

HOUSE JUDICIARY COMMITTEE ON CIVIL LAW

February 10, 1999 Hearing Room 357

1:00 p.m. Tapes 27 - 29

**MEMBERS PRESENT:** Rep. Lane Shetterly, Chair

Rep. Max Williams, Vice-Chair

Rep. Judy Uherbelau, Vice-Chair

Rep. Vic Backlund

Rep. Randall Edwards

Rep. Kathy Lowe

Rep. Vicki Walker

Rep. Larry Wells

Rep. Bill Witt

**STAFF PRESENT:** Aaron Felton, Counsel

Nancy Richards, Administrative Support

**MEASURE/ISSUES HEARD:** HB 2391

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 |
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| TAPE 27, A |         |          |
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| 004                                | Chair Shetterly       | Calls meeting to order at 1:16 p.m..  |
| <b><u>HB 2391 WORK SESSION</u></b> |                       |   |
| 008                                | Counsel Felton        | HB 2391 creates a Public Safety Memorial Fund for public safety officers that are killed in the line of duty. Explains the amendment. Introduces the invited witnesses. |
| 062                                | <b>Cheryl Wilcox</b>  | <b>Benefit Manager, Public Employees Benefit Board</b><br>Describes her duties and how her job relates to this bill.  |
| 070                                | <b>Jerry Managhan</b> | <b>Assistant Manager, Compliance Section, Department of Consumer &amp; Business Services</b><br>Describes his duties and how his job relates to this bill.              |
| 078                                | <b>Chris Davey</b>    | <b>Saif Corporation</b><br>Describes his duties and how his job relates to this bill.   |
| 086                                | Rep. Wells            | Asks about the \$5,000 Life Insurance Package.  |
| 092                                | Wilcox                | Explains the life insurance policy benefits and options.  |
| 104                                | Rep. Wells            | Is risk involved when determining life insurance policies?  |
| 113                                | Wilcox                | States that in the application for life insurance, there is not a question asking what you to for a living.   |
| 117                                | Rep. Wells            | States that it depends on their health and how long they expect to live.  |
| 119                                | Rep. Uherbelau        | Asks about the death benefits for the remaining spouse and children of those public safety officers who are killed in the line of duty.                                 |
| 126                                | Managhan              | Discusses the statutory benefit allowed anyone who is killed while on the job and the exceptions.   |
| 159                                | Rep. Edwards          | What are the benefits if a person is permanently disabled?  |
| 170                                | Managhan              | Discusses the benefits allowed those that are permanently and totally disabled.   |
| 190                                | Rep. Uherbelau        | Asks about the social security offset as it applies to these cases?   |

