

HOUSE COMMITTEE ON LABOR

May 6, 1997 Hearing Room E

8:00 AM Tapes 76 - 77

MEMBERS PRESENT:

Rep. Steve Harper, Chair

Rep. Mike Fahey, Vice-Chair

Rep. Chris Beck

Rep. Dan Gardner

Rep. John Minnis

Rep. Ron Sunseri

MEMBER EXCUSED:

Rep. Bill Markham

STAFF PRESENT:

Cara Filsinger, Administrator

Steve Wermuth, Administrative Support

MEASURE/ISSUES HEARD:

SB 544 Public Hearing

HB 2031 Public Hearing and Work Session

HB 3076 Work Session

HB 3499 Work Session

HB 3652 Work Session

SB 119A 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
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Tape 76, A		
005	Chair Harper	Calls meeting to order at 8:07 a.m. Opens public hearing on SB 544.
SB 544 - PUBLIC HEARING		
012	Mike Dewey	Representing Oregon Wheat Growers League [EXHIBIT A]. Supports SB 544.
052	Dennis Rea	Farmer, Oregon. Supports SB 544. States concerns for 30-day rule for workers' compensation for those working between Oregon and Washington. States that Oregon extra-territorial coverage law does not meet needs of Oregon farmers on Washington and Oregon state line or other Oregon employers.
089	Dewey	Comments on implementation of SB 544.
132	Chair Harper	Confirms that Oregon workers will be covered under Oregon law.
133	Dewey	Responds yes.
134	Rep. Fahey	Asks about someone from Mississippi or Georgia working on sandblasting a bridge here in Oregon.
136	Dewey	Responds that if an employer is non-confined, nothing can be done, but if someone is covered in Mississippi and working in Oregon, they must also be covered in Oregon.
156	Rep. Fahey	States concern that premium in Mississippi is less than Oregon.
162	Dewey	Responds that the differential in workers' compensation is the reason this bill passed originally (HB 3176, passed in 1989). Says there is dual subjectivity.
178	Rep. Minnis	Asks about workers that Mr. Rea employs and confirms that he would like to be subject to Oregon coverage for workers being sent into Washington.
186	Rea	Responds yes.
187	Rep. Minnis	Asks why the bill deals with workers coming into Oregon.
189	Dewey	States the bill was that way originally because of differential in workers' compensation rates and protection for contractors. States that the basis is to develop reciprocal agreements. States that with implementation of SB 544 would abolish temporary worksite rule.
210	Rep. Minnis	States it may or may not happen.
211	Dewey	Says correct, but this is the only way for it to happen.
213	Rep. Minnis	Suggests rewriting the statute.

216	Dewey	Says he does not know intricacies of reciprocal agreements.
221	Rep. Fahey	Asks what if company from Mississippi works in Oregon and half the crew is from Oregon and half is from Mississippi, and asks if Oregon workers would be covered under Mississippi compensation.
225	Dewey	Responds that it follows who the employer is, and says that he has not encountered that problem.
241	Chris Davie	SAIF Corporation [EXHIBIT B]. Supports SB 544. Responds to questions asked by Representative Fahey.
256	Pat Gallagher	SAIF Corporation. Says that Oregon's 30-day rule causes problems for other states.
293	Davie	Says that implementation of SB 544 repeals the 1989 passage of HB 3176 and gives examples of specific cases.
343	Rep. Minnis	Asks to define "temporarily."
346	Davie	Says that this bill would take out the definition of temporary. Says if SB 544 is passed in present form, courts will refer to the Permanent Employment Relations Test which looks at all the factors that can be determined whether workers is temporarily or permanently in another state.
363	Rep. Minnis	Comments that does not sound like a clear approach. Explains.
376	Rep. Minnis	States that Oregon currently has a 30-day rule which is very clear.
382	Davie	Says having arbitrary numbers creates results that do not make sense.
397	Rep. Minnis	Says that if someone is temporarily working in another state, the job site is subject to safety standards of that state.
423	Davie	Says that this bill would not change any of that.
429	Rep. Minnis	States that if working in Washington, then workers should be covered in Washington.
431	Davie	Says that every state has a minimum standard of workers safety. Comments that either way, Washington is responsible for regulating their own worksites.
TAPE 77,A		
007	Chair Harper	Comments that this bill says if you are an Oregon worker working for an Oregon company, your workplace does not matter.
009	Davie	Says that the bill is saying just the opposite. States that with the passage of SB 544, Washington will change their policy and it will be like what you just said.
012	Rep. Minnis	Says that it also opens the door for other states that import workers who are here temporarily.

