

HOUSE COMMITTEE ON JUDICIARY

SUBCOMMITTEE ON FAMILY LAW

April 10, 1997 Hearing Room 357

3:15 p.m. Tapes 68 - 69

MEMBERS PRESENT:

Rep. Ron Sunseri, Chair

Rep. George Eighmey, Vice-Chair

Rep. Roger Beyer

Rep. Peter Courtney

Rep. Charles Starr

Rep. Judy Uherbelau

MEMBER EXCUSED:

STAFF PRESENT:

William E. Taylor, Counsel

Lauri A. Smith, Administrative Support

MEASURE/ISSUES HEARD:

HB 2716 - Work Session

HB 2324 - Work Session

HB 2744 - 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 68, A		
003	Chair Sunseri	Calls the meeting to order at 3:20 p.m.
<u>HB 2716 - WORK</u>		

SESSION		
004	Chair Sunseri	Opens the work session on HB 2716.
005	William E. Taylor	Counsel Reads a Preliminary Staff Measure Summary on HB 2716. The -2 amendments [LC # 3191 dated 04/09/97] omitted the effective date of January 1, 1998 (EXHIBIT A). The effective date was requested at the last hearing but left off of the -2 amendments.
018	Rep. Eighmey	MOTION: Moves to ADOPT HB 2716-2 amendments dated -04/09/97 and that the -2 amendments be FURTHER AMENDED on page 1, line 5, by including the "Effective Date of 01/01/98".
023		VOTE: 6-0-0
	Chair Sunseri	Hearing no objection, declares the motion CARRIED.
025	Rep. Eighmey	MOTION: Moves HB 2716 to the full committee with a DO PASS AS AMENDED recommendation.
030		VOTE: 6-0-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Sunseri	The motion CARRIES. REP. VANLEEUVEN will lead discussion on the floor.
031	Chair Sunseri	Closes the work session on HB 2716.
<u>HB 2744 - WORK SESSION</u>		
032	Chair Sunseri	Opens a work session on HB 2744.
034	William E. Taylor	Counsel Reads a Preliminary Staff Measure Summary on HB 2744. The -2 amendments [LC #1557 dated 04/10/97] were put together by Russell Lipetzky Chair of the Oregon State Bar Families and Juvenile Law Section, Carl Stecker of the Marion County District Attorney's Office, and from Art Kapteyn Legislative Liaison to the Department of Human Resources Support Enforcement Division (EXHIBIT B).
048	Chair Sunseri	Are there substantial differences between these amendments?

049	Taylor	I can not advise, as I have just received them.
055	Art Kapteyn	Legislative Liaison to the Department of Human Resources Support Enforcement Division (DHR) and testifies neutrally on HB 2744. Presents proposed amendments to HB 2744 (EXHIBIT C).
063	Chair Sunseri	Have these been discussed with Rep. Strobeck?
065	Kapteyn	No, I have not had that opportunity. However, I have spoken with Rep. Strobeck's legislative assistant about our suggested changes. I have not heard back from Rep. Strobeck's office, since then.
073	Carl Stecker	District Attorney, Marion County We endorse these additional changes.
075	Kapteyn	I believe, Russell Lipetzky is in substantial agreement.
081	Chair Sunseri	I would ask you to share these additional amendments with Rep. Strobeck and seek his endorsement.
120	Rep. Courtney	MOTION: Moves to ADOPT HB 2744-2 amendments dated 04/10/97.
128		VOTE: 6-0-0
	Chair Sunseri	Hearing no objection, declares the motion CARRIED.
157	Chair Sunseri	The subcommittee will move HB 2744 to the full committee with the -2 amendments without a do pass recommendation. The full committee can deal with the conceptual amendments at that time.
167	Rep. Courtney	MOTION: Moves to WITHDRAW motion to adopt the HB 2744-2 amendments dated 04/10/97.
169	Rep. Beyer	I believe, the -2 amendments are already adopted into HB 2744.
170	Taylor	Correct.
171	Chair Sunseri	Close the work session on HB 2716.
<u>HB 2324 - WORK SESSION</u>		
185	Chair Sunseri	Opens the work session on HB 2324.
188	Rep. George Eighmey	District # 14 and presents the -1 amendments [LC # 1632 dated 03/14/97] (EXHIBIT D).
217	Chair Sunseri	I propose to go through each change in HB 2324 item by item. When the subcommittee reaches page 36 of the -2 amendments, we will address the -1 amendments at that time.

