

HOUSE COMMITTEE ON RULES, REDISTRICTING, AND PUBLIC AFFAIRS

June 11, 2001
8:30 AM

Hearing Room D
Tapes 136, 137, 138, 139

MEMBERS PRESENT: Rep. Carl Wilson, Chair
Rep. Richard Devlin, Vice-Chair
Rep. Dan Doyle, Vice-Chair
Rep. Dan Gardner
Rep. Bill Garrard
Rep. Steve March
Rep. Bruce Starr
Rep. Joanne Verger
Rep. Cheryl Walker

STAFF PRESENT: Cara Filsinger, Committee Administrator
Jim Stembridge, Committee Administrator
Megan Palau, Committee Administrator
Sandy Thiele-Cirka, Committee Administrator
Pamela Johansen, Committee Assistant

MEASURE/ISSUES HEARD: HB 3993 Public Hearing
HB 3406 Work Session
HB 3734 Work Session
SB 416 Work Session
SB 872 Work Session
SB 107A Work Session
SB 334 Public Hearing
SB 365A 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 136, A		
002	Chair Wilson	Calls the meeting to order at 8:40 a.m. and opens a public hearing on HB 3993.
<u>HB 3993 PUBLIC HEARING</u>		
006	Jim Stembridge	Committee Administrator. Gives an overview of the bill.
017	J.L. Wilson	State Director, National Federation of Independent Business /Oregon (NFIB). Testifies in support of the bill. Submits and refers to written testimony (EXHIBIT A). Comments this bill ensures access to an affordable benefit package for coverage of basic health care needs. Premiums are limited to not more than 8% of the state's annual average wage.
094	Rep. March	Asks to expound on the phrase essential health coverage.
102	J Wilson	Responds that there may be levels of essential coverage not in this bill but somewhere a line must be drawn and this is a fundamental sound first step in addressing an overwhelming

		problem of being uninsured.
110	Rep. March	Asks if genetic testing could be used to deny health coverage under this plan.
113	J Wilson	Comments he is unaware of any concern with that issue.
115	Rep. Gardner	Asks if mental health would be covered.
119	J.L. Wilson	States that would not be covered in this plan.
120	Rep. Gardner	Asks if this plan would cover contraceptives.
121	J Wilson	Responds he does not see contraceptives covered in the bill.
122	Rep. Verger	Comments that she is one of the sponsors of the bill. States that she has a small business and provides medical insurance that offers mental health, drug and alcohol coverage.
127	Trussel	Associated Oregon Industries (AOI). Testifies in support of the bill. Discusses a waiver system for wrap around coverage of dependent children who are not covered on the parents employer group plan. Comments in a recent survey done by the Oregon Health Policy and Research program show that those who responded have between 2 and 50 employees and indicated that cost was the primary concern for them to continue providing coverage for employees. Says this offers an alternative to a lower cost insurance package for people who have minimal coverage or no coverage for their dependents.
171	Rep. Garrard	Refers to the -2 amendments (EXHIBIT B). Asks what would the additional cost be to a small employer.
176	Trussle	Responds that AOI looked at what mental health parity would cost and estimate a 7% to 8% increase in their plan.
186	Mark Nelson	National Association of Clinical Social Workers. Testifies in opposition of the bill. Submits and refers to written testimony (EXHIBIT C) and (EXHIBIT D). Discusses the addition of mental health, alcohol and drug care to this bill. Says based upon an analysis using generally accepted actuarial practices, the total gross impact of the proposed Oregon mental health and substance abuse parity bill is equal to 3.0% of current employer claims or about \$3.18 per member per month. However, the employer will respond in various ways to partially offset any potential cost increases. Therefore, the expected net employer contributions for health costs will rise about 1.2% or \$1.27 per member per month. Assuming an average of 3 members per family would translates into an equivalent wage increase of \$0.22 per hour.
279	John McCully	Oregon Psychiatric Association. Testifies in opposition of the bill. Comments that mental health was not originally covered in the Oregon Health Plan but after a 2-year study showed that the body and mind cannot be separated and the Oregon Health Plan should cover mental health and chemical dependency. States in the absence of providing that type of coverage, the public sector will be picking up the majority of that cost.
319	Rep. Verger	Asks for clarification on small employers who would possibly drop their coverage for 6 months in order to take up this type of policy coverage.
327	Nelson	Responds that most coverage is inadequate. States in the absence of mental health, alcohol and drug treatment coverage that most individuals will increase the use of the physical health coverage.
346	Rep. Verger	Debates this issue of small businesses dropping coverage for any