013	Gallagher	Says that is correct and that many employers that come into Oregon do not know about the current 30-day rule.
019	Rep. Minnis	Comments that means the Department of Consumer Business Services (DCBS) is not regulating.
020	Gallagher	Says that DCBS should answer that. States that the 30-day rule is causing problems and gives example.
030	Rep. Minnis	States that the employer of the example was in violation of the law and should have had Washington coverage..
030	Gallagher	Explains that the employer did have Washington coverage based on advice of carrier.
032	Rep. Minnis	Confirms that the employee was covered under Washington compensation.
033	Gallagher	Responds yes and says that worker was covered under both states.
035	Rep. Minnis	Asks if that mistake was made when employee filed in the wrong state.
036	Gallagher	Says that worker filed in Washington, found out benefits were better in Oregon so wanted to add on to that. Says that reciprocity agreements prevent picking and choosing by saying "one or the other."
042	Chair Harper	Closes public hearing on SB 544. Opens public hearing HB 2031.
<u>HB 2031 - PUBLIC HEARING</u>		
050	Doug Collins	Executive Director of the Oregon State Scholarship Commission [EXHIBIT C] . Supports and explains HB 2031. Introduces Kathy Silke.
086	Kathy Silke	Collections Director of the Oregon State Scholarship Commission. [EXHIBIT D] . States that approximately 25 percent of borrowers who receive a 30-day notice voluntarily make repayment plans. Gives options that are available to the borrower.
129	Cathy Pollino	Audit Administrator, Secretary of State Audits Division. [EXHIBIT E] . Supports HB 2031. Gives three areas in which substantial improvements can be made if the commission could access employment and public assistance information.
179	Pollino	Says that they recommended amending ORS 657.665 to authorize the disclosure of employment records to the commission.
185	Rep. Fahey	Asks what percentage of the loans are currently in default.
186	Pollino	Responds she does not have the answer.
188	Collins	Says there is a 10 percent default rate and the commission actually collects 52 percent of the amount in default, which is a loss rate of under 5 percent.

194	Rep. Fahey	Asks if it is possible to seize income tax refunds.
196	Collins	Says that is currently done with state and federal income tax refunds when the borrower can be located.
200	Rep. Sunseri	Asks if when a borrower signs for a loan, do they sign authorizing the commission to get information on where they are going to be.
206	Silke	States that when signing promissory note authorizing that. Explains the Federal Privacy Act.
219	Cara Filsinger	Committee Administrator. Explains financial impact for HB 2031.
228	Chair Harper	Asks if numbers given by Mr. Collins are purposely smaller in hopes of capturing almost all funds owed.
230	Collins	Responds yes.
231	Silke	States that garnishments are continuous in nature and once started going, outstanding numbers will decline.
235	Rep. Sunseri	Asks percentage of loans not recovered.
238	Silke	Says she will get that information to the committee.
242	Rep. Sunseri	Explains that if only 10 percent are in default, then we are changing this for only 5 percent of the people.
250	Collins	Responds yes. Says that about \$89 million in default and that numbers that are being dealt with are substantial.
259	Silke	Says that loss rate of defaulted loans is less than 1 percent in Collections agency of Scholarship Commission, but once defaulted loan has been in their hands for five years, they are required to assign to U.S. Department of Education.
278	Chair Harper	Closes public hearing on HB 2031. Opens work session on HB 2031.
<u>HB 2031 - WORK SESSION</u>		
280	Rep. Fahey	MOTION: Moves HB 2031 to the floor with a DO PASS recommendation.
283		VOTE: 6-0 AYE: 6 - Beck, Fahey, Gardner, Minnis, Sunseri, Harper EXCUSED: 1 - Markham
289	Chair Harper	The motion CARRIES. REP. FAHEY will lead discussion on the floor.
290	Chair Harper	Closes work session on HB 2031. Opens work session on HB 3076.