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| 195 | Managhan            | Describes the benefits of social security and how it effects the workerís compensation benefits.   |
| 215 | <b>Allen Scharn</b> | <b>Deputy Director, Oregon Department of Public Safety Standards and Training</b><br><br>Describes his job duties and how it relates to this bill.                                   |
| 221 | <b>John Suhlee</b>  | <b>Oregon State Police, Office of Professional Standards</b><br><br>Submits testimony and explains the Public Safety Officersí Benefits Program <b>(EXHIBIT A)</b> .                 |
| 262 | Chair Shetterly     | States that this benefit includes the public safety officers who have been permanently and totally disabled.   |
| 265 | Suhlee              | Relates that this benefit was originally a death benefit, but was expanded in 1990 to cover catastrophic injuries.   |
| 270 | Chair Shetterly     | Does this federal program cover all state, city, and county public safety officers?  |
| 274 | Suhlee              | Yes it does.   |
| 273 | Chair Shetterly     | Do you administer this benefit?  |
| 277 | Suhlee              | States that he does not, it is administered by the Federal Bureau of Justice Administration.   |
| 282 | Rep. Williams       | What is the time factor involved in this benefit after the claim is filed?   |
| 285 | Suhlee              | Expresses that the process is lengthy, but he doesnít know just how long it would take.  |
| 290 | Chair Shetterly     | Points out that in the first paragraph on the last page of the testimony, it states that if there is an urgent claim, a payment of \$3,000.00 will be made to the eligible survivor. |
| 295 | Rep. Edwards        | Is it a lump sum benefit or is it paid out over a period of time?  |
| 298 | Suhlee              | It is a lump sum benefit.  |
| 313 | Rep. Edwards        | Comments that the concern is the time factor of providing money for the survivors.   |
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| 312             | Suhlee               | Expresses that he does not know, but will find out for the committee.   |
| 315             | Rep. Lowe            | Describe how judicial officers are a part of this benefit?  |
| 317             | Suhlee               | Expresses that he does not know because this is a federal program.  |
| 327             | Rep. Uherbelau       | Comments that an attorney could be defined as a judicial officer.   |
| 343             | Rep. Wells           | Relates that there seems to be a lot of benefit money going to the survivors, but the time factor is still a concern.   |
| 364             | <b>Dan Hartman</b>   | <b>Administer of Risk Management Division, Department Administrative Services</b><br><br>Submits testimony and describes what insurance policies their division provides for public safety officers ( <b>EXHIBIT B</b> ). |
| 416             | Rep. Wells           | How quickly can you collect from these insurance policies after the death of the officer?   |
| 429             | <b>Andrea Peters</b> | <b>Insurance &amp; Operations Manager, Department of Administrative Services</b><br><br>Discusses the time factor for the survivors receiving benefits.   |
| 446             | Rep. Wells           | Asks if getting benefits quickly is normal for life insurance policies?   |
| 451             | Peters               | I can't answer that because I only work with one life insurance policy.   |
| 452             | Rep. Williams        | How do death benefits work when a public safety officer commits suicide.  |
| 466             | Peters               | Defines suicide as an excluded condition under the Group Life insurance policy.   |
| 482             | Chair Shetterly      | Asks if the local jurisdictions, who have their own benefits and opt out of this program, still receive additional benefits provided by the state?  |
| <b>Tape 28A</b> |                      |   |
| 027             | Hartman              | Describes the process of optimal life insurance coverage and the notice of change required.   |
| 040             | <b>Jim Byer</b>      | <b>Oregon State Scholarship Commission</b><br><br>Discusses what expanded benefits HB 2391 provides.  |

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| 065 | Chair Shetterly     | Asks if the entitlement for the children of public safety officers have any eligibility for this program.   |
| 070 | Byer                | Yes, it does.   |
| 072 | Rep. Edwards        | If the children survive the spouse of a public safety officer who died, do the children receive the benefits?   |
| 082 | Hartman             | Defines the benefits for the children, paid for monthly by the benefactor and is an ongoing coverage as far as the money paid-in lasts.   |
| 099 | Rep. Uherbelau      | Comments that the exclusion for suicide would provide no benefits.  |
| 106 | Rep. Williams       | How is the issue treated for the purposes of Workeris Compensation benefits if the individual commits suicide?  |
| 109 | <b>Chris Davey</b>  | <b>Saif Corporation</b><br><br>Discusses the intentional injury exclusion in the Workeris Compensation statute.   |
| 123 | Rep. Uherbelau      | Comments on the statute about the "stress related suicide" and that it is hard to prove.  |
| 130 | Rep. Edwards        | Refers to the scenario where the surviving spouse commits suicide and what happens to the benefits for these children?  |
| 135 | Davey               | Discusses the benefits allowed under the circumstance of suicide by the surviving spouse.   |
| 138 | Chair Shetterly     | What Oregon Public Employee Retirement benefits would go to the families of these public safety officers?   |
| 147 | Davey               | States that if a contributor to PERS dies on the job, PERS pays double the persons account balance to the beneficiary.  |
| 156 | <b>Ben Westlund</b> | <b>Representative, District 55</b><br><br>Explains the amendments to this bill and the funding impact.  |
| 200 | Rep. Uherbelau      | Relates that the assessment in the amendments is increased by \$2.00 and the percentage of money that goes into the different accounts is decreased to allow room for this Memorial Fund. Has anyone done an analysis on the distribution of funds? |
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| 210 | Westlund             | Yes, and Jeff Faw from the Judicial Department will help with this answer.  |
| 215 | Rep. Uherbelau       | Questions why in the bill, on page 17, lines 1-28, were deleted which deals with suspension of driver's privileges if people are not paying their assessment?                 |
| 221 | Westlund             | Department of Motor Vehicles notified us that this provision was very cumbersome and we will look at this area later.   |
| 230 | <b>Jeff Faw</b>      | <b>Budget Finance Officer, Oregon Judicial Department.</b><br>Discusses the money projections that this Memorial Fund requires and the effect on the Unitary Assessment Fund. |
| 270 | Rep. Edwards         | What if the projections do not happen and the money isn't there?  |
| 289 | Faw                  | Discusses the effect of a revenue shortfall and where the money would come from.  |
| 315 | Rep. Edwards         | Are you suggesting that with this program, there will still be the same money for everyone involved in this fund, if projected money fails?                                   |
| 332 | Faw                  | States that in the overall fund, we lower the percentages of everyone else, but the pot is bigger.  |
| 347 | Rep. Uherbelau       | Do the medical benefits for the surviving family cease upon death of the public safety officer?   |
| 358 | <b>Cheryl Wilcox</b> | <b>Public Employee Benefits Board</b><br>Discusses the continuing options for benefits of the survivors.  |
| 393 | Rep. Uherbelau       | Relates that the benefits are covered under their Collective Bargaining agreement, but for continuing benefits the survivors will have to pay the premiums.                   |
| 401 | Wilcox               | That is correct.  |
| 405 | Westlund             | There are some provisions in the Collective Bargaining agreement where the medical benefits are extended and paid for, but just for six months.                               |
| 415 | Rep. Williams        | Expresses the need for an overall benefit list that would be provided to the survivors.   |
| 440 | Rep. Lowe            | Advises that some data on what it costs to raise a family would help this   |