366	McCulley	amount of time. Asks if diagnosed schizophrenics are covered through some type of government assistance program. Responds there are many who have the disorder and function normally but cannot be sure how many are covered by private or public insurance.
378	Rep. Verger	Asks who pays the doctor when someone is diagnosed with schizophrenia.
384	McCulley	Comments that in the absence of private coverage the public-sector will pay the majority of the cost for their treatment.
395	Rep. Garrard	Debates the comparison of physical problems and mental problems. States there has been many debates as to whether someone suffering from alcoholism is considered to have a physical problem or a mental problem. Says that until they can define these issues it will be difficult to discuss parity.
425	McCulley	Comments that schizophrenia cannot be compared to a broken leg but to diabetes or multiple sclerosis any long-term diagnosis. States that schizophrenia is a biological illness and in that context should be treated as any other long-term physical biological illness.
441	Rep. Garrard	Disagrees that all mental illness can be treated with medication and should be approached in a different mind frame such as long term and short term care.

TAPE 137, A

060	Lynn-Marie Crider	Research Director for Oregon AFL-CIO. Testifies in opposition of the bill. Submits and refers to written testimony (EXHIBIT E). Comments this problem will get worse and worse over time because the bill ties the premium for the basic benefit plan to the average annual wage at a time when health care costs are going up twice as fast as wages. This means that, by 2010, the premium specified in law for this coverage will buy less than half of what it does now.
101	Chair Wilson	Closes the public hearing on HB 3993 and opens a work session on HB 3406.

HB 3406 WORK SESSION

112	Cara Filsinger	Committee Administrator. Gives an overview of the bill. Discusses the -3 amendments (EXHIBIT F).
119	Rep. Bill Morrisette	House District 42. Discusses the -4 amendments (EXHIBIT G). Comments there is a zero fiscal impact on the budget with the -4 amendments.
154	Brian DeLashmutt	Federation of Oregon Parole and Probation Officers. Comments they are in support of the bill with the -3 amendments.
157	Dennis Mulvihill	Washington County and the Association of Oregon Counties. Supports the -3 amendments.
161	Chair Wilson	Asks for his opinion on the -4 amendments.
162	DeLashmutt	Comments that he is not familiar with the -4 amendments and can only speak to the -3 amendments at this time.
163	Mary Botkin	Representing AFSCME Council 75. Responds that she is in support of the -3 amendments. States she is unaware of the -4 amendments and cannot comment on them.
171	Rich Peppers	Representing SEIU Local 503, OPEU. Supports the -3 amendments. Comments he is not familiar with the -4 amendments.
176	Chair Wilson	States that he would like to have the committee review the -4 amendments and be prepared to discuss them at a future