233	Bob David	<p>Manager and Child Support Legislative Liaison for the Department of Justice Support Enforcement Division (SED)</p> <p>Testifies in support of HB 2324. Refers to the documents provided to the subcommittee on April 1, 1997 exhibited as B, C, D.</p> <p>>page 1, lines 13 and 14 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING</p>
283	David	<p>Continues testimony on the -2 amendments.</p> <p>>page 2, lines 4, 5, 10, 11, 12- ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING, added at request of Bankers Association</p>
336	Chair Sunseri	Why wouldn't you include, for instance, the sale of stock or other forms of income?
341	David	That didn't come up to the work group.
348	Maureen McKnight	<p>Oregon Legal Services</p> <p>With regards to the sale of stock, this particular definition is directed to the withholding context in periodic withholding. To the extent that a sale is not a source of periodic income, it wouldn't be intended in this section.</p>
357	Chair Sunseri	So, that is why on page 2, line 10 of the -2 amendments, it refers to the dividends arising from stocks and not the sale of stock.
358	McKnight	Correct.
359	David	<p>Continues testimony on the -2 amendments.</p> <p>>page 2, lines 24 - 28 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING</p>
375	McKnight	<p>Continues testimony on the -2 amendments.</p> <p>>page 3, lines 7 - 13 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING</p>
414	David	<p>Continues testimony on the -2 amendments.</p> <p>>page 4, lines 16 - 17 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING</p>
425	Rep. Beyer	What does this language mean on page 4, line 4 of the -2 amendments?
433	David	Responds by stating that it is a rewording of the language from page 3, lines 27 - 28. Gives example.
437	Rep. Beyer	tape inaudible
439	David	An obligor is the person who is under order to provide the support.
449	Rep. Beyer	So, if the obligor comes to SED and asks for withholding, SED can do it?

453	David	Correct. Continues testimony on the -2 amendments. >page 5, line 1, and <u>Section 4</u> beginning on line 11 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
Tape 69, A		
033	Rep. Uherbelau	Please explain by what is meant "you can't have advanced notice." Is that based on the federal law?
034	David	That is correct.
038	McKnight	Several years ago, withholding was required upon entry of the actual support obligation, unless the parties had agreed otherwise or the court found good cause. The federal government has now deleted the opportunity to contest withholding before entry of the actual support order obligation.
048	Rep. Beyer	I believe, by changing "sought" to "issued" in the -2 amendments on page 5, line 11, that this is a shift in policy.
050	David	Correct. The shift in policy is because in the past SED had to ask for income withholding after giving advance notice.
065	McKnight	Continues testimony on the -2 amendments. >page 5, lines 28 - 30 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
071	David	Continues testimony on the -2 amendments. >page 6, lines 3 - 5 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
077	Chair Sunseri	What if the obligor no longer lives there?
079	David	There is a provision, later in the measure, that requires parties to a support matter to keep the court and SED or enforcing agency advised of their current address.
085	McKnight	If the notice has not been received by the obligor, the result is their employment check is reduced by the income withholding required.
088	David	Continues testimony on the -2 amendments. >page 6, lines 7 - 12, 16, and 18 through 26 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING Submits proposed amendments to page 6 (EXHIBIT E).
115	Rep. Uherbelau	One option proposed by SED is to remove the language in the -2 amendments on page 6, lines 18 -26, which if removed, the obligor would not have any information of another state's withholding order having been received.
119	David	That is correct. The obligor's recourse would exist, but there is no way the obligor or their attorney would know how to go about seeking relief from enforcement of an out-of-state order from the Oregon statute.

