

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

Hearing Room
Tapes - 101

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice-Chair
Rep. Bev Clarno
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Barbara Ross
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBER EXCUSED:

Rep. Bill Markham
Rep. Lonnie Roberts

STAFF PRESENT:

Greg Moore, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD:

HB 2582 WORK SESSION
HB 2832 WORK SESSION
HB 2861 WORK SESSION
HB 2862 WORK SESSION
HB 3205 WORK SESSION
HB 3274 WORK SESSION
HB 3224 WORK SESSION
HB 3365 WORK SESSION
HB 3367 WORK SESSION
HB 3392 WORK SESSION
HB 3395 WORK SESSION
SB 108 WORK SESSION

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

004 CHAIR TIERNAN: Calls meeting to order at 1:23 p.m. and announces that Reps. Markham and Roberts are ill. Rep. Clarno is excused for part of the meeting.

024 CHAIR TIERNAN: Opens work session on HB 2861 and HB 2862.

HB 2861 and HB 2862 - WORK SESSION

Witness: Rep. John Schoon (R - District 34)

025 REP. JOHN SCHOON (R - District 34): Testifies in support of HB 2861 and HB 2862.

> Explains that HB 2861 authorizes the Secretary of State to conduct performance audits. It looks at the program specifically for any duplication and whether or not the program is adhering to the intent of the

law as originally established.

> Endorses the amendments by the subcommittee and states they improve the bill. Refers to language on page 1 of the HB 2861-1 amendments, lines 1-6,

whereby the Secretary of State shall conduct the audits as directed by the Joint Legislative Audit Committee. The benefits are a control over what is

being audited for performance and programs as well as the cost.

> Urges favorable consideration of the bill.

> Explains that HB 2862 would help legislators understand what is in the Governor's budget better. It will help the Governor make the presentation to legislators and ultimately help legislators make the presentation to the public (i.e., establish more credibility for budget matters). > The process requires the separation of items into broad categories of personnel, equipment and capital expenditures plus it requires that personnel expenses, salaries, etc. be stated separately.

> States that inaccuracies have been reported about no pay increases for state employees. Explains background from the Ways and Means Subcommittee regarding an inflation figure that also included merit pay increases.

> Supports the amendments by the subcommittee as an improvement to the bill.

070 HB 2861

GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary, the proposed HB 2861-1 amendments and the Legislative Revenue Impact Analysis are hereby made a part of these minutes (EXHIBIT A).

098 CHAIR TIERNAN: Who comprises the Joint Legislative Audit Committee? Requests a description of a performance audit.

COUNSEL MOORE: The Joint Legislative Audit Committee consists of members of both the House and Senate, members are nominated by the Speaker of the House and the President of the Senate and staffed by Legislative Fiscal. Explains performance and program audits.

113 CHAIR TIERNAN: Comments about the lack of ability to do simply a numbers audit versus a performance audit and that the bill will allow the Secretary of State to lawfully pursue such audits to ensure the taxpayers are "getting their monies work."

121 MOTION: REP. WYLIE moves HB 2861, as amended, to the Floor with a DO
PASS recommendation.

REP. WYLIE withdraws motion.

126 MOTION: REP. WYLIE moves ADOPTION of HB 2861-1 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Reps. Clarno, Markham and Roberts are EXCUSED.

128 MOTION: REP. WYLIE moves HB 2861, as amended, to the Floor with a DO
PASS recommendation.

131 VOTE: 9-0

and Tiernan AYE: 9 - Grisham, Hayden, Johnston, Lehman, Ross, Starr, Strobeck, Wylie

EXCUSED: 3 - Clarno, Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Sharon Wylie will lead discussion on the floor.

139 HB 2862

140 COUNSEL MOORE: Reviews the Preliminary Staff Measure Summary on HB 2862

and the proposed HB 2862-3 amendments. The Preliminary Staff Measure Summary, proposed HB 2862-3 amendments, Revenue Impact Analysis and Fiscal Analysis of Proposed Legislation are hereby made a part of these Minutes (EXHIBIT B).

164 REP. STROBECK: The bill deals with the Governor's recommended budget, not necessarily the legislative budget. Suggests that someone from the Governor's Budget Committee provide an explanation of the current bill and the current legislative fiscal statements.

CHAIR TIERNAN: Requests that Rep. Strobeck explain the intent of the bill.