HB 3076 - WORK SESSION		
295	Filsinger	Explains -1 (Exhibit F from 4/24/97) and -3 [EXHIBIT F] amendments.
310	Davie	SAIF Corporation. Proposes and explains additional language to -3 amendments.
338	Chair Harper	Closes work session on HB 3076. Opens work session on HB 3499.
HB 3499 - WORK SESSION		
350	Dave Nelson	Representing Oregon Seed Council. Explains and proposes -3 amendments.
393	Jack Roberts	Commissioner, Oregon Bureau of Labor and Industries. Supports HB 3499 -3 amendments.
403	Rep. Sunseri	Says that sixty hours a week cuts these children back to less than five days a week, which is a concern.
417	Nelson	Says the children have been allowed to work full periods of time to satisfy their own needs as well as the need of the employer.
427	Roberts	Says he has no problem with taking out words, "but not longer than sixty hours a week." Says those words were in the original bill.
TAPE 76, B		
007	Rep. Beck	Asks if that means the children could work seventy hours a week.
008	Nelson	Responds that if Wage and Hour Commission made a determination that it would not have an adverse effect on health and well-being of children.
012	Nelson	Says that the law currently talks not about sixty hours, but talks about ten hours a day, six days a week.
023	Rep. Minnis	MOTION: Moves to ADOPT HB 3499-3 amendments dated 4/30/97 and that the measure be FURTHER AMENDED on line 4, by deleting "but not longer than" and on line 5, by deleting "60 hours in any one week,".
030	Chair Harper	Hearing no objection, declares the motion CARRIED.
031	Rep. Minnis	MOTION: Moves HB 3499 to the floor with a DO PASS AS AMENDED recommendation.
034		VOTE: 6-0 AYE: 6 - Beck, Fahey, Gardner, Minnis, Sunseri, Harper

		EXCUSED: 1 - Markham
037	Chair Harper	The motion CARRIES. REP. WELSH will lead discussion on the floor.
039	Chair Harper	Closes work session on HB 3499. Opens work session on HB 3652.
HB 3652 - WORK SESSION		
041	Filsinger	Explains -1 amendments [EXHIBIT H] .
045	Rep. Judy Uherbelau	State Representative, District 52. Co-sponsor of HB 3652.
063	Grover Simmons	Representing Adult Foster Home Providers. Explains reason for requesting the bill to be rescinded to Ways and Means.
087	Rep. Uherbelau	Confirms that when rates for foster care homes are set, the rates are given to the residential treatment facilities and those rates take workers' compensation into consideration.
097	Rep. Minnis	Asks for clarification on as to why request to rescind to Ways and Means.
103	Simmons	Explains there is no fiscal impact on the government, but there is an impact to small business who take care of Medicare residents.
114	Rep. Fahey	Asks Representative Uherbelau to clarify her last statement.
115	Rep. Uherbelau	Explains that residential employees are covered by workers' compensation.
128	Amy Claire	Oregon AFL-CIO.
140	Chair Harper	Asks if there is reimbursement with the workers' compensation. Closes work session on HB 3652.
156	Chair Harper	Opens work session on SB 119A.
SB 119A - WORK SESSION		
172	Mary Neidig	Administrator, Workers' Compensation Division. Explains handout [EXHIBIT I] .
222	Neidig	States that SB 119A postpones the reconsideration process for up to sixty days to reschedule arbiter's exam. Opposes -A4 [EXHIBIT E from 4/29/97] and -A5 [EXHIBIT F from 4/29/97] amendments. Gives concerns of -4 amendments.
272	Neidig	Continues explaining [EXHIBIT I] and gives concerns of hearing process.

