- 294 Rep. Beck Asks whether Treasurer Edwards and Rep. Butler would prefer that HB 2114 be amended into HB 2545.
- 300 Edwards Indicates that he supports HB 2545 and that there is no need to combine the two.
- 310 Rep. Garrard Asserts that \$125,000 is a steep price to pay for a service that is already available in the private sector.
- 316 Chair Krummel Suggests that social studies teachers would benefit from having members of the financial community available to present information to their classes regarding the importance of personal savings.
- 330 **VOTE: 9-1-1**
AYE: 9 - Beck, Brown, Hill, Kruse, March, Smith P, Tomei, Wirth, Krummel
NAY: 1 - Garrard
EXCUSED: 1 - Kafoury
The motion CARRIES.
- 340 Chair Krummel Closes the work session on HB 2545 and opens a work session on HB 2117.

HB 2117 WORK SESSION

- 344 Matt Wingard Committee Administrator. Gives a brief description of the bill. Indicates that the –1 amendments (**EXHIBIT C**) have been submitted for the committee’s consideration. Says the amendments allow the Governor to appoint any member of the PERS Board to serve on the Oregon Investment Council (OIC).
- 356 Rep. Hill **MOTION: Moves to ADOPT HB 2117 amendments dated 2/19/01.**
- 360 **VOTE: 10-0-1**
EXCUSED: 1 - Kafoury
Hearing no objection, declares the motion CARRIED.
- 365 Rep. Hill **MOTION: Moves HB 2117 to the floor with a DO PASS AS AMENDED recommendation.**
- 371 **VOTE: 8-2-1**
AYE: 8 - Beck, Brown, Hill, March, Smith P, Tomei, Wirth, Krummel
NAY: 2 - Garrard, Kruse
EXCUSED: 1 - Kafoury
The motion CARRIES.
- 386 Chair Krummel **REP. MARCH will lead discussion on the floor.**
Closes the work session on HB 2117 and opens a work session for the possible introduction of committee measures.

INTRODUCTION OF COMMITTEE MEASURES

- 398 Chair Krummel Indicates that staff has provided copies of LC 2262 (**EXHIBIT E**) for the committee’s consideration. Provides a brief description of the proposed measure. Requests that the committee adopt the draft as a committee bill.
- 408 Rep. Hill **MOTION: Moves LC 2262 BE INTRODUCED as a committee bill.**
- 414 **VOTE: 10-0-1**
EXCUSED: 1 - Kafoury
Hearing no objection, declares the motion CARRIED.

420

Chair Krummel

Adjourns the meeting at 9:05 a.m.

Submitted By,

Reviewed By,

Patrick Brennan,
Committee Assistant

Matt Wingard,
Committee Administrator

EXHIBIT SUMMARY

A – HB 2545, copy of HB 2114, Rep. Tom Butler, 3 pp.

B – HB 2545, testimony, Randall Edwards, 2 pp.

C – HB 2545, fiscal analysis, staff, 1 p.

D – HB 2117, -1 amendments, staff, 1 p.

E – LC 2262, staff, 2 pp.