188	Rep. Devlin	meeting.
197	Botkin	Speaks in support of the bill.
257	Rep. Verger	Explains what the –3 amendments will accomplish.
270	Botkin	Asks if the Police Officers Association is in support of this bill.
		Responds that all are in agreement on the bill with the –3 amendments.
274	Chair Wilson	Closes the public hearing on HB 3406 and opens a work session on HB 3734.
WORK SESSION – HB 3406		
275	Rep. Devlin	MOTION: Moves to ADOPT HB 3406-3 amendments dated 6/4/01.
		VOTE: 9-0
277	Chair Wilson	Hearing no objection, declares the motion CARRIED.
279	Rep. Devlin	MOTION: Moves HB 3406 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 9-0
299	Chair Wilson	Hearing no objection, declares the motion CARRIED.
305	Chair Wilson	Closes the work session on HB 3406 and opens a work session on HB 3734.
<u>HB 3734 WORK SESSION</u>		
306	Cara Filsinger	Committee Administrator. Gives an overview of the bill.
309	Rep. Al King	House District 44. Testifies in support of the bill. Submits and refers to written testimony (EXHIBIT H). Discusses the –5 amendments (EXHIBIT I).
TAPE 136, B		
023	Rep. Starr	Asks for clarification of the –5 amendments.
028	Rep. King	Comments the Task Force will be appointed with qualified people and they would determine the most appropriate issues and prioritize their time and resources.
042	Rep. Doyle	Discusses the seven areas that will be addressed by the Task Force. Express concern that the Task Force will not be able to study these issues in such a short time frame.
052	Rep. King	Responds these were included to illustrate feasible areas. States if the Task Force says they can look at the issue in superficially if the facts justify that time frame or in depth. Comments it would be their call.
064	Steve Telfer	Former Chairman of the Public Employees Retirement System (PERS) Board. Testifies in support of the bill. Refers to the 1994 PERS Task Force. Points out the importance of the Task Force membership to remain as broad and evenly distributed as possible as to balance fair and appropriate benefits, with the cost of those benefits.
094	Hasina Squires	Special Districts Association of Oregon. Testifies in support of the bill. States their intent is not to support a third tier or any of those types of issues but to bring about some continuity between the Legislature and PERS.
107	Chair Wilson	Discusses the issue of funding the Task Force.
110	Squires	Responds that she is unsure of the specific source and defers to a PERS representative for clarification.
116	Telfer	Comments there is value in having a General Fund appropriation to fund the administrative activities associated with a Task Force. States that PERS clearly has the expertise and the funds but needs to be a shared responsibility.

125	Chair Wilson	Discusses the complexity of this issue and comments that the system needs an objective analysis.
135	Bob Livingston	Oregon State Fire Fighters Council. Testifies in opposition of the bill. Expresses concern for the complexity of the issues to be undertaken by the Task Force and the time constraints.
153	Brian DeLashmutt	Oregon Nurses Association, Oregon Council of Police Associations, Association of Oregon Corrections Employees. Agrees that PERS is a very complex issue. Says we need to take a look at the information that is available and review what is not working and focus on only those issues.
205	Mary Botkin	AFSCME Council 75. Testifies in opposition of the bill. Comments there are some areas of PERS that could stand some review. States there is no need for another Task Force to study all the things that were already looked at in 1994 by that Task Force. Says if we are going to do studies on funding and investment policies then we need to be sure we have people who have experience with public sector investment policies, laws and statutes not with private sector statutes because they are very different.
281	Rich Peppers	SEIU Local 503, OPEU. Testifies in opposition of the bill. Points out that the PERS system is a complex issue but is one of the most closely scrutinized systems in the state. Comments he does not feel the answer can be found through this Task Force but by looking for common ground with legislators and interested parties.
308	Tricia Smith	Oregon School Employees Association. Testifies in opposition of the bill. Comments if there are areas that need to be reviewed then focus on those specifics and not the whole system. Discusses the investment options.
352	BethAnne Darby	Oregon Education Association. Testifies in opposition of the bill. Comments that the Task Force is not a useful method of solving some of the issues on the table. Expresses appreciation on the intent behind Rep. King's idea.
374	Steve Manton	City of Portland. Testifies in support of the bill. States this clarifies the issue for the legislature and what it does for employees and employers.
391	Joe Schweinhart	League of Oregon Cities. Testifies in support of the bill. Comments the interim is a perfect time to take a step back and look at making changes not for today but for the future.
405	Chair Wilson	Closes the work session on HB 3734 and opens a work session on SB 416.

