

HOUSE COMMITTEE ON LABOR

May 15, 1997 Hearing Room E

8:00 AM Tapes 81 - 82

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

Steve Wermuth, Administrative Support

MEASURE/ISSUES HEARD:

HB 2971 - Work Session

HB 3076 - Work Session

SB 544 - Work Session

SB 719A - 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 81, A		
005	Rep. Fahey	Calls meeting to order at 8:00. Opens work session on HB 2971.

<u>HB 2971 - WORK SESSION</u>		
018	Rep. Fahey	Closes work session on HB 2971.
021	Chair Harper	Opens work session on HB 3076.
<u>HB 3076 - WORK SESSION</u>		
033	Cara Filsinger	Explains -3, -4 and -5 [EXHIBIT A] proposed amendments for HB 3076.
056	Bob Shiprack	Representing Oregon Building Trades Council. Supports -3 amendments.
068	Mary Neidig	Administrator, Workers' Compensation Division. Comments that the division has no position on this bill, but supports -3 amendments.
079	Rep. Fahey	Asks what the problem is with -4 and -5 amendments.
088	Shiprack	Responds that he has not seen them.
097	Robert C.A. Moore	Oregon Workers' Compensation Attorneys (OWCA). States that OWCA requested the bill. States effect of -4 amendments.
125	Kathryn Olney	Senior Trial Counsel, Liberty Northwest Insurance. Comments that Liberty Northwest and its employers need amendments proposed on page 4 of the bill. Supports -4 amendments. States -3 amendments limit entire process to medical reports, and would not permit additional information about things which occurred subsequent to closure.
169	Dick Springer	Representing Pozzi, Wilson, Atchison. Supports -4 amendments.
195	Rep. Markham	Asks how long present system has been in.
197	Springer	Responds about two years ago limitations on testimonial evidence were "shut off."
204	Chair Harper	Asks if concerns with -3 amendments would be similar.
205	Springer	Responds correct. States that he has not seen the -5 amendments.
214	Chris Davie	SAIF Corporation. Comments on original opposition to the bill, now currently supports -3 amendments and opposes -5 amendments.
229	Rep. Fahey	Asks what problem is with -4 amendments.

231	Davie	Responds in opposition to -4 amendments. Explains.
242	Rep. Fahey	Asks if a good lawyer should be able to point out that information was withheld.
243	Davie	Responds that nothing in -4 amendments says it would be wrong to withhold it.
248	Rep. Fahey	Asks why "sandbag" issue was not brought up at hearing.
251	Davie	Responds that it would not have any relevance.
258	Rep. Beck	Asks for clarification of amendments.
265	Chair Harper	Comments on need for clarification of amendments.
276	Chair Harper	Closes work session on HB 3076.
280	Chair Harper	Opens work session on SB 544.
<u>SB 544 - WORK SESSION</u>		
286	Filsinger	Explains SB 544.
313	Chair Harper	MOTION: Moves SB 544 to the floor with a DO PASS recommendation.
316		VOTE: 5-2 AYE: 5 - Fahey, Markham, Minnis, Sunseri, Harper NAY: 2 - Beck, Gardner
325	Chair Harper	The motion CARRIES. REP. HARPER will lead discussion on the floor.
328	Chair Harper	Closes work session on SB 544.
331	Chair Harper	Calls for a recess at 8:24 a.m.
333	Chair Harper	Calls meeting back to order at 8:30 a.m., and opens public hearing on SB 719A.
<u>SB 719A - PUBLIC HEARING</u>		
335	Sen. Eugene	District 16. Sponsor of measure. Explains SB 719A. Comments on