122	Rep. Uherbelau	The obligor needs guidance on how to seek relief on an out-of-state order. Is the information here in the -2 amendments, incorrect?
127	David	SED doesn't believe under the Full Faith and Credit Act that the underlying support order and the contesting of that support order is allowed. We need the underlying withholding order registered in Oregon not the child support order. It would eliminate relief sought in an Oregon tribunal court and would hold it to the stricter standard of the circuit courts. Refers to (EXHIBIT E) .
149	McKnight	This proposed amendment is a clarification of the repercussion of a federal requirement, so Oregon practitioners and parents have some idea of how they can react with specificity. This will provide a detailed notice of an out-of-state enforcement order.
154	Chair Sunseri	Rep. Uherbelau, does this address your concerns?
155	Rep. Uherbelau	Yes.
158	David	Continues testimony on the -2 amendments. >page 7, line 2 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
162	McKnight	This new language is to switch from the advanced notice context, to notice given after the fact.
163	David	Continues testimony on the -2 amendments. >page 7, lines 22 and 23 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
193	McKnight	This changes the current state practice from withholding the greater of 25%, which requires calculation by employers, and proposes change to 120% of the current withholding order.
202	David	Continues testimony on the -2 amendments. >page 7, lines 27 -and 28 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
209	Chair Sunseri	What is the federal guideline?
210	David	There is no federal guideline on this point.
211	Chair Sunseri	It just requires that you collect an amount for arrearage.
212	McKnight	SED is to collect at least \$1.00.
213	Chair Sunseri	So, if we have an obligor contributing 55% of their pay check, and their in arrears, it could go to 75%?
215	McKnight	Under state law, we have a statutory limit of 50%, which was enacted last session. The measure would not change that.
219	Rep. Beyer	The Associated Oregon Industries (AOI) requested this provision.

224	David	Continues testimony on the -2 amendments. >page 8, lines 12 through 29 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
254	McKnight	The federal government requires leaving the obligor with a federal minimum wage income. The language is bolded only because this wording was moved during the measure's drafting.
266	Chair Sunseri	How many obligors are drawing social security, who owe child support?
268	McKnight	I am not certain. I could look into and report back to the subcommittee.
270	David	Continues testimony on the -2 amendments. >page 9, lines 11 through 19 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
272	Chair Sunseri	Could you identify what is meant by a "lump sum"?
280	David	"Lump sum" is defined in the -2 amendments on page 9, lines 13 -19.
283	Chair Sunseri	Could an inheritance be considered as a "lump sum"? If an inheritance is not specifically enumerated in this section, then is an inheritance considered exempted?
289	Rep. Uherbelau	A lump sum is not limited to those numerated in this section. I thought, the work group was not going to include workers compensation benefits within this section.
298	David	I believe, what Rep. Uherbelau is referring to is the whole section addressing workers compensation, and yes, that section was eliminated.
301	Rep. Uherbelau	I understand that the workers compensation section was eliminated. However, I have concerns with using workers compensation benefits as listed here in <u>Section 7</u> subsection (3).
307	Ronelle Shankle	The language used in <u>Section 7</u> subsection (3) was drafted from language in PRWORA on page 79.
323	David	<u>Section 7</u> subsection (3) is limited to workers compensation which SED can currently withdraw withholding from to satisfy a support ordered obligation.
329	Rep. Uherbelau	In regards to the section on securing assets, is it required by the federal government?
334	David	It is required by the federal government as referenced in PRWORA on page 79.
337	Rep. Uherbelau	I understand. However, there is language in <u>Section 7</u> , which is not required by the federal government and some language that is required.
339	Shankle	The federal requirement comes from PRWORA on page 78.
		Also, on page 62 of PRWORA, this section addresses that a state must have