169 REP. STROBECK: Understands that the Governor's budget now contains lines that just have in the budget amounts for inflation, other expenses, supplies, etc. The bill seeks a more specific breakdown as well as where those moneys originated.

185 MOTION: REP. STROBECK moves ADOPTION of HB 2862-3 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Rep. Clarno, Markham and Roberts are EXCUSED.

MOTION: REP. STROBECK moves HB 2862, as amended, to the Floor with a DO PASS recommendation.

191 VOTE: 8-1
AYE: 8 - Grisham, Hayden, Johnston, Lehman, Ross, Strobeck, Wylie and Tiernan
ABSENT: 1 - Starr
EXCUSED: 3 - Clarno, Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Jane Lokan will lead discussion on the floor.

204 CHAIR TIERNAN: Closes the work session on HB 2862 and opens work session on HB 2832.

HB 2832 - WORK SESSION

207 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary on HB 2832. The Preliminary Staff Measure Summary, Fiscal Impact Assessment and Revenue Impact Analysis are hereby made a part of these Minutes (EXHIBIT C).

230 REP. JOHNSTON: Explains the genesis of the bill.

MOTION: REP. JOHNSTON moves HB 2832 to the Floor with a DO PASS recommendation.

REP. ROSS: Does the bill refer to new construction and new buildings?

REP. JOHNSTON: It includes current buildings.

245 REP. ROSS: In other words, existing buildings that were okay and had no problems with the inspectors when they were built, now require that the County be notified in order to conduct an inspection of the building when there are 10 people working on them instead of nine?

REP. JOHNSTON: "Which is slightly different than from the minute they went from 144 hours to 145 which is current law. Current law is far more complex . . . if you don't like the nine to 10, you would have hated the 144-145."

CHAIR TIERNAN: Is this just for construction or is it for occupancy?

REP. JOHNSTON: The issue is "If people don't work in a structure, it requires one standard of inspection. If people do work in a structure, it requires another standard." Explains the code prior to the current proposed legislation and that a better measure would be by the number of people involved (i.e., creating the standard to be from nine to 10).

376 VOTE: 8-1
AYE: 8 - Grisham, Hayden, Johnston, Lehman, Starr, Strobeck, Wylie and Tiernan
NAY: 1 - Ross
EXCUSED: 3 - Clarno, Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Bryan Johnston will lead discussion on the floor.

293 CHAIR TIERNAN: Closes work session on HB 2832 and opens work session on HB 3224.

HB 3224 - WORK SESSION

Witness: Roger Martin

295 GREG MOORE, Committee Counsel: Provides a summary of HB 3224. Submits Fiscal Analysis of Proposed Legislation (EXHIBIT D).

322 REP. ROSS: Explains the first purpose of the bill is to reduce bureaucracy and the need for bureaucracy. The second purpose is fairness.

Refers to the Fiscal Analysis and explains the need to refer the bill to Ways and Means. Briefly provides summary of the cost to Oregon State

University (OSU). Introduces Roger Martin as a resource for more information.

364 CHAIR TIERNAN: Understands that OSU is already paying a tax into the system.

REP. ROSS: No. OSU is the only major university that is not paying a tax.

CHAIR TIERNAN: Are the counties to be covered under this bill?

REP. ROSS: No. Points out that the county is not a heavy user of the bus system -- the student population and faculty use the bus system heavily though.

376 CHAIR TIERNAN: Why tax the state buildings and not county buildings?

REP. ROSS: That is how it is currently done. No problem if the decision is that county buildings should be added. The intent is to be consistent with the way it is done in other communities.

CHAIR TIERNAN: Did OSU testify against the bill?

REP. ROSS: No.

400 ROGER MARTIN: Refers to the fiscal analysis document. The fiscal assessment has been overestimated by a sizable amount of money. Cites the cities of Salem, Eugene, Medford and Portland as all presently under this payroll tax. The tax is an "in lieu of payroll" started by Governor Atiyeh

about 15 years ago in recognition that in Portland and elsewhere the private sector was paying into the supported transit systems, but in major public payroll areas, the public sector employees were paying nothing. This is an appropriation from the various agencies toward that system and it does include that counties, cities and any public employee group must pay into it. Points out that the fiscal analysis included Albany, Astoria and Woodburn; however, none of those cities qualify, because there must be two things (i.e., a fixed route system and a separate tax levy for specifically bus service only, not for general government) -- Corvallis only specifically qualifies under those characteristics. Opines that the appropriate fiscal amount is a quarter of a million dollars versus that stated in the fiscal analysis. Suggests that a check with the Transit Division of the Department of Transportation would have provided the ongoing summaries of past bienniums that showed much less money.