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|                   |                    | committee on whether the cash amount awarded is a proper amount.  |
| 458               | Chair Shetterly    | Calls meeting for recess at 2:15 p.m..  |
| <b>Tape 27, B</b> |                    |   |
| 017               | Chair Shetterly    | Calls meeting back to order at 2:24 p.m..   |
| 019               | Westlund           | Discusses the intent of this bill.  |
| 050               | Chair Shetterly    | Advises that it would be efficient at this time to form a work group.   |
| 061               | <b>Alan Scharn</b> | <b>Deputy Director, Department of Public Safety Standards &amp; Training</b><br>Discusses the revenue impact of this bill on their agency and the time factor involved. |
| 099               | Rep. Wells         | Asks where your agency is going to lose money?  |
| 103               | Sharn              | Explains how the Unitary Assessment Fund works and how time is needed to generates revenues for the Memorial Fund.  |
| 117               | Bradd Swank        | <b>State Court Administrators Office</b><br>Discusses history of the Unitarian Assessment Program system and how it works.  |
| 157               | Rep. Uherbelau     | What would happen if a public safety officer dies and is entitled to the Memorial Fund and the money has not been generated yet?  |
| 169               | Swank              | Funds like this do have to accumulate money over time, but there is reserve revenue to cover this fund that will be paid back later.                                    |
| 188               | Westlund           | Discusses the reserve money for the fund to pay for the five officers' families that are designated receivers of the Memorial Fund.                                     |
| 208               | Sharn              | Discusses how the reserve money is distributed.   |
| 215               | Swank              | Explains that the Ways and Means Committee provides money and is paid back by accumulated money from the Unitary Assessment Fund at a later date.                       |
| 225               | Rep. Uherbelau     | Expresses concern where the reserve money is coming from.   |
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| 236 | Swank           | There is a statute that specifically sets up a reserve fund.  |
| 250 | Rep. Edwards    | States that it would be helpful if we had a diagram showing how the money would be distributed regarding this bill and where it is coming from. |
| 272 | Chair Shetterly | Talks further about the work group and their duties.<br><br>Adjourns the meeting at 2:45 p.m.   |

Submitted By, Reviewed By,

Nancy Richards, Aaron Felton,  
Administrative Support Counsel

**EXHIBIT SUMMARY**

**A - HB 2391, Description of the Public Safety Officers' Benefits Program, John Suhlee, p. 4**

**B - HB 2391, Description of the Group Life Insurance Program, Dan Hartman, p. 3**

**C - HB 2391, A copy of the Public Employee Rights and Benefits Statutes, Dan Hartman, p. 1**