351	McKnight	in effect a clause requiring the identification of procedures which improve the effectiveness of child support enforcement.
355	Chair Sunseri	Therefore, the subcommittee will have to substantially comply with the added language in <u>Section 7</u> subsection (3) in order to retain federal funding.
360	David	Correct, except where SED has noted. Continues testimony on the -2 amendments. >page 10, lines 11 - 21 and page 11, lines 1 through 28 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
381	Chair Sunseri	When the obligor's income is not sufficient, SED will withhold only the maximum amount of 50% in Oregon?
383	David	That is correct, under Oregon's law.
388	Chair Sunseri	If, we receive an order from another state, that would require more than 50%, we will still only withhold 50%?
391	Shankle	Correct. This can be clarified on page 76 of PRWORA. An employer will apply the income withholding law of the state which is the obligor's principal place of employment in determining the employer's fee.
411	David	This language is located within the -2 amendments on page 11, lines 15 - 19. Continues testimony on the -2 amendments. >page 11, beginning on line 29 and continuing on page 12, lines 1 through 9 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING >page 12, beginning on lines 14 - 31 and continuing on page 13, lines 1 through 3 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
461	David	Continues testimony on the -2 amendments. >page 13, lines 5 through 7 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
Tape 68, B		
035	David	Continues testimony on the -2 amendments.
038	McKnight	There are additional provisions on page 13, lines 10 through 23 which are not required by federal mandate. The intent by the work group was to equalize standings to challenge a withholding withdrawal. Provides an examples. The obligor is to have equal standing against the withholder, if the withholding was not done in compliance with the face of the order.
051	Rep. Beyer	Could you clarify to which lines within the -2 amendments, you are referring to?
052	McKnight	I am addressing the -2 amendments on page 13, lines 11 - 18 which gives the obligor standing to challenge the withholder from withdrawing too much income.
066	Rep. Beyer	My concern is that <u>Section 9</u> subsection (2) is not a federal mandate.

068	McKnight	The wrongful withholding, I do not believe is a federal mandate. The private right is not a federal mandate, to my knowledge.
071	Rep. Beyer	In <u>Section 9</u> subsection (2) of the -2 amendments, an employer is liable to whom, if the employer withholds too much?
075	McKnight	It would be the obligor, your employee. The language on page 13, line 14 is what the payee, the custodial parent, would look to for relief ability.
083	Rep. Uherbelau	Under present law, the employer is liable to SED, a district attorney, or to whomever is owed a support obligation. This new language intends only to add one more player, the employee.
091	Rep. Beyer	Seeks clarification using an example.
097	McKnight	That's correct in regards to under withholding in the current law.
100	Rep. Beyer	The new language is adding?
101	McKnight	The new language is to address over withholding of income.
102	Rep. Beyer	Continues examples.
106	McKnight	Responds by giving an example. This language is intended only to provide parody to the obligor.
117	Chair Sunseri	Doesn't the employer have the order? How could the employer over withhold and the action reach SED?
124	McKnight	All actions under or over withholding are almost always resolved out between the employee and employer. Often times there is confusion on the part of the employee. The language on page 13, lines 13 - 18 is being added in an effort to provide parody only.
137	David	Further clarifies the intent behind the new language on lines 13 - 18, page 13 of the -2 amendments. Continues testimony on the -2 amendments. >page 13, lines 24 through 29 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING
158	David	Continues testimony on the -2 amendments. >page 14, lines 1 through 4 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING >page 14, lines 13 through 15 - ARTICLE I. ENFORCEMENT A. INCOME WITHHOLDING, at request of the banking industry.
174	Shankle	The language on page 14, lines 13 -14 was added to clarify that bonding is only possible where it is otherwise specified by law not a requirement of employment.

