

HOUSE COMMITTEE ON LABOR

April 8, 1997 Hearing Room E

8:00 A.M. Tapes 55 - 57

MEMBERS PRESENT:

Rep. Steve Harper, Chair

Rep. Mike Fahey, Vice-Chair

Rep. Chris Beck

Rep. Dan Gardner

Rep. Bill Markham

Rep. John Minnis

Rep. Ron Sunseri

MEMBER EXCUSED:

STAFF PRESENT:

Cara Filsinger, Administrator

Linda Spaulding, Administrative Support

MEASURE/ISSUES HEARD:

HB 3093 Public Hearing

HB 3098 Public Hearing

HB 3329 Public Hearing

HB 2444 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 55, A		
003	Chair Harper	Calls the meeting to order at 8:02 a.m. Opens public hearing on HB 3093.

<u>HB 3093 - PUBLIC HEARING</u>		
012	Rep. Mike Lehman	Oregon State Representative, District 47 Informs committee he drafted HB 3093. Introduces Mr. Tilton who will explain how the bill affects unemployment compensation.
016	David Tilton	Attorney, Coos Bay Explains HB 3093 involves two changes: * adding "suitable" under ORS 657.176(C) with respect to voluntarily quitting work * adding "willful" in front of "misconduct" under ORS 657.176(2)(A)
029	Tilton	Describes history of suitability requirements when a person voluntarily quits work.
035	Rep. Markham	Asks for explanation of the bill.
036	Tilton	Replies the bill requires Employment Department to consider the suitability of the work when someone leaves work voluntarily.
081	Rep. Markham	Asks confirmation that worker is denied unemployment insurance if they are offered but refuse to accept a lesser position.
085	Tilton	Responds affirmatively.
088	Tilton	Says the bill reinstates the law prior to administrative rules. Claims "wanton negligence" as stated currently is subjective.
115	Tilton	States a worker's prior earnings and experience are not considered when determining suitability.
147	Rep. Lehman	Reiterates issue of suitability is unreasonable.
161	Michelle Kennedy	Manager, Fiscal, Performance and Planning, Oregon Employment Department (EXHIBIT A) Explains HB 3093 would change criteria for disqualifying individuals for unemployment insurance benefits due to separation from work. Describes ways two words added to the statute would change how Department has been administering unemployment insurance law: * Adding "willful" would eliminate disqualifications in circumstances when individual acts with indifference. * Adding "suitable" would require Department to disqualify from benefits only those individuals found to have left suitable work without good cause; those who left "unsuitable" work without good cause would be eligible to receive benefits.

223	Kennedy	<p>Outlines administrative impacts to Department:</p> <ul style="list-style-type: none"> * overhaul of administrative rules * alterations to forms and publications * more charges against employer's accounts for additional benefits * possible depletion of Trust Fund and a higher unemployment tax schedule
239	Rep. Fahey	Asks what protections are in place for workers in high-risk jobs.
253	Dick VanPelt	<p>Manager, Unemployment Insurance Programs</p> <p>Explains under administrative rule individual meets criteria for benefits who makes reasonable attempt.</p>
262	Rep. Fahey	Asks length of time to receive unemployment benefits if claim is denied.
264	VanPelt	Answers employer may protest decision made by Employment Department; decision will be made based on evidence.
269	Rep. Fahey	Asks if Department has documentation indicating number of reversals of appeals for workers who quit for cause.
271	VanPelt	Replies he will provide committee with information requested.
276	Betsy Earls	<p>Associated Industries (AOI)</p> <p>Says the bill broadens the class of worker eligible for unemployment compensation and will eventually cause an increased unemployment tax rate; opposes HB 3093.</p>
289	Chair Harper	Closes public hearing HB 3093. Opens public hearing on HB 3098.
<u>HB 3098 - PUBLIC HEARING</u>		
298	Rep. Mike Lehman	<p>Oregon State Representative, District 47</p> <p>Refers committee to -4 amendments (EXHIBIT B). Explains bill allows for on-site drug testing. Describes process for collecting sample and performing test to determine presence of five controlled substances.</p>
381	Chair Harper	Asks confirmation that bill allows on-site testing.
386	Rep. Lehman	Confirms that HB 3098 removes clinical lab requirements currently in statute to drug testing on the job site.
392	Rep. Markham	Asks if sample is forwarded to lab if test proves positive.
397	Rep. Lehman	Answers affirmatively. Believes most companies will want to test positive results for confirmation.