TAPE 137, B

SB 416 WORK SESSION

022	Jim Stembridge	Committee Administrator. Gives an overview of the bill. Discusses the Public Employees Revolving Fund.
031	Myliia Wray	Administrator, Public Employees Benefit Board. Testifies in support of the bill. Explains the need for the second fund. Comments that it is a clarification of statutes.
062	Rep. Starr	MOTION: Moves SB 416 to the floor with a DO PASS recommendation and be placed on the CONSENT CALENDAR.
		VOTE: 9-0
072	Chair Wilson	Hearing no objection, declares the motion CARRIED.

074	Chair Wilson	Closes the work session on SB 416 and opens a work session on SB 872.
<u>SB 872 WORK SESSION</u>		
075	Megan Palau	Committee Administrator. Gives an overview of the bill.
083	Cindy Robert	Representing the Confederated Tribes of the Umatilla Indian Reservation. Explains the conservation easement process.
114	Rep. Starr	MOTION: Moves to ADOPT SB 872-1 amendments dated 6/7/01 (EXHIBIT J).
		VOTE: 9-0
117	Chair Wilson	Hearing no objection, declares the motion CARRIED.
119	Rep. Starr	MOTION: Moves SB 872 to the floor with a DO PASS AS AMENDED recommendation and be placed on the CONSENT CALENDAR.
		VOTE: 9-0
127	Chair Wilson	Hearing no objection, declares the motion CARRIED.
131	Chair Wilson	Closes the work session on SB 872 and opens a public hearing on SB 107A.
<u>SB 107A PUBLIC HEARING</u>		
134	Jim Stembridge	Committee Administrator. Gives an overview of the bill.
141	Sen. Bill Fisher	Senate District 23. Testifies in support of the bill. Explains the reasoning behind the bill.
195	Rep. Jeff Kruse	House District 45. Testifies in support of the bill.
209	Chair Wilson	Temporarily recesses the work session on SB 107A and opens a public hearing on SB 334.
<u>SB 334 PUBLIC HEARING</u>		
204	Rep. V. Walker	House District 41. Testifies in support of the bill. States this bill is widely supported by the industry. Submits and refers to written material (EXHIBIT K). Comments that consumers lose thousands of dollars each year by sellers of travel engaging in fraudulent business practices.
209	Chair Wilson	Temporarily recesses the public hearing on SB 334 and reopens the public hearing on SB 107A.
<u>SB 107A REOPENS PUBLIC HEARING</u>		
282	Al Elkins	Oregon Tow Truck Association. Submits and refers to written testimony (EXHIBIT L). Refers to page 2 of the handout and compares current practice to what SB 107A is trying to accomplish.
312	Rep. Devlin	Asks for clarification on the different types of circumstances this bill addresses.
338	Steven Preston	President of the Oregon Tow Truck Association and Owner, Sergeants Towing. Testifies in support of the bill. Explains the process for disposing of towed and abandoned vehicles.
312	Rep. Devlin	Asks if he can give a dollar estimate for unclaimed automobiles that are sold at auction.
318	Preston	Preston responds that to store vehicles for 30 days and filing a foreclosure lien on it will run approximately \$600.
352	Rep. March	Asks for clarification of actual costs.
366	Preston	Comments that the actual cost is \$107 dollars.
364	Elkins	Comments this law only applies to new incidents and not cases prior to it becoming law.
377	Preston	Comments this is a service provided to assist cities and counties in carrying out the law. States the \$100 fee was set up by and meant to help cities and counties recoup their expenses for

