

HOUSE COMMITTEE ON LABOR

April 3, 1997 Hearing Room E

8:00 A.M. Tapes 51 - 54

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 3286 Public Hearing

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 51, A		
015	Chair Harper	Calls the meeting to order at 8:01 a.m. Opens public hearing on HB 3286.
<u>HB 3286 - PUBLIC HEARING</u>		
037	Rep. Bill Markham	Oregon State Representative, District 46 Introduces HB 3286. Says government should not expend resources to

		promote political agendas.
066	Sen. Randy Leonard	Oregon State Senator, District 9 States HB 3286 concerns an issue of discrimination against a group of people because of political affiliations. Reads portions of letter received from Legislative Counsel Committee with respect to constitutionality of restricting deductions of union dues from public employee's paychecks (EXHIBIT A). Opposes HB 3286.
186	Rep. Minnis	Asks how his union deals with transfers of monies from general fund to political fund.
196	Sen. Leonard	Answers Portland Firefighter's Association does not use union dues for political activity; union members may make voluntary contribution to separate entity or Political Action Committee (PAC).
216	Rep. Minnis	Asks if he knows of any public employee unions that have transferred from general fund into PAC accounts.
221	Sen. Leonard	Answers he does not know of any. Says that activity is illegal.
226	Rep. Minnis	Asks who audits unions.
228	Sen. Leonard	Replies same process as for school districts; results of private audits are dispersed and reported at union meetings.
233	Rep. Minnis	Asks if documents are made available to the public.
238	Sen. Leonard	Answers all union documents are public.
236	Rep. Minnis	Refers to <u>Willamette Week</u> article and issue of "soft money."
238	Sen. Leonard	Clarifies money is from PAC funds; money donated from unions does not come from union dues. Says PAC funds are separately governed.
253	Rep. Minnis	Comments confusion exists with respect to public employee's unions.
256	Sen. Leonard	Agrees. States HB 3286 would prevent unions from deducting dues for purposes of operating the union.
269	Rep. Minnis	Asks confirmation that audit reports are public.
271	Sen. Leonard	Clarifies union reports are not private. Says union are private, nonprofit businesses; documents produced are for union members, but are available to the public.
294	Chair Harper	Asks to see statute prohibiting union dues from being used for political activities.
298	Sen. Leonard	Agrees to provide the information requested.
		Asks confirmation that union employee may voluntarily choose to have

302	Rep. Beck	payroll deduction for political purposes.
309	Sen. Leonard	Replies affirmatively. Clarifies contribution is not necessarily wages; retirees also contribute.
315	Rep. Beck	Asks confirmation that HB 3286 would prohibit voluntary payroll deduction to PACs.
316	Sen. Leonard	Agrees; adds HB 3286 would also prohibit deduction of union dues.
321	Rep. Beck	Asks if deduction renewal is automatic.
329	Sen. Leonard	Replies members complete payroll deduction cards based on political interests at the time.
354	Rep. Beck	States common belief maintains that contributions to PACs are not voluntary; however, personal choice apparently exists under present system.
369	Sen. Leonard	Says PAC law requires contributions to be voluntary.
390	Bill Sizemore	Oregon Taxpayers United Favors HB 3286. Disagrees with Sen. Leonard's testimony; says unions use dues for political purposes. Maintains unions have rebate program; employees who do not wish to support specific political agendas are allowed to request a rebate of money withheld as payroll deduction. Says many employees are not aware that a rebate program exists.
TAPE 52, A		
030	Sizemore	States nation-wide poll indicates over sixty percent of union members do not support money deducted from their paychecks for PACs. Says his organization has filed a ballot measure restricting use of public resources to collect or assist in collection of political funds.
069	Sizemore	Says he understands rebate of political funds is available only to fair share members who make payments in lieu of dues. Union members do not have option of rebating, but must withdraw from union in order to receive rebate of political funds.
090	Sizemore	Says unions should not be able to commingle political funds with other funds.
130	Sizemore	Remarks payroll deduction privilege granted to unions gives advantage over political opponents and non-union members. Says public employees do not lose rights to support any political agenda if HB 3286 passes.
151	Rep. Gardner	Asks if private, non-public employee unions should be treated differently than public employee unions with respect to dues deductions.
154	Sizemore	Answers no.
155	Rep. Gardner	Asks why HB 3286 is directed toward only public employee unions.
	Cara	Committee Administrator, clarifies most private unions are covered by