406	Rep. Minnis	Asks if he has knowledge of false negative or false positive readings and potential liability.
413	Rep. Lehman	Refers to information provided by Roche Lab; says statistics report 95 percent accuracy (EXHIBIT C).
TAPE 56, A		
004	Rep. Beck	Asks if employee has option to visit private lab to dispute positive results.
014	Rep. Lehman	Answers the bill will probably have no impact on employee's right to seek second opinion if test is performed immediately.
036	Chair Harper	Enters written testimony from Intermountain Forensic Laboratories (EXHIBIT D), Roche TesTcup 5 (EXHIBIT C), Roche HLR Service (EXHIBIT E), Peter Anderson (EXHIBIT G).
042	Audrey Hennefer	Roche Diagnostics, Gresham Declares accuracy of TesTcup 5 is greater than 99 percent.
048	Rep. Fahey	Asks for registration levels of the test.
051	Hennefer	Replies cutoffs on test cup are the same as used by laboratory.
053	Rep. Fahey	Asks how temperature is gauged.
054	Hennefer	Answers strips can be applied to the cup to determine temperature.
055	Rep. Fahey	Says temperature may determine accuracy; temperature is not part of the bill.
057	Hennefer	Replies part of the bill includes following manufacturer's guidelines.
059	Rep. Fahey	Asks where sample is taken.
060	Hennefer	Answers collection is same as used by employers currently.
063	Rep. Minnis	Asks what drug substances would not be covered but are considered illicit.
064	Hennefer	Responds that five drugs on TesTcup 5 are based on National Institute on Drug Abuse (NIDA) guidelines.
073	Chair Harper	Asks for list on which drugs are being tested.
073	Hennefer	Lists drugs test will detect: * amphetamines * cocaine * marijuana * morphine/opiates * PCP
076	Rep. Minnis	Asks chemical differences between amphetamines.

087	Hennefer	Replies test will detect any similar substance in amphetamine class.
091	Rep. Fahey	Asks if gas test according to federal standards is applied when individual tests positive.
096	Hennefer	Answers affirmatively; bill mandates a follow-up test be performed by certified lab.
100	Rep. Minnis	Says PCP remains in the body for 700 days; asks if test would detect.
107	Hennefer	Replies cutoffs are comparable to laboratory; if present, test will indicate positive reading.
117	Michael Skeels	Director, State Public Health Laboratory, Health Division (OHD) (EXHIBIT F) Says with -4 amendments to HB 3098 and advanced technology, acceptable level of test quality will be provided; supports HB 3098.
153	Jim Gardner	Representing Quest Diagnostics (formerly Corning Clinical Laboratories) Asks on behalf of Abbott Laboratories for further study of -4 amendments for competitive purposes.
171	Chair Harper	Replies intention is to have a work session on the bill.
174	Rep. Minnis	Asks nature of his concern with the bill.
175	Jim Gardner	Replies electronic monitor presently in use in law enforcement.
182	Rep. Beck	Asks if concern is that bill would prohibit use of Abbott's product or competition created with test cup.
185	Gardner	Answers he is uncertain to Abbott's reasoning.
187	Rep. Fahey	Remarks market will dictate products used in on-site drug testing.
192	Rep. Minnis	Asks what part of bill deals with area of law enforcement referred to in previous testimony.
195	Gardner	Refers to page 6 of -4 amendments.
200	Rep. Minnis	Comments there is no proposed change to current law.
201	Gardner	Agrees; says Abbott was concerned with competitive impact.
207	Bob Shiprack	Oregon State Building Trades Council Says he is neutral to the bill; construction industry has been actively involved in drug and alcohol testing. Comments for convenience sake, most workers are tested at a clinic en route to the job site. Says Mr. Gervais has requested amendments addressing impact on collective bargaining agreement.
236	Rep. Lehman	Replies he is not aware of impact on collective bargaining agreement.
251	Rep. Lehman	States bill does not alter collection procedure, but speeds up results.

263	Chair Harper	Closes public hearing on HB 3098. Opens work session on HB 3098.
<u>HB 3098 - WORK SESSION</u>		
266	Rep. Minnis	MOTION: Moves to ADOPT HB 3098-4 amendments dated 04/02/97.
	Chair Harper	Hearing no objection, declares the motion CARRIED.
270	Rep. Minnis	MOTION: Moves HB 3098 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Harper	The motion CARRIES. REP. MIKE LEHMAN will lead discussion on the floor.
292	Chair Harper	Closes work session on HB 3098. Opens public hearing on HB 3329.
<u>HB 3329 - PUBLIC HEARING</u>		
310	Lonnie Jackson	<p>Manager, Minority Services, Oregon Youth Authority</p> <p>Supports proposed language in -1 amendments to HB 3329. Says amendments would allow First Break program to work not only with gang-related youth but also with youth at risk of becoming involved with gangs and other criminal activity. Explains language change broadens scope of the program by reaching more youth. Lists criteria used by Youth Authority to define gang-related youth:</p> <ul style="list-style-type: none"> * associates with group identified by use of a name, unique appearance, language * claims geographical territory * embraces belief system that results in criminal activity * commits crime against other gang members * involved in persistent gang activity that includes use of weapons and controlled substances * participates in crimes involving delivery and distribution of controlled substances