		administrative costs and he feels this is an unfair cost passed on to the towing companies.
401	Rep. C. Walker	Asks if they have contracts with any government entities where a contract fee is paid to remove an abandoned vehicle.
422	Preston	Responds that his company does have contracts with city agencies but does not receive a fee to remove the vehicles.
423	Elkins	Comments that he is unaware of any company statewide that is receiving a fee for removing a vehicle.
434	Rep. C. Walker	Asks if they ever receive compensation from any government agency for towing and storing of a vehicle.
437	Elkins	Responds that he is not aware of any county or city in the state that reimburses for towing and storage, with the exception of a police tow whereas the arresting agency or the impounding agency will pay for that impounded the towing and storage fee.
454	Preston	Comments the only time he is aware of a city or governmental agency reimbursing the towing and storage fees is when they take possession of the vehicle at their own seizure impound facility for evidence purposes and then they pass that fee along to the owner of the vehicle.
462	Rep. March	Asks what percentage of vehicles goes unclaimed.
471	Preston	Responds that in the Portland area it ranges between 40% and 60% for unclaimed vehicles.
TAPE 138, A		
044	Mark Landauer	Government Relations, City of Portland. Testifies in opposition of the bill. Submits and refers to written material (EXHIBIT M).
080	Rep. Devlin	Asks why was the \$15 dollar fee imposed.
083	Landauer	Says to his understanding this fee was to recover the cost of processing paperwork.
094	Rep. Devlin	Asks if the city must take any action to release the vehicle.
097	Landauer	Responds that a vehicle can be released if legal driving privileges can be validated, proof of financial responsibility, and the administrative fee is paid.
105	Rep. March	Asks if he is aware of any jurisdiction that has been sued by a private citizen of an impounded vehicle.
114	Landauer	Comments he is unaware of any litigation.
117	Rep. C. Walker	Asks what is the average release fee charge in the state.
121	Landauer	Responds that through testimony has learned that Roseburg charges a release fee of \$100 but not sure of what other jurisdictions charge.
129	Christy Munson	League of Oregon Cities. Testifies in opposition of the bill. Discusses the contracting of tow companies.
171	Landauer	Comments that he would like to acknowledge that the tow companies do provide a critical service to the community by taking abandoned vehicles off the streets of our neighborhoods that are unsightly. States they are performing an essential public service.
180	Rep. Starr	Asks for the bottom line loss to the city if this fee is eliminated.
183	Landauer	Comments he cannot quote a specific dollar amount since they have not been implementing this fee since 1998 but would happy to get that information to the committee.
196	Chair Wilson	Asks if there is any indication of when the Supreme Court will decide on this issue.
200	Landauer	Responds that he suspects they are awaiting the disposition of

216	Chair Wilson	this legislation before issuing a final decision. Closes the public hearing on SB 107A and reopens a public hearing on SB 334.
<u>SB 334 REOPENS PUBLIC HEARING</u>		
223	Jim Stembridge	Committee Administrator. Gives an overview of the bill.
240	Greg Malkasian	Acting Administrator, Division of Finance and Corporate Securities. Submits and refers to the written testimony (EXHIBIT N) . Testifies in support of the bill. States this bill removes the provision that required sellers of travel to pay for mediation up front, which effectively eliminated application by all associations. This bill removes that provision and merely requires participation in a program of mediation.
262	Monte Montgomery	President, American Society of Travel Agents of Oregon. Testifies in support of the bill.
309	Vice Chair Devlin	Closes the public hearing on SB 334 and opens a public hearing on SB 365A. Comments that SB 423 will not be heard today but rescheduled on a different date.
<u>SB 365A PUBLIC HEARING</u>		
330	Sandy Thiele-Cirka	Committee Administrator. Gives an overview of the bill.
334	Dianne Middle	Director, Oregon Department of Public Safety Standards and Training. Submits and refers to written material (EXHIBIT O) . Comments at present the Department of Administrative Services (DAS) is moving through the process to identify a site that will meet the short and long-term training needs of the agency and its constituents. If the need arises as this process moves forward, this bill will allow the agency to take title to real property. States the bill will also permit infrastructure improvements at a site to be financed with Certificates of Participation.
TAPE 139, A		
001	Rep. Verger	Asks why do they need permission from the legislature to buy property.
006	Middle	Comments that the Department of Public Safety and Training was a new state agency in 1997 and was not authorized to own property.
008	Dave White	Administrator, DAS, Facilities Division. Responds there are only about 18 agencies that can own real property. States DAS is the generalist which means they own a lot of general office and office for agencies, where the property is not the key element in their program. Comments when the program and the property are locked together then the legislature has previously given the authority to that agency. Cites Higher Education and the Correctional Institutions as examples.
021	Rep. Doyle	Asks if the language in the bill will allow property to be condemned.
027	White	Comments that the language in the bill does not allow it to be condemned.
032	Rep. Starr	Asks what areas are being considered for the facility.
034	Middle	Explains that they are focusing the efforts in the greater Willamette Valley area.
041	Rep. Starr	Questions if there have been any specific locations identified.
043	Middle	Responds there are four areas being looked at Sweet Home, Monmouth, Salem and Scapoose.
048	Rep. Starr	Questions if the public has been involved.