439 CHAIR TIERNAN: Continues inquiry about the fiscal analysis.

TAPE 100, A

018 REP. STROBECK: Who runs the buses now?

REP. ROSS: The Corvallis Transit Authority, but it is run by the city. There is a separate transit levy for the specific service. That part is paid by individuals as part of their property tax and it is also assessed to business property.

030 REP. STROBECK: Is the testimony, that cities and counties are included, different from your understanding?

REP. ROSS: No objection to including cities and counties; however, reads the bill to say "assess state agencies." Wouldn't think that counties would bear the tax.

REP. STROBECK: Opines that the application should include cities and counties. Disagrees with the notion that, because Corvallis has a lot of students, is why the university should be assessed. Why aren't they putting a transit district together if there is a growing need that is appropriate?

REP. ROSS: The purpose was to avoid the ongoing cost of forming a district and other entities have experienced coordination difficulties with their districts.

045 REP. HAYDEN: Explains his understanding of the bill and that it would apply to Albany, Astoria and Woodburn.

REP. ROSS: Actually it would not. The bill can only apply to those areas that have a fixed route and have assessed a special fee for that purpose --

Albany and Woodburn haven't done that.

REP. HAYDEN: Continues inquiry about language in the bill.

055 REP. JOHNSTON: Explains that Salem does not have a payroll tax, but Salem does have a district that is supported through a property tax levy and a payment in lieu of tax from the state. Eugene and Portland do have payroll taxes to support their transit district.

067 MOTION: REP. ROSS moves HB 3224 to the Floor with a DO PASS recommendation and subsequent referral to the Committee on Ways and Means.

REP. HAYDEN: Would Salem be excluded from this bill, because Salem does not have a payroll tax?

CHAIR TIERNAN: Opines there would be difficulty charging the state twice.

REP. JOHNSTON: Explains that the money is a fixed payment that was first done last session and will require annual renewal. If the bill is passed, Salem would be able to seek the same assessment, because Salem is the only other city that qualifies.

091 MR. MARTIN: Salem's transit system is a transit district; however, it is not funded locally by a payroll tax -- it is funded by a property tax and already receives a sizable contribution. This proposed legislation would not affect cities and counties. It would affect state agencies only and they would pay an in lieu of payroll tax payment if located in the Corvallis system itself.

REP. HAYDEN: Suggests saying that the bill applies to a city of 60,000, located in Benton County within five miles of the Willamette River.

109 REP. JOHNSTON: If this bill is sent to Ways and Means and ultimately is passed, Salem will no longer need to come to the legislature every two years.

REP. ROSS: Understands that Salem would need to re-assume control of their transit system in order to access monies through the proposed legislation.

123 REP. JOHNSTON: Continues to debate the issue of who qualifies.

REP. LEHMAN: Views the bill as expanding to include cities and counties without a transit district in order to access this funding mechanism.

152 REP. STROBECK: Aren't city and county payrolls subject to the tax where there is a transit district?

REP. ROSS: That's not my understanding. In order to access this funding mechanism the city or county would have to have a matching fund.

1194 VOTE: 7-1
AYE: 7 - Hayden, Johnston, Lehman, Ross, Starr, Strobeck and Tiernan
NAY: 1 - Grisham
ABSENT: 1 - Wylie
EXCUSED: 4 - Clarno, Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES.

215 CHAIR TIERNAN: Closes the work session on HB 3224 and opens work session on HB 3205.

HB 3205 - WORK SESSION

Witness: Russ Spencer, McMenamins Pubs and Breweries

218 GREG MOORE, Committee Counsel: Recounts the work history from the Subcommittee on State and Federal Affairs. Refers to testimony by OLCC in support of inserting "10,000 gallons" into the bill. Reviews the provisions of the proposed HB 3205-1 amendments. The proposed HB 3205-1 amendments are hereby made a part of these Minutes (EXHIBIT E).

CHAIR TIERNAN: Notes there is no fiscal impact. Was there any opposition to the bill?

COUNSEL MOORE: The only opposition was the one comment from the larger breweries that the smaller breweries are receiving special favors.

255 REP. HAYDEN: Relates there was much discussion about the bill in the subcommittee. The 10,000 gallons was the highest limit OLCC would accept.