357	Jackson	Describes reasons youth become involved in gangs. Attests that early intervention can redirect at-risk youth toward lives as productive citizens. Introduces Mr. Sloan, former gang member in Portland.
TAPE 55, B		
007	Rashaan Sloan	Describes life in gangs before detention in McClaren, and how Youth Authority program helped him find a way out of a life of crime.
046	Harold Williams	African American Male Transition Project, Multnomah County Says he works to change focus of at-risk youth. Describes Success Academy program that places high-risk youth in jobs or higher education. Lists industries that employ young people in the program.
115	Rep. Minnis	Asks relationship to Success Academy with tax credit in the proposed legislation.
118	Jackson	Answers relationship is to broaden language so First Break can offer special incentives to employers to work with gang-related youth.
126	Rep. Minnis	Clarifies question on how tax credit benefits businesses.
132	Jackson	Defers question to someone familiar with statute.
138	Rep. Sunseri	Asks if there are any groups of youth not covered in amendment language.
146	Jackson	Answers affirmatively, but says focus will be on youth on fringes of criminal activity with intent to reach young people before they exhibit gang behavior.
155	Williams	Says intent is to provide businesses with incentives to assist youth on the fringes as well as the high-risk young people.
168	Jackson	Explains the task of redirecting young people's lives takes time.
183	Rep. Fahey	Comments gang activity is no longer an urban problem; rural communities are experiencing gang activity as well.
189	Rep. Beck	Asks if committee has a list of participating companies.
193	Jackson	Defers question to Mr. Williams.
199	Chair Harper	Confirms that First Break is not yet receiving tax credits.
200	Williams	Lists companies with whom he contracts youth employment. Describes process for training and tracking youth after developing business contacts and securing job placement.
236	Rep. Sunseri	Asks Mr. Sloan if Success Academy brought religious influence into his life.
238	Sloan	Answers that church activity is encouraged but not mandated.
245	Rep. Sunseri	Asks if 501(C)(3) organization is created out of the program.
248	Williams	Answers he began the program as a volunteer; explains stipend he receives from Burn Grant currently.
271	Rep. Sunseri	Says if he had a 501(C)(3) organization other people could contribute.

277	Williams	Says he has been advised to establish that organization.
278	Rep. Minnis	Asks Mr. Sloan how Measure 11 has affected him and others he knows.
292	Sloan	Replies his first crime was a Measure 11 crime, but he was remanded to juvenile court. Says individuals serving seven years sentences complete required programs but have no long-term goals after serving sentence.
311	Rep. Minnis	Says adequate programs should be available to at-risk individuals. Asks if policies are having motivational effect on incarcerated youth.
322	Sloan	Replies he was released on "second look" policy; he demonstrated he could change while incarcerated. Says if Measure 11 individuals had "second look" rather than mandatory sentences of seven to fourteen years, they could be motivated to change their lives.
339	Jackson	Agrees youth offenders should be held accountable; says his programs continually work to find ways to motivate young people to work on themselves.
351	Rep. Minnis	Asks if sufficient programs are available for at-risk youth.
362	Williams	Answers no. Describes strategy for achieving success: * hold programs to higher standards * ensure programs have measurable outcome * produce and give results for investment * be consistent to keep young people accountable * expect excellence
TAPE 56 B		
018	John Schoon	Former State Representative. Supports HB 3329 (EXHIBIT H). Explains First Break Program and tax credit subsidy for employers of high-risk youth; explains proposed -1 amendment language removing word "gang" (EXHIBIT I).
077	Rep. Sunseri	Expresses concern for fiscal impact by broadening the language; says implementation may be difficult.
083	Rep. Schoon	Replies limitations exist on amount that could be funded through tax credit. Says subsidy provision in -1 amendment permits Employment Division to seek other funds from businesses or foundations.
094	Rep. Markham	Informs committee of Rep. Schoon's legislative history.
100	Rep. Margaret Carter	State Representative, District 18 Submits written testimony (EXHIBIT J). Compliments Rep. Schoon's legislative service. Says HB 3329 makes sense economically; it costs more to keep youth incarcerated than it does to salvage their lives

