

**CONFERENCE COMMITTEE ON SB 711**

**June 20, 1997 Hearing Room HR E**

**12:45PM Tapes 1 - 2**

**MEMBERS PRESENT:**

**Sen. Neil Bryant, Chair**

**Sen. Randy Leonard**

**Sen. David Nelson**

**Rep. Ken Strobeck**

**Rep. Liz VanLeeuwen**

**Rep. Tom Whelan**

**MEMBER EXCUSED:**

**STAFF PRESENT:**

**Jim Stembridge, Administrator**

**Julie Havel, Administrative Support**

**MEASURE/ISSUES HEARD:**

**SB 711 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 1, A</b>		
005	Chair Bryant	Calls meeting to order at 12:50 pm and opens work session on SB 711. States they will review proposed amendments, starting with the -B4's.
<b><u>SB 711 - WORK SESSION</u></b>		
011	Rollie Wisbrock	Chief of Staff, State Treasurer's Office, explains provisions of proposed -B4 amendments ( <b>EXHIBIT A</b> ).
041	Chair Bryant	Refers to letter from Legislative Counsel, explains it is their opinion that the relating clause does not fit. States therefore, he cannot consider this amendment, because it would require amending the relating clause, which

		they cannot do.
050	Wisbrock	States the original task force language which this is responding to is specifically related to Public Employes' Retirement System (PERS), and asks if it would conform with that as the intent.
054	Chair Bryant	States he does not think so, because the content of the bill is directed at all employees.
063	Rep. Strobeck	Re-caps history of bill, states it was originally in his committee. Encourages Chair to move HB 3141 to Senate floor and see if they can get it passed, because he thinks it is a good idea since the Treasurer's Office said it would absorb any costs associated with it.
082	Chair Bryant	States he will speak to the Chair of Senate Rules and Elections.
084	Rep. VanLeeuwen	States she thinks she voted no on this bill on the House floor, and states the main argument is that this was in competition with the private investment people.
089	Chair Bryant	States he will speak to Sen. Miller in Senate Rules and Elections to see if they can get it scheduled.
096	Chair Bryant	Explains this conference committee is taking place to amend the date in the bill to include some Korean War Veterans who would have otherwise been precluded. States that is what the proposed -B3 amendments achieve <b>(EXHIBIT B)</b> .
110	Rep. Strobeck	States on the House side, there was no intention to slight anyone who was in the military service on January 1, 1950, and he does not believe there is any objection to these amendments.
113	Rep. Strobeck	<b>MOTION: Moves to ADOPT SB 711-B3 amendments dated 6/12/97.</b>
	Chair Bryant	<b>Hearing no objection, declares the motion CARRIED.</b>
115	Chair Bryant	States the last item before them are the proposed -B5 amendments <b>(EXHIBIT C)</b> , which he is not familiar with. Asks Sen. Leonard to explain.
119	Sen. Leonard	Explains provisions of proposed -B5 amendments. States they allow a member of a firefighter or police officer PERS life plan to get the credit under that plan for time served in the Legislature.
124	Chair Bryant	Asks for and receives verification that this would not affect PERS, but would affect, in his case, the Portland Firefighter's plan.
128	Sen. Leonard	States he had the bill written so that the employer, employee benefit, and contribution of any returns must be given to that point.
129	Chair Bryant	Asks how that would work structurally. Uses Sen. Leonard as example.
131	Sen. Leonard	Explains.
135	Chair Bryant	Asks for and receives verification that PERS does their calculation, and that would return Leonard's contribution, the employer contribution, and the 8 % into Leonard's retirement plan, and then Leonard's retirement plan

		would recognize his years of service in the Legislature in addition to his years of service in the other plan.
140	Rep. Whelan	Asks for clarificaton that this would be paid at retirement, so this is just a "shuffling."
142	Sen. Leonard	Confirms it would be, and he would give up the PERS retirement.
143	Rep. VanLeeuwen	States she thought this was when you convert back to the other plan, and it would be paid there.
147	Sen. Leonard	Clarifies you would give the money to the fund at that time, but you would receive the benefit at retirement.
149	Rep. Whelan	Asks for and receives clarification that the accumulations of the employer and himself would go back over to the firefighter plan by the time he leaves the Legislature.
150		Discussion held on effects of amendments.
154	Chair Bryant	Asks what happens upon sine die and Sen. Leonard goes back to a full time firefighter post, and he is back earning time and credit contributions on the fire plan, but he is still a Senator, so he is in the PERS system too, how his PERS account would be affected. Asks if that means he would be making contributions to two different retirement funds at the same time.
166	Sen. Leonard	States it would essentially convert over to the fire employees plan and he would give up the PERS credit.
167	Rep. Strobeck	Asks for clarification on whether the PERS benefit stays with you as long as you are an elected officer.
170	Sen. Leonard	Explains, using Rep. Minnis as example.
178	Rep. VanLeeuwen	Asks for clarification on whether Sen. Leonard will be receiving "double retirement" both here and there.
193	Sen. Leonard	Explains instead of having a "double," this would allow him to convert that time to the fire and police plan for the credit there, instead of getting it under PERS.
197	Rep. VanLeeuwen	States in other words, then, he is "double-dipping."
198	Sen. Leonard	States no, that is not the case, because the way this is written, you cannot receive credit for something you gave back.
200	Brian Harrington	PERS, explains language and "plan transfers," and states there would not be any dollars or time coming from the PERS system, as Sen. Leonard indicated.
216		Discussion continues on issue of "double dipping."
246	Rep. Strobeck	States the idea in the main bill was to do something for veterans as recognition for gratitude of their service.

