

HOUSE COMMITTEE ON LABOR

April 10, 1997 Hearing Room E

8:00 A.M. Tapes 58-59

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 3329 Work Session

HB 2549 Public Hearing

HB 2971 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 58, A		
003	Chair Harper	Calls the meeting to order at 8:06 a.m. Opens work session on HB 3329.
<u>HB 3329 - WORK</u>		

SESSION		
009	Chair Harper	Reviews HB 3329; submits proposed -2 amendments (EXHIBIT A).
019	Rep. Markham	MOTION: Moves to ADOPT HB 3329-2 amendments dated 04/09/97.
	Chair Harper	Hearing no objection, declares the motion CARRIED.
023	Michelle Kennedy	Manager, Fiscal, Performance and Planning, Employment Department Points out language appropriating funds for administrative costs to Employment Department is not included in -2 amendments.
037	Chair Harper	Asks if Ms. Kennedy would accept language added in Revenue Committee. Asks Mr. Schoon if the suggestion meets with his approval.
042	John Schoon	Former State Representative Asks why, if tax credit is not funded, the bill is going to Revenue rather than Ways and Means.
047	Cara Filsinger	Committee Administrator, explains the bill does have a revenue impact; Revenue Committee does revenue impact upon receipt in committee.
050	Rep. Minnis	Asks if the bill addresses tax credit.
051	Schoon	Answers the tax credit is not authorized in this bill.
053	Rep. Minnis	Agrees that bill should go to Ways and Means.
058	Rep. Minnis	States he hoped Employment Department would define by rule with respect to definition of "socially detrimental activities."
065	Kennedy	States Department intends to put the issue into rule; they are working with Rep. Carter's office to develop criteria. Says the Department will hold public hearings on the subject.
076	Rep. Markham	MOTION: Moves HB 3329 to the floor with a DO PASS AS AMENDED recommendation to , RESCIND REFERRAL TO REVENUE, and refer to WAYS AND MEANS.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Harper	The motion CARRIES.
085	Chair Harper	Closes work session on HB 3329. Opens public hearing on HB 2549.
<u>HB 2549 - PUBLIC HEARING</u>		
091	Rep. Dan Gardner	State Representative, District 13 Introduces HB 2549. Says the bill increases the permanent partial disability payable under workers' compensation. Explains proposed -1

		amendments modify the bill so as not to declare an emergency; takes effect January 1, 1998 (EXHIBIT B) .
099	Bob Shiprack	Oregon Building and Trades Council Explains scheduled disabilities are identified by loss of a limb or amputation; unscheduled permanent partial disabilities are identified by range of motion or strength.
122	Rep. Markham	Asks last time this issue was before the legislature.
123	Shiprack	Replies a bill providing a modest increase was passed last session.
128	Tim Pope	Management Co-chair, Management Labor Advisory Committee (MLAC) Concurs with testimony of Mr. Shiprack; MLAC's intention is to maintain benefit levels of workers. Comments during interim MLAC will address the issue of methods for automatically delivering benefits.
144	Robert C. A. Moore	Representing Oregon Workers' Compensation Attorneys Indicates areas of specific concern: * money saved has been going to insurers before employers * money has not gone to claimants * increase is for two years rather than four Says effective date should be January 1, 1996, not 1998; opposes HB 2549.
197	Brad Witt	Oregon AFL-CIO Favors HB 2549; agrees with Mr. Moore's testimony with respect to starting benefit increases at an earlier date.
216	Chris Davie	SAIF (EXHIBIT C) Supports HB 2549; SAIF supports reasonable benefit increases in permanent partial disability area. Addresses Mr. Moore's remarks with respect to making benefits retroactive. Explains premiums are based on benefit levels known in advance. Says claim costs would be increased without having collected premiums to cover costs.
230	Rep. Minnis	Addresses comments made regarding a policy to allow inflation adjustment of benefits without coming to legislature each session to request an increase.
234	Davie	States MLAC will work on this issue during the interim.
249	Chair Harper	Asks if automatic increase would adjust by inflation rate or adjustments according to national median rates.

252	Davie	Answers two things: * keeps current with national benefit levels * benefit level increases by same degree as average weekly wage
260	Rep. Fahey	Asks if HB 2549 could be amended to include inflation adjustment.
262	Davie	Replies he supports MLAC's decision to study the issue during interim.
266	Rep. Fahey	Repeats question if the bill could be amended now.
267	Davie	Answers probably; SAIF takes the position to support MLAC.
272	Rep. Fahey	Says he would like to see the bill amended.
276	Chair Harper	Asks for comments with respect to inflation or nation-wide average adjustments.
293	Pope	Says there is a need to resolve issue; explains MLAC will study not only benefit levels but vehicle of delivery. States the issue is complicated. Asks support of amendment before the committee with the understanding that MLAC will work on appropriate solution.
310	Rep. Fahey	Reiterates his desire to see an immediate resolution to the issue.
320	Shiprack	Says SB 369 required statute be scheduled for review next session.
337	Rep. Fahey	Says state could do more to address needs of injured people.
347	Chair Harper	Remarks that system is in place to take deliberative approach over period of time.
360	Rep. Minnis	Asks what barriers exist preventing resolution of the issue this session. Offers opinion that legislature has responsibility to determine if a reasonable solution can be found now. Adds if legitimate barriers prevent immediate resolution of the issue, the barriers should be clearly explained to the committee by MLAC.
397	Shiprack	Says previous legislature voted against a provision for automatic increase through average weekly wage.
TAPE 59, A		
009	Rep. Minnis	Asks if issue of automatic increases is complex.
011	Shiprack	Answers no.
012	Rep. Minnis	Responds that present legislature has authority. Asks if there could be a solution this session.
016	Shiprack	States intent of HB 2549 was to solve short-term problem.
017	Rep. Minnis	Asks if it does that.
017	Shiprack	Answers yes. Says benefits can be calculated in various ways.
025	Chair Harper	Asks length of time needed to study and propose amendments to HB 2549.
028	Pope	Answers a short time may not be adequate for finding a resolution with respect to the injured worker.