		through programs like Success Academy.
132	Phil Busse	Law student, University of Oregon Explains broadening language to include more than gang-related youth does not change the number of youth receiving the 1,500 yearly tax break certificates under First Break Program. Gives statistics with respect to numbers of juveniles arrested and daily costs to the State.
148	Busse	Offers solutions: * job training * employer incentives through tax credits
168	Busse	States two ways HB 3329 amends First Break Program: * defines qualified youth from "gang-related" to "at-risk" * describes employer incentives through tax credit subsidies
212	Rep. Sunseri	Asks who administers and manages First Break Program.
218	Rep. Carter	Answers companies will enroll with Employment Division to hire up to 1500 students per year; they will be given an unemployment tax break.
234	Rep. Schoon	Employment Division agreed to administer program last session. The name gives the program an identity.
249	Rep. Sunseri	Asks if Mr. Williams and Mr. Jackson work for Employment Division; what is the coordination.
251	Rep. Schoon	Explains process of contacting employers, youth coalitions, and Employment Division.
263	Rep. Carter	Reminds committee this bill became law two years ago, funding was not allocated. Says Employment Division plans to implement program by 1998.
285	Rep. Minnis	Asks if she has had discussions with Governor's office with respect to juvenile crime prevention strategy.
297	Rep. Carter	Replies Governor's office informed her staff they had no problem with this bill.
306	Rep. Minnis	Asks if Governor's budget includes funding for First Break Program.
307	Rep. Carter	Answers Employment Division will solicit employers to hire qualified program youth.
318	Rep. Minnis	Confirms Governor did not anticipate reduction in revenue because of tax credits for this program.
320	Rep. Carter	Agrees.
		Manager, Fiscal Performance and Planning, Employment Department (EXHIBIT K)

339	Michelle Kennedy	Explains how program will be administered. Division will absorb costs of administering; will implement administrative rules to develop criteria for eligibility. Addresses two pieces of amendments: * broadening of definition * fiscal impact created by wage subsidy portion
401	Rep. Minnis	Points out Department of Administrative Services (DAS) has a grant-writing unit. Asks why Division would not use DAS for grant writing.
404	Kennedy	Assumes grant writing would be accomplished in Employment Division.
TAPE 57, A		
411	Rep. Minnis	Says DAS has qualified grant writers familiar with criminal justice programs. States coordinating with DAS seems prudent.
421	Kennedy	Says Division will look into that possibility.
428	Rep. Carter	Agrees with Rep. Minnis; DAS is capable of writing grants for programs like First Break. Offers to submit budget note from Chair Harper to DAS.
455	Kennedy	Points out accounting mechanism creates fiscal impact for administration of dollars.
TAPE 57, A		
033	Rep. Minnis	Says coordination with DAS could set up accounts.
044	Kennedy	Says Employment Department believes this is a good program. Refers to -1 amendments stating Employment Department would be funded for administrative costs identified.
056	Chair Harper	Asks for clarification with respect to amount of subsidy.
058	Kennedy	Replies amount is to be included by bill's sponsor.
062	Rep. Schoon	Answers intent is to follow guidelines of original bill, lesser of \$1,000 or 50 percent of amount expended by employer as wages paid.
073	Chair Harper	Requests amendment by Thursday. Closes public hearing on HB 3329; opens work session on HB 2444.
<u>HB 2444 - WORK SESSION</u>		
082	Chair Harper	Provides overview of HB 2444 (EXHIBIT L).
094	Rep. Gardner	Asks if fiscal impact on school boards with respect to notification.
101	Chair Harper	Replies no more than they have presently. Says agreement has come from Oregon School Boards Association and DAS.
107	Rep.	MOTION: Moves to ADOPT HB 2444-2 amendments dated

	Sunseri	04/04/97.
	Chair Harper	Hearing no objection, declares the motion CARRIED .
110	Rep. SUNSERI:	MOTION: Moves HB 2444 be sent to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Harper	The motion CARRIES. REP. STEVE HARPER will lead discussion on the floor.
120	Chair Harper	Closes work session on HB 2444. Adjourns the meeting at 10:00 a.m.

Submitted By, Reviewed By,

Linda Spaulding, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3093, written testimony, Michelle Kennedy, 5 pp

B - HB 3098, proposed amendments, staff, 7 pp

C - HB 3098, informational testimony, staff, 8 pp

D - HB 3098, written testimony, staff 2 pp

E - HB 3098, written testimony, staff, 2 pp

F - HB 3098, written testimony, staff, 1 p

G - HB 3098, written testimony, staff, 2 pp

H - HB 3329, written testimony, John Schoon, 1 p

I - HB 3329, proposed amendment, staff, 1 p

J - HB 3329, written testimony, Margaret Carter, 6 pp

K - HB 3329, written testimony, Michelle Kennedy, 5 pp

L - HB 2444, proposed amendments, staff, 1 p