REP. LEHMAN: Describes the massive number of bills creating exceptions.

288 CHAIR TIERNAN: Does anyone oppose the conceptual amendment to insert 10,000 in the blanks on the bill?

REP. HAYDEN: Does anyone oppose inserting 5,000? Prefers a lower number.

317 MOTION: REP. HAYDEN moves a conceptual amendment to insert "5,000" in all the blanks of the bill instead of "10,000".

REP. JOHNSTON: Was there any testimony in the subcommittee about an economic viability threshold for this type of activity?

REP. LEHMAN: Yes. Doesn't know whether or not "5,000" creates a problem, but it was the minimum contemplated annually. OLCC opined that amount was reasonable to expect to sell annually.

343 RUSS SPENCER, McMenamins Pubs and Breweries: States that the 10,000 gallons represented a number that would be sufficient to allow growth for the business over a period of time as well as avoiding the necessity to return in a future session to request an increase. They would be comfortable with the 5,000 gallons limit if that was more conducive to the preference of the committee.

373 REP. WYLIE: Prefers eliminating the necessity for the company to return to the legislature in two years. Intends to vote "no" on the 5,000 gallons limit.

REP. HAYDEN: Prefers that OLCC not have to return to the legislature; however, says that OLCC would be more comfortable with the smallest number the committee prefers.

389 VOTE: 4-6
AYE: 4 - Hayden, Johnston, Starr and Strobeck
NAY: 6 - Clarno, Grisham, Lehman, Ross, Wylie and Tiernan
EXCUSED: 2 - Markham and Roberts

CHAIR TIERNAN: Declares the motion FAILS.

418 MOTION: REP. WYLIE moves to insert "10,000" in all the blanks of HB 3205 and that HB 3205 be sent to the Floor with a DO PASS recommendation.

428 REP. WYLIE withdraws motion.

MOTION: REP. WYLIE moves to conceptually amend HB 3205 to insert "10,000" in all the blanks of the bill.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Reps. Markham and Roberts are EXCUSED.

438 MOTION: REP. WYLIE moves HB 3205, as amended, to the Floor with a DO PASS recommendation.

443 VOTE: 10-0
AYE: 10 - Clarno, Grisham, Hayden, Johnston, Lehman, Ross, Starr, Strobeck, Wylie and Tiernan
EXCUSED: 2 - Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Sharon Wylie will lead discussion on the Floor.

453 CHAIR TIERNAN: Closes work session on HB 3205 and opens work session on HB 3367.

HB 3367 - WORK SESSION

462 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary and the proposed HB 3367-1 amendments. The Preliminary Staff Measure Summary, proposed HB _3367-1 amendments, Fiscal Analysis of Proposed

Legislation and Revenue Impact Analysis are hereby made a part of these Minutes (EXHIBIT F).

TAPE 99, B

048 CHAIR TIERNAN: Refers to "cash out" provision of the bill. Can they cash out up to five days?

COUNSEL MOORE: That's correct.

CHAIR TIERNAN: The net effect of the bill is a \$47 million savings in 1995

1997 and a \$49 million savings in 1997-1999 as well as the potential for increasing an individual's pay by a week. Additionally, if a person used every holiday, sick and vacation day, they would have a net effect of losing five days. According to DAS, the average employee spends much less sick time now than is allocated to them. This is a paid time-off proposal similar to policies implemented in Oregon's very largest companies.

070 COUNSEL MOORE: Paid time off, as presented in this bill, does not affect at all the number of holidays -- it is strictly vacation, sick and personal leave.

074 MOTION: REP. STROBECK moves ADOPTION OF HB 3367-1 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Rep. Markham and Roberts are EXCUSED.

MOTION: REP. STROBECK moves HB 3367, as amended, to the Floor with a DO PASS recommendation.

081 VOTE: 7-3
AYE: 7 - Clarno, Grisham, Hayden, Johnston, Starr, Strobeck and Tiernan
NAY: 3 - Lehman, Ross, Wylie
EXCUSED: 2 - Markham, Roberts
(Rep. Johnston changes vote from "Nay" to "Aye". See tape at 088).

088 REP. JOHNSTON: Mentions contacts with the office of Rep. Markham and the Committee Chair that if, due to the absences of members, there was less

than the majority vote necessary to move this bill to the Floor, he would change his vote for the limited purpose of moving it to the Floor. Intends

to vote in opposition on the Floor. Changes vote to "Aye".

