

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

April 19, 1999 Hearing Room C

1:00 PM Tapes 89 - 90

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Lee Beyer, Vice-Chair

Sen. Rick Metsger

Sen. Randy Miller

Sen. Charles Starr

MEMBER EXCUSED:

STAFF PRESENT: Y. Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:

SB 1127 Public Hearing

SCR 3 Public Hearing and Work Session

SB 157, SB 159, SB 1049 Public Hearing

SB 907 Work Session

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 89, A		
004	Chair Nelson	Opens meeting at 1:05 PM. Opens public hearing on SB 1127.
<u>SB 1127 PUBLIC HEARING</u>		

005	Staff	Submits (EXHIBIT A) .
006	Sen. Neil Bryant	Senate District 27. Explains SB 1127 that the Judiciary Committee sponsored. Describes the licensing boards need to act independently, at times, in order to save costs and time. Last session several boards were given semi-independent authority in order to try out this system. Explains the results were thought worthy of trying to consolidate additional boards and that is what SB 1127 proposes. This is voluntary on the part of the boards, although the boards were chosen.
080	Susan Klosterman	Assistant Director. Department of Administrative Services (DAS). Explains what semi-independent means. Says the semi-independent boards are not subject to legislative nor executive oversight, they do not participate in the costs of central government. Controls are through public hearings, audits, and reports to the Governor and legislature. The primary difference is that semi-independent boards do not require DAS budgetary costs; they do have their own staff, and their own purchasing and contracting procedures. Board members are elected and approved by the Governor. The pilot program does not have reappointments clarified.
134	Sen. Metsger	Asks if there are opportunities to obtain private funds for the boards.
149	Klosterman	Answers there is nothing to stop them from obtaining other funding.
152	Sen. Metsger	Asks how contracting services differ from full state agencies.
154	Klosterman	Answers the pilot agencies have a six-month trial period.
163	Chair Nelson	Asks the size of the agencies.
169	Klosterman	Replies many are 1, 2, or 3 person shops.
174	Chair Nelson	Asks what protection there is.
178	Klosterman	Responds that any concerns can be referred to the Governor's office.
182	Chair Nelson	Asks if there is a generalization on savings for these agencies.
186	Klosterman	Answers DAS would lose around \$200,000 which would be a total savings to the agencies.
184	David Plunkett	Oregon Board of Optometry. Says boards continue operating by most rules already set. Supports SB 1127-1. Says SB 1127 removes statutes that cover administrative procedures and allows the boards to operate more freely. Explains the cost savings by operating on the models set last session. Wants to continue the program. Presents (EXHIBIT B) .

263	Jeanette Bartel	Oregon Board of Architect Examiners. Supports SB 1127. It is modeled after SB 546 from the 1997 Session. Says the success of SB 546 as a pilot program should continue. Presents (EXHIBIT C) .
292	Ed Graham	Board of Engineering. Supports Plunkett and Bartel. Says the board likes the way things are going. Asks about the ñ1 amendments, page 2, line 31.
336	Chair Nelson	Asks if the word "accordance" has a different meaning from "manner consistent."
340	Graham	Said it is not a critical issue.
352	Chair Nelson	Asks for questions.
357	Karen DeLorenzo	Board of Accountancy. Opposes SB 1127. Cautions the committee that the board has asked to be removed from the list of boards in the bill. Says the Board of Accountancy is interested in observing the pilot project. Asks about sharing a centralized location, sharing offices, and an office manager.
417	JoAnn Bones	Board of Dentistry. Opposes the bill at this time. Supports the pilot project. Says the bill increases the workload for at least a year. Presents (EXHIBIT D) .
TAPE 90, A		
010	Chair Nelson	Asks for questions. Asks if the ñ1 or ñ2 amendments affect the Board of Dentistry.
020	Bones	Answers they affect the Childrens' Trust Fund.
025	Bev Holzma	Board of Massage. Supports SB 1127. Says the board wants to remain in the program.
075	Lianne Thompson	Oregon Board of Radiologic Technicians. Supports SB 1127 and states their board wishes to remain in the bill. Presents (EXHIBIT E) .
103	Chair Nelson	Asks for any questions.
105	Cindy Thompson	Childrens' Trust Fund. Supports SB 1127. Presents (EXHIBIT F) .
107	Jackie Babicky	Childrens' Trust Fund. Supports SB 1127. States their organization wants to stay in the bill. Describes their organization that is dedicated to the prevention of child abuse.