163	Filsinger	federal guidelines and not state guidelines.
167	Rep. Fahey	Comments his union is careful when reporting distribution of union dues. Says union meetings are democratic process; members vote to support specific political agendas.
192	Sizemore	Takes issue that union activities are democratic principles at work when union votes to take money out of employee's paychecks to support specific political parties.
220	Rep. Fahey	Clarifies statement saying unions report meeting action.
228	Rep. Gardner	Says his own private union maintains separate PAC open to any member wishing to join.
236	Rep. Minnis	Agrees with Rep. Gardner; some unions have separate accounts and PAC functions. Says contribution expenditure reports showing cash flow and transfers into PAC by public employee unions for last ten years will give the committee honest information.
255	Rep. Beck	Asks if public employees should be able to organize.
258	Sizemore	Declines to answer.
268	Rep. Beck	Asks regarding appropriateness for public employee unions to hire lobbyists to represent interests of their unions.
279	Sizemore	Answers it is not appropriate.
281	Rep. Beck	Asks if he considers that a political purpose separate from campaigns.
284	Sizemore	Replies yes.
285	Rep. Beck	Asks confirmation that he sees no difference between hiring staff to represent interests of the union as separate from funds used to support or oppose a candidate.
290	Sizemore	Answers public employee unions should be able to lobby and represent interests of unions the same as any other interest group; however, money should not be collected through payroll deduction to finance political functions.
302	Rep. Minnis	Suggests public employee unions have separate accounts to finance lobbying activities: one dealing with issues relevant to membership at large and one relevant to collective bargaining. Asks if he believes public agencies should spend public money to lobby.
319	Sizemore	Answers no.
326	Mary Botkin	American Federation of State, County, and Municipal Employees (AFSCME) (EXHIBIT B) Opposes HB 3286; bill creates right-to-work legislation. Explains right-to-work; says HB 3286 is effort to break public employee unions.
418	Botkin	Explains history of payroll deductions as a means for employer and worker to arrange financial transaction.

TAPE 51, B		
036	Botkin	Requests opportunity to discuss perceived injustices. Describes workforce she represents and reasons they join the union.
078	Botkin	Explains political check off is voluntary.
085	Rep. Minnis	Asks for definition of "voluntary."
088	Botkin	Refers to (EXHIBIT B, pg. 4) .
100	Rep. Minnis	Asks after employee reads and signs voluntary authorization, the document becomes a payroll deduction until revoked.
103	Botkin	Answers yes; affirms workers do not sign until they fully understand the terms of voluntary payroll deduction.
113	Rep. Sunseri	Asks why, during last election, many people objected to their union dues being directed to specific political candidates or issues they did not support.
125	Botkin	Answers misinformation and confusion exist.. Says she explains to AFSCME membership the source of political funds as well as right to rebate. States every member is eligible for rebate; refers to (EXHIBIT B, pg 3) .
168	Chair Harper	Requests information with respect to 22.79 percent authorized rebate in 1996 and amount rebated.
173	Botkin	Replies she will provide committee with information requested.
176	Rep. Beck	Asks clarification that percentage of dues rebated does not reflect voluntary political contributions.
181	Botkin	Explains difference between voluntary dollars (hard dollars) and dues (soft dollars); confirms 22 percent of dues were spent for political purposes.
191	Rep. Minnis	Says funds appear to cross over lines of function. Asks the purpose of rebating "soft" money if not in disagreement with political cause.
209	Botkin	Agrees workers who do not support a specific political cause may request a rebate.
212	Rep. Minnis	Asks why she indicates rebates come from "soft" money or union dues which infers use of union dues for political purposes.
215	Botkin	Answers general fund money voted on by members for some political activity. Specifies union must by federal and state law keep PAC accounts separate from other general fund money.
240	Rep. Minnis	Refers to article in <u>Willamette Week</u> and national issues with union dues.
248	Rep. Sunseri	Asks for answer to the question.
250	Rep. Minnis	Asks to what extent and authority does AFSCME use general fund monies (dues from membership) for political purposes.
		Answers AFSCME uses no dues dollars for candidate politics. Explains