	Derfler	prevailing wage and true-market wages.
377	Jack Roberts	Commissioner, Oregon Bureau of Labor and Industries. Supports SB 719A. Comments on need for annual surveys of prevailing wage rate.
TAPE 82, A		
008	Roberts	Does not believe he is precluded from looking at other data in assessing validity of information currently available for the wage survey. Says the bill precludes from failing to take surveys and relying on past practice.
022	Rep. Beck	Asks the intent of trying to delete the part of the statute that seems not very "burdensome."
029	Sen. Derfler	Responds that he does not agree with Mr. Roberts on the survey issue, and that he does not want it in the law that would give someone an "out" to say, "we don't have to take wage surveys."
037	Rep. Beck	Asks if we require wage surveys and still allow labor commissioner to look at additional information from US Department of Labor, what more information is available?
040	Sen. Derfler	Responds that it has been an issue in the past as a reason not to use wage surveys.
047	Rep. Beck	Confirms that Senator Derfler wants to see wage surveys required.
056	Sen. Derfler	Believes there is an incorrect interpretation of the bill. Explains.
057	Rep. Beck	States there is encouragement to look at other information in the language that is proposed to be deleted.
063	Sen. Derfler	Explains that it eliminates reasons for not using survey information.
075	Rep. Fahey	Asks Mr. Roberts if he did a survey and if he was satisfied with the results.
077	Roberts	Responds he did a survey and explains there were some areas where there were questions about how information was derived. States the data was not "fresh." Explains how he decided not to use the first survey for the basis of establishing prevailing wage rates. Comments that another survey will be done, and with results from that as primary basis for establishing wage rates in January 1998.
106	Chair Harper	Confirms that Mr. Roberts will do another survey.
107	Roberts	Responds that a survey will be done in July 1997 and new rates based on that survey published in January 1998.
111	Chair Harper	Asks if the survey will be annual.
112	Roberts	Responds yes.
121	Rep. Fahey	Asks if federal standard was used to determine survey.
123	Roberts	Responds that there are some differences, but they are similar.

147	Rep. Fahey	Asks if they talk directly to union trust offices.
151	Roberts	Says correct. States it does not tell you in what regions work was being done, and does not tell work that is being done in Oregon.
160	Rep. Fahey	Asks if a composite of crafts was taken in the survey.
164	Roberts	Responds that many things were lumped together. Explains.
183	Rep. Fahey	Asks how to prove a certain job title.
188	Roberts	Responds that issue is being worked on.
208	Rep. Fahey	Asks the outcome if someone is covered on spouse's benefits and survey shows that person is not covered.
215	Roberts	Responds that is a concern. Explains.
238	Rep. Markham	Comments on past experience and believes this legislation is overdue.
278	Jeanne Arana	Representing Associated General Contractors Oregon-Columbia Chapter (AGC) [EXHIBIT B] . Supports SB 719A. Comments that the bill deletes authorization to use certain federal wage determinations. Discusses submitted conceptual language.
320	Rep. Beck	Asks if she has amendments.
321	Arana	Responds yes, conceptual amendments.
323	Rep. Minnis	Asks if amendments were brought to Senator Derfler.
324	Arana	Responds yes and states that Senator Derfler does not wish to amend the bill.
335	Chair Harper	Asks if BOLI would do a survey.
337	Arana	Says that BOLI should respond to that question.
341	Shiprack	Mentions section 1 of the bill and explains proposed language. Comments on updating of current prevailing wages.
374	Rep. Minnis	Asks how this bill does that.
375	Shiprack	Responds that it deletes the current language that allows the commissioner to look at collective bargaining agreement. Explains that the bill says, "we're still going to do it anyway."
396	Rep. Beck	Asks Mr. Shiprack if he has looked at AGC amendments. Asks his preference between amendments or keeping existing statute.
401	Shiprack	Responds that he has seen amendments and that he prefers to keep the statute as it is currently.
404	Rep. Beck	Asks if AGC would support keeping existing language.
407	Arana	Replies that if that were the only option, AGC would oppose the bill.