118	BethAnne Darby	Board of Psychologist Examiners. Says the board has questions related to the electoral process in selection of members; likes the current process. The costs are not understood. Contracting services that are not being able to be performed is not understood. This board wants two more years to study the program. Presents (EXHIBIT G) .
125	Peggy Smith	Occupational Therapy Licensing Board. The Board wishes to be taken out of the bill at this time. Wishes to participate in a work group.
130	Barbara Orazio	Board of Nursing Homes. Agrees with Smith. Presents (EXHIBIT H) .
135	Bob Anderson	Chairman, Veterinarian Medical Examiners. Asks if those elected to the Board would have time to do the work. Wants to opt out of the bill. Interested in the bill. Wants to know if the public is protected.
170	Elaine Hamm	Board of Investigators. Opposes SB 1127 at this time. Says the board is not ready to be in this program. Interested in observing the pilot programs.
184	Jim Davis	Seniors of Oregon. Opposes SB 1127. Expresses some concerns are how accountability of the boards would be affected by more independence. Concerned about affects on Board of Denture Technology. Wants to be removed from the bill.
216	Ed Patterson	Oregon Hospitals and Health Systems. Opposes including the health agencies in SB 1127. States health professionals should be separate from this kind of consolidation. Describes the health care commission. Presents (EXHIBIT I) .
288	Patterson	Describes how too much autonomy of boards can create problems. Says the federal government has left licensure up to the states. Hospitals and health systems hire most of the health professionals.
384	Patterson	Says SB 1127 is working in the wrong direction for the health professions. More regulation is needed. Autonomy brings a whole new set of problems to the boards. Requests that the five health licensure boards be excluded from this bill.
394	Bill Cross	Landscape Contractors Association. Supports SB 1127 for the Landscape Contractors Board. Says the industry believes this bill would be helpful to the board. Presents (EXHIBIT J) .
TAPE 89, B		
087	Stephen Kafaury	Supports SB 1127. Represents semi-autonomous boards. Comments that it takes time to improve the boards' operation. Describes how the boards operate. Says there is excessive oversight by the legislature.
105	Jane Meyers	Dental Board. Supports SB 1127. Supports Jim Davis' statement to exclude the State Board of Denture Technology.

021	Chair Nelson	Closes public hearing on SB 1127. Opens public hearing on SCR 3.
<u>SCR 3 PUBLIC HEARING</u>		
129	Julie Curtis	Manager of the Oregon Heritage Commission. Supports SCR 3 which expresses support for commemorative activities and a celebration being planned for the national Lewis and Clark Expedition bicentennial. Explains that the commission needs state seed money to plan the bicentennial. The Heritage Commission has \$100,000 in Governor's budget. In 1991, \$1.5 million was received from the legislature for the Oregon Trail Coordinating Council and the commission was able to raise \$20 million from private sources. Presents (EXHIBIT K) .
169	Chet Orloff	Oregon Historical Society. Secretary of the Lewis and Clark Bicentennial in Oregon. Relates the history of state celebrations of historic events. Describes the commemoration plans. Expresses the need for funding.
200	Sherry Sheng	Committee Administrator. Explains the amendments to SCR 3. Presents (EXHIBIT L) .
225	Chair Nelson	Asks for comments. Closes public hearing on SCR 3. Opens work session on SCR 3.
<u>SCR 3 WORK SESSION</u>		
235	Chair Nelson	MOTION: Moves to ADOPT SCR 3 -2 amendments dated 4/2/99.
		VOTE: 4-0 EXCUSED: 1 ñ Miller
236	Chair Nelson	Hearing no objection, declares the motion CARRIED.
236	Chair Nelson	MOTION: Moves SCR 3 be sent to the floor with a BE ADOPTED AS AMENDED recommendation.
237		VOTE: 4-0 EXCUSED: 1 ñ Miller