249	Sen. Nelson	Asks what happens if you retire and then get into state employment again.
258	Sen. Leonard	States it would be like you are a new employee with the state, so you wouldn't have any credit under PERS. States it may be some people's intent to work other PERS jobs, but that is not his intent, he intends to remain a firefighter.
264	Rep. Strobeck	Asks if people who are members of PERS in their regular employment, and are elected, serve, and return to their regular job, accrue time in their regular job as well as their legislative service.
270	Harrington	Explains to his knowledge "double dipping" is not permitted.
274	Sen. Leonard	States it does read that a PERS employee who serves in the Legislature is allowed to receive his PERS retirement while serving in the Legislature without any reduction in his PERS pension, which is only applied to the Legislature.
283	Harrington	States that is correct, but it is not "double-dipping." Uses example of college professor. Explains different calculations for the type of service.
294	Rep. Strobeck	Asks about problem of additional time, and states that could be a problem for him.
300	Chair Bryant	Asks if City of Portland plan is the only one that would be affected by this amendment.
303	Harrington	Explains there are about 10 or 15 others, uses City of Springfield as example, and gives details.
317		Discussion continues.
325	Chair Bryant	States concerns about double time, and states amendment might need to be re-written to allow them to make the transfer of funds, but the time for credit served would only accrue while he is actually in the session and not receiving time under his other plan.
337	Rep. Whelan	States he is a PERS employee in his personal life, so when the session ends, he goes back to work, and has been accumulating benefits both as a Legislator and as a City of Salem firefighter, asks if the running years of this consecutive occurrence become cumulative, or how they handle that situation.
349	Chair Bryant	States he does not believe they are cumulative, but he can accumulate the benefits.
354	Rep. Strobeck	Clarifies it is not just limited to the session, it is as long as he is an elected member.
356	Harrington	States they have a general service classification, a police and fire classification and an elected official classification, and depending on what class you are in, dollars, employee and employer contributions, and interest accrue for that classification, and upon retirement, the benefit formulas are calculated according to the classification.
375	Sen. Leonard	Asks how that adds up to retirement for PERS.
		Explains it is done by taking the factors in the calculation formula that are

378	Harrington	attributable to that period of service, and there is only one final average salary, which is the last 36 months of the career.
388		Discussion continues on issue of final retirement amounts.
395	Maria Keltner	Association of Oregon Counties, League of Oregon Cities, shares her concerns about the other greater-than-or-equal-to police and fire entities, and suggests if they decide to go with this bill, the only people in the current legislature that it would affect are in the Portland plan, so they should limit it to those who are serving in the current Legislature, so they can find out the impact on those other plans, because they are not funded the same as the Portland plan. States her concerns with the practice of "stacking the years."
422	Chair Bryant	States it is not the committee's intent to "stack the years."
<b>TAPE 2, A</b>		
003	Rep. VanLeeuwen	Asks if they could achieve that by amending the proposed amendment on page one, line four, to say "a member of the current or 69th Legislative Assembly."
006	Chair Bryant	States that would probably work, and then add a conceptual change to allow the transfer of funds, but not the "stacking" of years.
008	Sen. Bryant	<b>MOTION: Moves to ADOPT SB 711-B5 amendments dated 6/19/97 and that the measure be FURTHER AMENDED on page 1, line 4, by inserting "69th " after "A member of the", and by inserting language to allow for the transfer of funds, and to prohibit the "stacking" of years.</b>
	Chair Bryant	<b>Hearing no objection, declares the motion CARRIED.</b>
009	Sen. Bryant	<b>MOTION: Moves SB 711B to the floor with a DO PASS AS AMENDED recommendation.</b>
016	Chair Bryant	States he will circulate the final amendments and if there is a problem with them, they will bring it back for another conference committee.
	Chair Bryant	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. LEONARD will lead discussion on the Senate floor.</b>  <b>REP. WHELAN will lead discussion on the House floor.</b>
018	Rep. VanLeeuwen	Receives clarification that this bill now also contains the -B3 amendments, which they passed earlier in the meeting.
019	Chair Bryant	Adjourns meeting at 1:20 pm.

**Submitted By, Reviewed By,**

**Julie Havel, Jim Stembridge,**

**Administrative Support Administrator**

**EXHIBIT SUMMARY**

**A - SB 711, proposed -B4 amendments, correspondence, & written testimony, Rollie Wisbrock, 7 pp.**

**B - SB 711, proposed -B3 amendments, staff, 1p.**

**C - SB 711, proposed -B5 amendments, Sen. Leonard, 2 pp.**