256	Botkin	members voluntarily set aside dues for support of ballot measures that directly affect wages, hours, and conditions of members.
296	Rep. Minnis	Asks how members voluntarily set money aside if it is part of monthly contribution for dues.
297	Botkin	Answers members have the right to get money back.
298	Rep. Minnis	Asks how members learn how their money is spent.
299	Botkin	Replies members receive an informational letter.
319	Chair Harper	Asks form in which contributions are received.
321	Botkin	Answers a variety of ways. Stresses politics is voluntary; money is rebated if members disagree.
350	Chair Harper	Refers to Sen. Leonard's testimony that using union dues for political purposes is illegal; verifies AFSCME uses 20 percent for political activity.
355	Rep. Fahey	Explains union lobbyists service union members.
374	Rep Minnis	Asks when it became a right to have funds transferred by way of government agency to unions.
397	Botkin	Replies it is a right in statute granted any bank or credit union to make payroll deductions.
415	Rep. Minnis	Says concern is legal aspects of proposed legislation.
	TAPE 52, B	
012	Rep. Fahey	Says voluntary deduction was a negotiated item agreed by labor and management.
016	Botkin	Agrees; says it is a legislative right.
020	Rep. Minnis	Comments if legislature creates, it can also take away.
021	Botkin	Says legislature could take away rights of many organizations.
023	Rep. Minnis	Clarifies the issue focuses on political activities.
029	Wesley Stucker	Employee, City of Portland Says through union dues (fair share) he is forced to support union political views and individuals. Comments he is unaware of rebates through fair share. Supports HB 3286.
094	Rep. Gardner	Asks confirmation he would not object to the deduction if the union agreed with his political views.
097	Stucker	Replies not necessarily.

103	Rep. Gardner	Asks how many union meetings he has attended.
104	Stucker	Answers approximately ten meetings.
105	Rep. Gardner	Asks confirmation he has attended ten meetings in eleven years.
105	Stucker	Corrects answer to thirteen years. Says he declined union membership for majority of those years.
106	Rep. Gardner	Asks if he has run for office or tried to change union policy.
107	Stucker	Replies he has been offered leadership positions.
108	Rep. Gardner	Confirms he has not.
109	Stucker	Replies he has not accepted the offers.
109	Rep. Gardner	Suggests he get involved if he wants to affect change.
110	Stucker	Answers he perceives that as useless.
111	Rep Fahey	Asks for comparison on present job with previous job in relation to workplace.
118	Stucker	Answers he worked for State of Idaho; he found the work environment less combative than in Portland and Oregon.
132	Rep. Fahey	Asks his hourly wage.
137	Stucker	Replies wages are not an issue.
1142	Rep. Beck	Asks if he his knowledge of entitled rebate causes him to be more supportive of participating in union; asks if he would take action to seek a rebate.
159	Stucker	Answers his opinion has not changed with information of a rebate.
175	Rep. Beck	Asks if rebate relieves some of his animosity.
176	Stucker	Answers no.
199	Rep. Gardner	Asks affirmation that even though he is aware a rebate policy exists, his concerns over the union remain unmitigated.
201	Stucker	Answers the policy does not fix the problem.
204	Rep. Minnis	Asks the source of his fear of approaching the committee with his concerns.
210	Stucker	Replies there is some fear of negative repercussion at his workplace.
223	Alice Dale	Executive Director, Oregon Public Employees Union (OPEU) (EXHIBIT D) Opposes HB 3286. Explains political activities run by OPEU allow small contributors to have a voice in political process. Clarifies fair share rebate issue. Says letters are sent to members indicating chargeable and non-