416	Rep. Markham	Asks the reason for Senator Derfler wanting the language deleted.
TAPE 81, B		
001	Chair Harper	Responds the federal data is all that has been used for the past forty years and we want to get away from that.
003	Shiprack	Gives concerns of section 2. Explains that some people feel that federal surveys only affect collective bargaining rates.
052	Rep. Minnis	Clarifies that this bill, even if amended, does not preclude commissioner from using federal data.
057	Rep. Beck	Explains the language is harmless.
076	Shawn Miller	Representing Associated Builders and Contractors, Inc. (ABC) [EXHIBIT C]. Supports SB 719A. States that the bill does not repeal Little Davis-Bacon Act.
119	Chair Harper	Asks for comments about amendments.
120	Miller	States that ABC supports the bill as drafted.
128	Rep. Beck	Asks what the concern is with language requested to be deleted.
132	Miller	Responds that the language might allow future commissioners to solely use federal data instead of annual wage surveys.
145	Rep. Beck	Asks how retaining existing statute would preclude weighing the new information with the federal information.
149	Miller	Believes that it's not weighing them both together.
157	Rep. Beck	States that there is nothing in existing statute to prevent from doing that currently.
158	Miller	Responds that the past 40 years, commissioners have used federal data which is not reflective of Oregon's market.
162	Steve Telfer	Executive Director, ABC. Supports SB 719A. States that language in dispute has been candidly used as an excuse not to do local surveying. Suggests amending page 2, section 2, line 31, changing "once" to "twice."
211	Rep. Gardner	Asks what the <i>Oregonian's</i> position was on Measure 12.
213	Miller	Responds yes, they were in favor.
215	Rep. Gardner	Asks if those newspapers who were in favor of wage surveys are also in favor of deleting the specific language in question.
220	Miller	Responds that newspapers addressed the bill and approved it.
229	Rep. Markham	Asks how much money was spent on proponents and opponents of the initiative.
231	Miller	States that they were outspent 10 to 1.
237	Rep. Beck	Asks why we are afraid of having a statute encouraging us to continue to utilize information provided by US Department of Labor.

250	Miller	Responds that in the past it has not effected Oregon's marketplace.
258	Rep. Beck	Asks if federal information should be used.
259	Miller	Responds no and states that commissioners may use that as a guide.
273	Rep. Beck	Confirms that nothing in existing statute precludes that from happening.
274	Telfer	Responds that it "cuts both ways." Explains.
291	Rep. Beck	States that we are headed that way.
303	Rep. Fahey	Asks if BOLI was requested to do a survey in the past 40 years.
306	Telfer	Responds many members of legislature have requested.
313	Rep. Fahey	Talks about "under the table" employment.
326	Chair Harper	Finds the point here quite appropriate.
335	Kim McCoy	Pacific Northwest District Council of Carpenters. Opposes SB 719A. Believes the bill is an attack on Little Davis-Bacon Act.
366	Chair Harper	Asks to reiterate reason for opposition of the bill.
367	McCoy	Responds the language.
372	Chair Harper	Asks if he opposes the surveys.
373	McCoy	Responds no.
379	Chair Harper	Asks how Mr. McCoy came out on the survey.
380	McCoy	Responds that survey did not reflect their true numbers.
409	Irvin Fletcher	AFL-CIO. Believes voters spoke clearly in 1994 by failing to pass similar legislation.
415	Chair Harper	Asks if surveys are opposed.
417	Fletcher	Responds there is a problem with language to be deleted.
421	Chair Harper	Asks if the amendments will make it right.
422	Fletcher	Responds that AFL-CIO would want to look at the amendments and is not opposed to independent wage surveys. Suggests deletion of permissive language.
441	Chair Harper	Closes public hearing on SB 719A. Adjourns meeting at 9:30 a.m.

Submitted By, Reviewed By,

Steve Wermuth, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3076, -5 amendments, Staff, 1 p.

B - SB 719A, written testimony, Jeanne Arana, 3 pp.

C - SB 719A, written testimony, Shawn Miller, 2 pp.