177	David	<p>Continues testimony on the -2 amendments.</p> <p>>page 14, lines 25 and 26 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p> <p>>page 15, line 31- ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p> <p>>page 16, lines 2 through 5 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p>
190	Chair Sunseri	Therefore, the obligor is not responsible for health insurance for his/her children, if it is not available where the obligor works. Nor is the obligor required to purchase health insurance outside of work.
195	David	<p>Correct. Continues testimony on the -2 amendments.</p> <p>>page 16, lines 12 through 18 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p> <p>>page 17, lines 9 through 19 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p>
208	Rep. Beyer	This language would authorize SED to send an administrative notice by mail to an employer requesting enrollment of a child under the company's health plan?
213	David	When there is an existing child support order which requires carrying health insurance, an administrative notice could be sent to the employer requiring enrollment of that child under the company's health plan.
215	Rep. Beyer	Only when the employer has a health plan, not when there doesn't exist a company health plan, is the obligor required to enroll a child under a health plan.
216	David	<p>However, all the requirements of the obligor under the plan must be met before enrollment of the child by the employer.</p> <p>Continues testimony on the -2 amendments.</p> <p>>page 18, lines 10 through 19 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p> <p>>page 19, lines 3 through 6 - ARTICLE I. ENFORCEMENT B. HEALTH INSURANCE</p> <p>>page 19, lines 13 through 21 - ARTICLE I. ENFORCEMENT C. PASSPORTS/FEDERAL TAX OFFSET</p> <p>>page 19, lines 26 through 31 - ARTICLE I. ENFORCEMENT D. LICENSE SUSPENSION</p>
254	Chair	What types of licenses is the statute referring to by "annual licenses?" Seeks

	Sunseri	clarification through an example.
257	David	Explains the process behind subjecting professional licenses to suspension, if there is an arrearage.
275	Taylor	Is SED going to specify by regulation, what constitutes a recreational license?
280	David	That will be defined, I am assuming, in the Department of Human Resource's rules.
283	David	The only direction from the federal government has been talk of hunting and fishing licenses. However, there maybe clarification later from the federal government regarding what is considered as recreational licenses. For the purposes of this measure, SED is using language from PRWORA.
293	Rep. Beyer	Should the subcommittee define, what a recreational license is?
295	Chair Sunseri	The subcommittee could consider taking that action, as it is undefined in the federal guidelines.
297	Rep. Beyer	How far reaching could recreational licenses go, i.e. camping permit, snow park permits, etc.?
301	David	SED would have no disagreement to limit recreational licenses to hunting & fishing only, should the subcommittee decide.
302	Chair Sunseri	Does the subcommittee want to limit recreational licenses to only hunting and fishing? Hearing no discussion, the subcommittee will define recreational licenses as applying only to hunting and fishing licenses. Where should the change be entered in the -2 amendments?
308	Taylor	I recommend on page 19, line 31 by deleting "all recreational licenses" and substituting "hunting and fishing licenses".
311	Rep. Beyer	How about defining recreation licenses in the definition section of ORS 25?
313	Taylor	It could be done by either method. However, by defining recreational licenses under the definition section of ORS 25, it may not be as readily referred to, where by removing "recreational licenses" and substituting "hunting and fishing licenses" would create only one section to check.
320	Rep. Beyer	Do federal laws use the term "recreational licenses"?
321	David	Yes.
322	Rep. Beyer	Would the state be in compliance of PRWORA, if we don't use "recreational licenses" and insert instead "hunting and fishing licenses"?
323	David	I would think, the state would have a very good argument, should the state decide to use "hunting and fishing licenses" rather than "recreational licenses".
326	Chair Sunseri	MOTION: Moves to AMEND HB 2324-2 amendments on page 20, in line 1, after "licenses," insert "limiting only to hunting and fishing licenses".
330		VOTE: 6-0-0