056	Middle	Comments that they have gone to the communities involved and held public meetings.
052	Rep. C. Walker	Asks if extending the training time for officers will require them to hire permanent trainers.
068	Middle	Responds that it will be necessary to have some full time trainers and this issue is being discussed with budget analysts.
078	Rep. March	Asks that if the community's economic status is included in the criteria.
081	Middle	Comments that they are looking at it from a number of different perspectives.
083	Rep. Garrard	States that Eastern Oregon should be considered.
089	Middle	Concurs with the point. Comments that by selecting a site in the Valley will give the ability to better support the facility on a regional level. Notes a long-term goal is to develop regional sites in eastern, central and southern Oregon.
103	Rep. Verger	Expresses frustration relating to communities incurring the expense of training officers who are then hired by another police agency. Requests the departments comment.
118	Middle	Addresses the 10-week basic training process. Reviews the long-term goals of the facility and the department. Comments that the training and transfer of officers has been an ongoing problem in small communities. Notes that some communities are entering into employment contracts with officers.
150	Vice Chair Devlin	Closes the public hearing on SB 365A and adjourns the meeting at 10:58 am.

Submitted By,

Reviewed By,

Pamela Johansen,
Committee Assistant

Cara Filsinger,
Committee Administrator

EXHIBIT SUMMARY

- A – HB 3993, written testimony, J. L. Wilson, 1p.**
- B – HB 3993-2 proposed amendments, Staff, 12pp.**
- C – HB 3393, written testimony, Mark Nelson, 2pp.**
- D – HB 3393, written testimony, Mark Nelson, 6pp.**
- E – HB 3993, written testimony, Lynn-Marie Crider, 3pp.**
- F – HB 3406-3 proposed amendments, Staff, 8pp.**
- G – HB 3406-4 proposed amendments, Rep. Bill Morrisette, 1p.**
- H – HB 3734, written testimony, Rep. Al King, 2pp.**
- I – HB 3734-3 proposed amendments, Rep. Al King, 1p.**
- J – SB 872-1 proposed amendments, Staff, 2pp.**
- K – SB 334, written testimony, Rep. Vicki Walker, 3pp.**
- L – SB 107A, written testimony, Al Elkins, 3pp.**
- M – SB 107A, written testimony, Mark Landauer, 1p.**
- N – SB 334, written testimony, Greg Malkasian, 3pp.**
- O – SB 365A, written testimony, Dianne Middle, 1p.**
- P – SB 107A, fiscal impact, Staff, 1p.**

Q – HB 3393, SEHI Basic Plan report, Staff, 4pp.
R – HB 3993, fiscal impact, Staff, 1p.
S – HB 3993-1 proposed amendments, Staff, 1p.
T – SB 107A, In The Court of Appeals, Staff, 8pp.