294	Rep. Fahey	Confirms there was no problem with the original SB 119 without any amendments.
296	Neidig	Responds correct.
299	Rep. Fahey	Asks why it was amended.
300	Neidig	Explains that amended version of SB 119 had the support of the industry. Explains concerns for -5 amendments.
350	Neidig	States that -5 amendments are unfair to injured workers. Discusses arbitrary doctors income and gives concerns.
399	Rep. Fahey	Asks if the department would prefer to pay the doctors and insurance companies pay the department.
409	Neidig	Responds that yes, the department is looking at that. States that exams cost over \$4 million per biennium.
TAPE 77,B		
002	Tim Martinez	Oregon Medical Association (OMA). Opposes -5 amendments and gives reasons.
020	Rep. Fahey	States that most doctors do not want to get involved in workers' compensation because someone else with less experience is treating their patients.
026	Martinez	Responds that he has not heard that directly.
030	Rep. Fahey	Asks if he has heard that doctors have been second guessed.
032	Martinez	Responds that there are anecdotal statements to that effect in managed care.
038	Rep. Sunseri	Asks if OMA opposes the bill whether amended or not.
039	Martinez	Responds no, OMA is monitoring the bill.
056	Chair Harper	Asks for motion to adopt -A4 amendments. Hearing none, declares the amendments FAILED.
057	Chair Harper	Asks for motion to adopt -A5 amendments. Hearing none, declares the amendments FAILED.
066	Rep. Fahey	MOTION: Moves SB 119A to the floor with a DO PASS AS AMENDED recommendation.
069		VOTE: 5-0 AYE: 5 - Fahey, Gardner, Minnis, Sunseri, Harper EXCUSED: 2 - Beck, Markham
075	Chair Harper	The motion CARRIES. REP. FAHEY will lead discussion on the floor.
077	Chair Harper	Closes work session on SB 119A. Calls for a recess at 9:40 a.m.
	Chair	

079	Harper	Calls meeting back to order at 9:48 and opens work session on HB 3652.
<u>HB 3652 - WORK SESSION</u>		
082	Rep. Fahey	MOTION: Moves to ADOPT HB 3652-1 amendments dated 4/23/97.
084	Chair Harper	Hearing no objection, declares the motion CARRIED.
086	Rep. Fahey	MOTION: Moves HB 3652 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
090		VOTE: 4-1 AYE: 4 - Fahey, Gardner, Minnis, Harper NAY: 1 - Sunseri EXCUSED: 2 - Beck, Markham
099	Chair Harper	The motion CARRIES. REP. UHERBELAU will lead discussion on the floor.
105	Chair Harper	Closes work session on HB 3652. Adjourns meeting at 9:50 a.m.

Submitted By, Reviewed By,

Steve Wermuth, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 544, written testimony, Mike Dewey, 2 pp.

B - SB 544, written testimony, Chris Davie, 9 pp.

C - HB 2031, written material, Doug Collins, 1 p.

D - HB 2031, written material, Kathy Silke, 3 pp.

E - HB 2031, written testimony, Cathy Pollino, 2 pp.

F - HB 3076, -3 amendments, Staff, 1 p.

G - HB 3499, -3 amendments, Staff, 1 p.

H - HB 3652, -1 amendments, Staff, 1 p.

I - SB 119A, written material, Mary Neidig, 2 pp.

J - SB 544, written testimony of Dan Hartman, Staff, 2 pp.