	Chair Sunseri	Hearing no objection, declares the motion CARRIED.
336	David	Continues testimony on the -2 amendments. >page 20, lines 8 through 20, and lines 21 through 27 - ARTICLE I. ENFORCEMENT D. LICENSE SUSPENSION >page 21, lines 9 and 10 and lines 25 through 28 continuing on page 22, line 26 - ARTICLE I. ENFORCEMENT D. LICENSE SUSPENSION
377	McKnight	Section 16 deals with the use of license suspension as a sanction.
381	David	Continues testimony on the -2 amendments. >pages 22, 23, and page 24, lines 4 through 13 - ARTICLE I. ENFORCEMENT D. LICENSE SUSPENSION
395	Rep. Beyer	With regards to the suspension of licenses, specifically hunting and fishing, is SED going to notify the Department of Fish and Wildlife that a John Smith is no longer eligible for a fishing license? How will the Department of Fish and Wildlife enforce the suspension?
401	David	The Department of Fish and Wildlife's computer system will be updated to include the suspension. Explains by using an example.
414	Rep. Beyer	Are you familiar at all with the process of purchasing a hunting or fishing license?
416	David	I have purchased fishing licenses.
420	Rep. Beyer	Shares concerns and gives example.
426	David	There will be times where SED is not likely to get the information of a suspension of a license. Suspending recreational licenses is not an area SED has chosen.
435	Chair Sunseri	Shares concern and gives example.
442	Rep. Beyer	Shares concern and gives example.
451	Chair Sunseri	What would be the result, if the subcommittee removes the added language on page 24, lines 9 - 13? I believe, this portion deals only with the reissuance of a recreational license.
456	David	I do not believe, the state would be in compliance, should the subcommittee decide to remove the language on page 24, lines 9 -13.
462	Chair Sunseri	However, the subcommittee is substantially complying by allowing sanctions by suspending recreational licenses. The language on page 24, lines 9 - 13 deals only with the reissuance of recreational licenses.
465	Shankle	In PRWORA on page 72, subsection (16), it outlines the federal governments requirements to retain the language, you are asking to be removed.

Tape 69, B		
030	Shankle	Continues to respond.
032	Chair Sunseri	So, SED thinks the federal government will take away the state's funding, if we remove the language on page 24, lines 9 - 13.
033	Rep. Beyer	I don't believe, it is an issue. Continues by sharing an example.
041	David	Yes, SED would have concern by deleting this section. It would impact all licenses not just recreational licenses. If the subcommittee still wants to delete the language on page 24, lines 9 -13, then the subcommittee would have to add language specifically exempting recreational licenses from <u>Section 19</u> requirements.
046	Rep. Beyer	I amenable to removing the new language in <u>Section 19</u> .
047	David	I would agree with Rep. Beyer as I don't know how well the system will work in preventing reissuances of recreational licenses. However, the federal requirement is that SED has added the language in the state's statutes.
051	Taylor	What if the state had a provision that said that an obligor could not seek a hunting or fishing license, if in arrearage? Unless the state is going to require the second hand store, for instance, to have a computer system, there is no practical way of enforcing this section. Maybe, if the implementation is not practical, the state would not be required to have the new language in <u>Section 19</u> . Possibly the state could add instead "If you are behind in a certain number of child support payments, that the obligor can not apply for issuance of a recreational license."
059	Chair Sunseri	My concern is the reissuing, not the suspension, of recreational licenses. Shares concern and gives example.
063	David	SED has experience in suspending licenses, currently, with occupational licenses. Updating the records by SED has not been an issue. Continues testimony on the -2 amendments. >page 25, lines 11 through 31 and continues on page 26A, lines 1 - 31 - ARTICLE I. ENFORCEMENT E. NEW HIRE REPORTING
		Earlier in April 1, 1997 hearing, a mistake was pointed out by Rep. Beyer in regards to the penalties stated on page 26, subsection (5). The language added here is not mandated by PRWORA. The penalty is only an option.
098	Rep. Beyer	Could SED clarify the changes in <u>Section 21</u> or should I study this section on my own and report back to the subcommittee?
103	Chair Sunseri	That would be fine.
107	William E. Taylor	Counsel Are suggesting that the subcommittee can take some language out or amend some of the language in subsection (5) beginning on page 26?