		chargeable expenses plus an audited financial summary along with procedures for challenging expenditures.
319	Dale	Explains fair share payers have right to a rebate; union members are not entitled to fair share rebates, but may participate in political decision-making. Says no one represented by OPEU is forced to contribute to political activities of the organization; members have option to become fair share payer or to opt out of candidate activities.
344	Dale	Explains expenditures in Oregon politics (EXHIBIT D, pg 2, 3).
TAPE 53, A		
022	Jeff Seacates	Public employee, Oregon State University Declares HB 3286 is attempt to remove workers from involvement in political process. Says collection and dispersion of funds are controlled by union members. Opposes HB 3286.
075	Wendy Whitley	Public employee, Oregon State Library Opposes HB 3286.
170	Rep. Beck	Asks Ms. Dale to clarify written testimony that expenditures cited reflect Oregon public employee unions.
174	Dale	Answers figures indicate private and public union expenditures.
176	Rep. Beck	Asks if independent expenditure portion is "soft" money.
178	Dale	Answers "soft" money in OPEU is defined differently than an independent expenditure campaign.
185	Rep. Beck	Asks for clarification that independent expenditures do not come from voluntary political forms (EXHIBIT B).
187	Dale	Replies yes, independent expenditures do come from voluntary contribution forms.
196	Rep. Beck	Asks where in the process is rebate money.
200	Dale	Clarifies any money listed under candidate expenditures is voluntary money; therefore, ineligible for rebate.
225	Rep. Beck	Asks clarification that just fair share and not union members are entitled to rebate.
231	Dale	Explains procedure available to fair share payers who do not have a voice in the democratic process.
263	Randy Tucker	Oregon State Public Interest Research Group (OSPIRG) (EXHIBIT E) Says small contributions by average citizens play meaningful role in political process. Opposes HB 3286.
305	David Fidanque	Executive Director, American Civil Liberties Union (ACLU) States limits on campaign contributions are unconstitutional; opposes HB 3286. Says payroll deductions were established through legislature and collective bargaining process. Urges committee to reject the bill as a

		matter of policy.
379	Rep. Sunseri	Says question is concerned with appropriateness of civil government's function with respect to collecting political funds.
396	Fidanque	Explains two types of political expenditures through public employee unions: * voluntary contributions to PACs that make contributions to candidates or engage in independent expenditures * contributions made by public employee unions on ballot measure campaigns and general advocacy and from which fair share payers are entitled to rebate
TAPE 54, A		
019	Sandra Bishop	Oregon League of Women Voters (EXHIBIT F) Explains League's mission. Says the bill before committee limits the right to choose how to allocate contributions from a worker's paycheck. Opposes HB 3286.
054	Laurie Wimmer	Oregon Education Association (OEA) Submits written testimony of Jack Roberts, Commissioner, Bureau of Labor and Industries (EXHIBIT G). Opposes HB 3286.
085	Chair Harper	Asks Ms. Smith to focus testimony on political contributions.
092	Monica Smith	Attorney, OEA Defines "political" with respect to union dues; political or ideological activities unrelated to collective bargaining applies to fair share payers who dissent and are eligible for rebate. Refers to testimony with respect to relationship between public employees and government as employer (EXHIBIT H, pg 2).
202	Chair Harper	Submits written testimony of Irv Fletcher, Oregon AFL-CIO (EXHIBIT I), Bob Duehmig, Oregon Federation of Teachers, Education and Health Professionals (AFT) (EXHIBIT J) and J. Dressler and M. VanNatta-Gail, Association of Engineering Employees of Oregon (EXHIBIT K).
209	Tricia Smith	Oregon School Employees Association (OSEA) Says OSEA employees work on political issues specifically related to education and labor. Opposes HB 3286.
282	R.C.A. Moore	International Longshoremen and Warehouse Union (ILWU) Opposes HB 3286.
305	Rep. Beck	Suggests committee hear additional testimony from nonprofit and financial institution representatives.
	Chair	

Submitted By, Reviewed By,

Linda Spaulding, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3286, written testimony, Randy Leonard, 3 pp

B - HB 3286, written testimony, Mary Botkin, 6 pp

C - HB 3286, written testimony, Wesley Stucker, 3 pp

D - HB 3286, written testimony, Alice Dale, 3 pp

E - HB 3286, written testimony, Randy Tucker, 1 p

F - HB 3286, written testimony, Sandra Bishop, 1 p

G - HB 3286, written testimony, Laurie Wimmer, 2 pp

H - HB 3286, written testimony, Monica Smith, 4 pp

I - HB 3286, written testimony of Irv Fletcher, staff, 1 p

J - HB 3286, written testimony of Bob Duehmig, staff, 2 pp

K - HB 3286, written testimony of Jess Dressler, Mary VanNatta-Gail, staff, 1 p