

HOUSE COMMITTEE ON LABOR

May 8, 1997 Hearing Room E

8:00 A.M. Tape 78

MEMBERS PRESENT:

Rep. Steve Harper, Chair

Rep. Mike Fahey, Vice-Chair

Rep. Chris Beck

Rep. Dan Gardner

Rep. Ron Sunseri

MEMBER EXCUSED:

Rep. Bill Markham

Rep. John Minnis

STAFF PRESENT:

Cara Filsinger, Administrator

Steve Wermuth, Administrative Support

MEASURE/ISSUES HEARD:

SB 1030 - Public Hearing and 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 78, A		
004	Chair Harper	Calls meeting to order at 8:15. Opens public hearing on SB 1030.
SB 1030 - PUBLIC HEARING		
011	Sen. Eugene	District 16. Sponsor of SB 1030. Explains SB 1030.

	Derfler	
020	Rep. Beck	Asks how someone collects unemployment benefits fraudulently.
021	Sen. Derfler	Responds with example of someone being employed and still collecting benefits.
032	Michelle Kennedy	<p>Manager; Fiscal, Performance and Planning, Oregon Employment Department [EXHIBIT A].</p> <p>Discusses overpayments. Discusses proposed legislation that will allow the department broader authority in four areas:</p> <ul style="list-style-type: none"> * warrant authority * charge and collect interest for overpayments * special control fraud fund * modify a section of the statute that deals with cancellation of small overpayments * Supports SB 1030 <p>Says the department could save about \$22,000 on administrative costs. States that efforts could increase overpayment collections from \$1.5 million to \$2 million a year.</p>
076	Chair Harper	Confirms \$21 million in outstanding debt.
078	Kennedy	Responds correct.
080	Rep. Sunseri	Confirms that department is asking to be able to apply garnishments to wages and liens on real property without going to court.
084	Kennedy	Responds yes.
090	Tom Byerley	Manager, Unemployment Insurance Benefits Program. States that other agencies have the authority to do that currently such as Employment Department and Department of Revenue (DOR).
095	Rep. Sunseri	States that DOR is unique to other state agencies.
097	Kennedy	States that Employment Department already has the authority in the tax area with employers.
103	Rep. Fahey	Asks what if a person denies receiving illegal unemployment benefits.
105	Byerley	States that claimants have right to appeal any decision. Explains process of claims examiner, first-level hearing, Employment Appeals Board, Oregon Court of Appeals and Oregon Supreme Court.
123	Rep. Fahey	Asks if the person is afforded an attorney anytime during this process.

124	Byerley	Responds that the department tries not to require an attorney, but if one is needed, they can have an attorney any time they like.
126	Rep. Fahey	Asks if anyone has ever used legal aid.
127	Byerley	Responds yes, that legal aid has been used regularly for this.
128	Chair Harper	Clarifies that this process would only be into effect if all other means were exhausted.
129	Byerley	Responds correct. States that it is a last resort.
133	Chair Harper	Asks who currently has the warrant capability.
135	Byerley	Responds that taxing section of Employment Department currently has that capability and Department of Revenue.
138	Rep. Sunseri	Confirms that it costs \$22,000 a year to take this to a legal system.
140	Byerley	Responds correct.
142	Kennedy	States that issues raised in Secretary of State's audit are represented in what is being asked for by Employment Department.
152	Rep. Fahey	Asks if a claimant owes money and applies for a claim does it get "red-flagged."
154	Byerley	Responds that when a claimant has overpayment on their records, if they file for benefits, department knows about it and take current claim benefits to offset overpayment until totally repaid.
158	Rep. Fahey	Asks if someone is working and collecting benefits and finds out their pay is being garnished for overpayment, do they continue to report or just walk away.
165	Byerley	Responds that the incentive for the person is to eliminate the debt, and people do continue to report to get that paid back.
170	Rep. Sunseri	Gives concern with the authority given to department.
177	Rep. Fahey	Asks if department can continue to collect from employer even if employee did not report in.
179	Byerley	Responds yes, if department can get a judgment to garnish.
185	Byerley	Says that the department does not necessarily collect from the employer, and that the account is set up for the claimant and to offset the overpayment they must be unemployed and eligible for the week and claim that week.
191	Rep. Fahey	Confirms that claim is charged against claimant's account if they have a valid claim.
194	Byerley	States that department cannot collect unless claimant reports in.
196	Chair Harper	Confirms that these claimants have committed fraud, been through due process, and now the department wants their money back.
199	Kennedy	Responds correct.

201	Chair Harper	Closes public hearing on SB 1030. Opens work session on SB 1030.
<u>SB 1030 - WORK SESSION</u>		
202	Rep. Fahey	MOTION: Moves SB 1030 to the floor with a DO PASS recommendation.
205		VOTE: 4-0 AYE: 4 - Beck, Fahey, Gardner, Harper EXCUSED: 3 - Markham, Minnis, Sunseri
210	Chair Harper	The motion CARRIES. REP. FAHEY will lead discussion on the floor.
214	Chair Harper	Closes work session on SB 1030. Adjourns the meeting at 8:31 a.m.

Submitted By, Reviewed By,

Steve Wermuth, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 1030, written testimony, Michelle Kennedy, 6 pp.