108	David	I am simply advising the subcommittee that subsection (5) which begins on page 26, is optional language for the subcommittee to enact into law. SED erred earlier in stating that this section was federally mandated, it is only optional language to be enacted.
119	Chair Sunseri	The subcommittee will delete the new language on page 26, lines 27 - 31 and which continues on page 26A, lines 1 -7.
120	David	By eliminating subsection (5), there will be no incentive for employers to report new hires. Continues testimony on the -2 amendments. >page 26a, lines 8 through 14 - ARTICLE I. ENFORCEMENT E. NEW HIRE REPORTING
131	Chair Sunseri	Where is the federal requirement behind the new language on page 26a, lines 8 - 14?
133	David	It is within PRWORA on page 20, starting at subsection (h).
138	Shankle	Reads from PRWORA on page 20, starting at subsection (h)(1).
147	Chair Sunseri	How much is existing law?
151	David	<u>Section 21a</u> is existing law, except for the new language added. Originally, SED just had to release information on new hires, now SED has to provide access to the information as required by law.
159	Shankle	SED picked up the language from page 20, subsection (h)(2) in PRWORA.
168	Chair Sunseri	What information is provided and to whom by SED?
173	David	It could be information released to the Adult and Family Services Division or to the Department of Human Resources for the purpose of enforcement of medical insurance orders.
177	Chair Sunseri	Please explain the difference between current practice versus what this new language will require from SED.
179	McKnight	I believe, there is in practicality very little difference. The new language on page 26a, line 21 of the -2 amendments merely adds that SED will provide access to new hire information to other public agencies as required by law. I don't believe, this will provide more agencies to have access to the information than who already have access. Provides an example.
205	Rep. Beyer	Is it federally mandated to remove the code references on page 26, lines 16 through 26?
210	David	Yes. The state of Oregon had limited the statute to those organizations listed and now the federal government requires all employers.
213	Rep. Beyer	Is there an exception in the federal guidelines for temporary workers, employees who have worked less than 20 days, in the time period employers have to report?
		The PRWORA reference is on page 17, and it uses the term "employee"

219	McKnight	from the Internal Revenue Code. There is no exceptions for temporary employees, unless the Internal Revenue Code may have exceptions.
222	Chair Sunseri	Does the subcommittee want to create language regarding temporary employees?
226	Rep. Beyer	Shares concern by using an example.
233	David	SED uses the new hire information in more ways than where the obligor works. The new hire information provides their social security number and home address. SED uses the information to locate the obligor for enforcement of a child support order, or to serve the papers necessary to obtain a child support order. References PRWORA, page 20, subsection (h).
257	Rep. Beyer	Is the 20 days, referenced on page 25, line 28 of the -2 amendments, mandated by federal law? Gives an example. Could this be done quarterly? Could the state of Oregon be in violation, if we added language such as: if a worker who has worked less than (blank) number of days, the employer could then report quarterly?
	David	I believe by a strict reading of the PRWORA, it would require all employers to report. By making an exception, could place the state in violation. There is no limit to the length of hiring in PRWORA.
288	Taylor	The legislature could amend the statutes, before any sanctions would generally incur?
293	David	That is correct. In the past, if you failed an audit, the state was allowed time to make those corrections. The difference, now, is that the state must have an accepted state plan prior to qualifying for federal funding.
309	McKnight	Continues testimony on the -2 amendments. >page 26A, lines 15 through 20 - ARTICLE I. ENFORCEMENT E. NEW HIRE REPORTING
326	Chair Sunseri	Who is to directly benefit or which is agency is facilitated in <u>Section 22a</u> of the -2 amendments?
328	McKnight	The intent behind <u>Section 22a</u> came from practitioners, but it will also benefit person not represented by counsel, by formalizing a method that can be used to get information from the Department of Human Resources.
337	Chair Sunseri	Could you clarify with more specificity with regards to <u>Section 22a</u> at the next hearing on HB 2324?
340	McKnight	Yes.
365	Chair Sunseri	Closes the work session HB 2324. Adjourns meeting at 5:09 P.M.

Submitted by, Reviewed by,

Lauri A. Smith, Sarah Watson,

Administrative Support Office Manager

EXHIBIT SUMMARY

A - HB 2716, -2 amendments [LC # 3191 dated 04-10-97], Staff, 1 page.

B - HB 2744, -2 amendments [LC #1557 dated 04-10/97], Staff, 2 pages.

C - HB 2744, proposed amendments, Art Kapteyn, 1 page.

D - HB 2324, -1 amendments [LC # 1632 dated 03-14-97], Rep. George Eighmey, 1 page.

E - HB 2324, proposed amendments, Bob David, 1 page.