238	Chair Nelson	<p>Hearing no objection, declares the motion CARRIED.</p> <p>Sen. NELSON will lead discussion on the floor.</p>
240	Chair Nelson	Closes work session on SCR 3. Opens public hearing on SB 157, SB 159, and SB 1049.
<u>SB 157, SB 159, and SB 1049 PUBLIC HEARING</u>		
268	David Efurd	Board of Accountancy. Supports SB 1049. Explains that elements of the Uniform Accountancy Act are in place in this bill. These bills will complete uniformity with other states and update the laws by which the profession operates. Presents (EXHIBIT M) .
355	Vice Chair Beyer	Asks for any questions.
377	Efurd	Explains the Board of Accountancy has SB 157 and SB 159 as elements of SB 1049.
391	Roy Rogers	Oregon Society of Certified Public Accountants (OSCPA). Supports SB 1049, as it is a comprehensive rewrite of the accountancy act.
TAPE 90, B		
009	Rogers	Describes changes in the accountancy profession and how demands for accounting services are expanding greatly.
050	Rogers	Describes needs of accountants to practice across state and national lines. Says SB 157 and SB 159 are acceptable with minor changes. Says SB 1049 has no intent to regulate nonlicensed accountants.
091	Les Fordham	<p>OSCPA, Fordham & Fordham Accountants, Hillsboro. Supports SB 1049 which he helped draft. Key points in the bill are:</p> <ul style="list-style-type: none"> • Defines test services • Changes regulations of CPA firms • Defines commissions and fees • Aligns code of ethics with the national standard <p>Presents (EXHIBIT N).</p>
176	Fordham	Explains a personal experience of a customer asking for his help to sell a business. Under present law, this kind of transaction is prohibited. SB 1049 would allow a fee arrangement.

192	Chair Nelson	Asks for questions.
210	Richard Garlock	Public Accountant, Portland. Opposes SB 1049. Says the compilation and review services are damaging to noncertified accountants. Comments that there should be ways to enter the accountancy profession that are not so stringent. Presents (EXHIBIT O) .
245	Robert Gordon	Oregon Association of Independent Accountants (OAIA). Accountant, Bend. Opposes SB 1049. Says Oregon statutes are sufficient. Presents (EXHIBIT P) .
296	Chair Nelson	Asks for questions.
298	Joyce Funkhouser	OAIA. Opposes SB 1049 and says it is unfair to independent accountants.
310	Chair Nelson	Asks for questions.
328	Ray Johnson	President, Oregon Society CPAs. Says there would be nothing in SB 1049 to change the definition of independence. The bill says commissions for services are not hidden.
394	Chair Nelson	Asks for questions. Closes public hearing. Opens work session on SB 907.
<u>SB 907 WORK SESSION</u>		
420	Sherry Sheng	Committee Administrator. Says, by concurrence of the committee chairs, SB 907 should be transferred to the committee on Transportation without recommendation.
420	Sen. Miller	MOTION: Moves SB 907 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on TRANSPORTATION.
		VOTE: 5-0
422	Chair Nelson	Hearing no objection, declares the motion CARRIED.
442	Chair Nelson	Adjourns meeting at 2:55 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

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EXHIBIT SUMMARY

A ñ SB 1127, -1 Amendments and ñ2 Amendments, Staff, 25 pp

B ñ SB 1127, Written testimony, David Plunkett, 2 pp

C ñ SB 1127, Letter, Jeanette Bartel, 1 p

D ñ SB 1127, Written testimony, JoAnne Barnes, 1 p

E ñ SB 1127, Letter, Lianne Thompson, 1 p

F ñ SB 1127, Written testimony, Cathy Thompson, 4 pp

G ñ SB 1127, Letter, BethAnne Darby, 1 p

H ñ SB 1127, Written testimony, Barbara Orazio, 1 p

I ñ SB 1127, Written testimony, Ed Patterson, 26 pp

J ñ SB 1127, Written testimony, Bill Cross, 1 p

K ñ SCR 3, Written testimony, Julie Curtis, 6 pp

L ñ SCR 3, -1 Amendments and ñ2 Amendments, Staff, 2 pp

M ñ SB 157 and SB 1049, Written testimony, David Efurd, 6 pp

N ñ SB 1049, Written testimony, Les Fordham, 3 pp

O ñ SB 1049, Written testimony, Richard Garlock, 6 pp

P ñ SB 1049, Written testimony, Robert Gordon, 11 pp