033	Chair Harper	Says the committee is willing to allow additional time for MLAC to reach a solution. Asks Rep. Gardner for his opinion.
038	Rep. Gardner	Answers he would support further study that would result in appropriate resolutions.
041	Pope	Says the question will be posed before an MLAC standing subcommittee next Tuesday.
046	Chair Harper	Suggests allowing time for MLAC to discuss alternatives.
047	Rep. Fahey	Cites other benefits such as Social Security that serve as base models.
060	Rep. Beck	Notes shortage of time to accomplish amendments; suggests allowing Senate committee to refine the details.
067	Rep. Gardner	Agrees; MLAC could propose amendments to the bill in Senate committee.
078	Chair Harper	Closes public hearing on HB 2549. Opens work session on HB 2549.
<u>HB 2549 - WORK SESSION</u>		
081	Rep. Gardner	MOTION: Moves to ADOPT HB 2549 -1 amendments dated 04/02/97.
	Chair Harper	Hearing no objection, declares the motion CARRIED.
085	Rep. Gardner	MOTION: Moves HB 2549 to the floor with a DO PASS AS AMENDED recommendation.
	Chair Harper	VOTE: 4-3 AYE: 4 - Beck, Gardner, Markham, Harper NAY: 3 - Fahey, Minnis, Sunseri
093	Chair Harper	The motion CARRIES. REP. DAN GARDNER will lead discussion on the floor.
096	Chair Harper	Closes work session on HB 2549. Opens work session on HB 2691.
<u>HB 2691 - WORK SESSION</u>		
110	Chair Harper	Explains two exemptions under the -3 amendments to HB 2691 (EXHIBIT D) : * provides opportunity wage for minors * provides tipped employee credit Says the bill reconnects Oregon minimum wage law with federal minimum wage exemptions. (EXHIBIT E)

146	Rep. Markham	MOTION: Moves to ADOPT HB 2691-3 amendments dated 04/08/97.
150	Rep. Gardner	Objects to the -3 amendments.
152	Rep. Beck	Asks if an individual subject to reduced minimum wage in seasonal employment would again be subject to training wage the following season.
160	Chair Harper	Answers yes.
163	Rep. Minnis	Requests five-minute recess.
164	Chair Harper	Calls five-minute recess at 8:46 a.m.
167	Chair Harper	Reconvenes the meeting at 8:55 a.m.
168	Rep. Gardner	Asks if 60-day training wage is calculated by days worked or by calendar days.
170	Chair Harper	Replies calendar days.
171	Rep. Gardner	Asks explanation for implementation of tip credit.
177	Chair Harper	Replies by pay period.
177	Rep. Gardner	Asks how employees report tips.
178	Chair Harper	Answers the way tips are currently reported.
178	Rep. Gardner	Asks confirmation to whom employees report tips.
179	Chair Harper	Answers employees report tips to the employer.
180	Rep. Gardner	Asks if the committee has a fiscal report.
182	Chair Harper	Replies there is no fiscal report on -3 amendments.
183	Chair Harper	Confirms there is no fiscal impact.
184	Cara Filsinger	Committee Administrator, says there is no fiscal impact; produces fiscal impact statement.
		VOTE: 4-3 AYE: 4 - Markham, Minnis, Sunseri, Harper NAY: 3 - Beck, Fahey, Gardner
	Chair Harper	The motion CARRIES.
192	Rep. MARKHAM:	MOTION: Moves HB 2691 be sent to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-3 AYE: 4 - Markham, Minnis, Sunseri, Harper NAY: 3 - Beck, Fahey, Gardner
		The motion CARRIES.

	Chair Harper	REP. STEVE HARPER will lead discussion on the floor.
204	Rep. Gardner	Serves notice of possible minority report.
207	Chair Harper	Closes work session on HB 2691. Adjourns the meeting at 8:58 a.m.

Submitted By, Reviewed By,

Linda Spaulding, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3329, proposed amendments, staff 2 pp

B - HB 2549, proposed amendments, staff, 2 pp

C - HB 2549, written testimony, Chris Davie, 1 p

D - HB 2691, proposed amendments, staff, 1 p

E - HB 2691, written testimony, staff, 8 pp