094 CHAIR TIERNAN: Declares the motion CARRIES. Chair Teirnan will lead discussion on the Floor

105 CHAIR TIERNAN: Closes the work session on HB 3367 and opens work session on HB 3395.

HB 3395 - WORK SESSION

Witness: Fred McDonnal, Oregon Public Employes Retirement System (PERS)

107 GREG MOORE, Committee Counsel: Provides a summary of HB 3395 and the provisions of the proposed HB _3395-3 amendments. The proposed HB 3395-3 amendments are hereby made a part of these Minutes (EXHIBIT G).

150 CHAIR TIERNAN: Supplements the summary given. The bill keeps up with changing times and allows professors to interchange with other universities. Once professors withdraw their money and opt to put it into this program, they can have both the PERS program as well as the new retirement program. There is no liability for the state. This program is sought by universities to allow flexibility to retain/recruit for highly qualified professors. Introduces Fred McDonnal.

166 FRED MCDONNAL, Oregon Public Employes Retirement System (PERS):
> Introductory comment that by itself, members of the faculties and administrative staff from the universities of higher education moving out of the system by itself, does not present a big concern to PERS. However, points out that it is of concern if the numbers of people moving in/out of PERS become significant. It could have an impact upon employer rates and the time period that it takes the system to payoff any unfunded liabilities. PERS currently has no significant problems liabilitywise. There is a slight underfunding now, but rates include the recovery of that liability.

> A new tiered system could cause more concern, because a new tiered system

is dependent upon new, younger members coming into that tier in order to achieve savings over a period of time. If there is a migration away from the system of employers, then younger members certainly will be a part of that migration. Therefore, that could impact the results of the objective of a second tier.

> PERS does not have a problem with the bill, as written, unless the program becomes larger over time.

191 CHAIR TIERNAN: Acknowledges that the focus of the program is narrow. Most people who have any time in PERS unlikely will go to this program. The attraction will be to new professors (i.e., new people in the system).

MR. MCDONNAL: Or, young members who want the portability feature.

211 MOTION: REP. CLARNO moves the ADOPTION of HB 3395-3 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Rep. Grisham is ABSENT. Rep. Markham and Roberts are EXCUSED.

MOTION: REP. CLARNO moves HB 3395, as amended, to the Floor with a DO PASS recommendation.

222 VOTE: 10-0
AYE: 10 - Clarno, Grisham, Hayden, Johnston, Lehman, Ross, Starr, Strobeck, Wylie and Tiernan
EXCUSED: 2 - Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Charles Starr will lead discussion on the floor.

230 CHAIR TIERNAN: Closes the work session on HB 3395 and opens work session on HB 3365.

HB 3365 - WORK SESSION

235 GREG MOORE, Committee Counsel: Reviews Preliminary Staff Measure Summary on HB 3365 and proposed HB 3365-1 amendments. The Preliminary Staff Measure Summary, proposed HB 3365-1 amendments, Revenue Impact Analysis and Fiscal Impact Assessments are hereby made a part of these Minutes (EXHIBIT H).

262 REP. HAYDEN: The merit increases would truly be based on merit on a case-by-case basis. It would take a proactive request to obtain the merit pay.

CHAIR TIERNAN: That's correct. The present system provides for an automatic step system for being in the position and the change would be to a system of merit plus an affirmative act by the employee's supervisor. It is similar to the management plan at Oregon State University that seems to be working quite well.

275 MOTION: REP. HAYDEN moves ADOPTION the HB 3365-1 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Rep. Markham and Roberts are EXCUSED.

287 MOTION: REP. HAYDEN moves HB 3365, as amended, to the Floor with a DO PASS recommendation.

291 VOTE: 6-3
AYE: 7 - Clarno, Grisham, Hayden, Ross, Starr, Strobeck and Tiernan
NAY: 2 - Lehman and Wylie
ABSENT: 1 - Johnston
EXCUSED: 2 - Markham and Roberts
(Rep. Ross changes vote from "Nay" to "Aye". See tape at 298).

298 REP. ROSS: Changes vote to "Aye" in order to facilitate moving the bill to the Floor.

CHAIR TIERNAN: Declares the motion CARRIES. CHAIR TIERNAN will lead discussion on the floor.

310 CHAIR TIERNAN: Closes work session on HB 3365 and opens work session on HB 2582.

HB 2582 - WORK SESSION

314 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary on HB 2582 and the proposed HB 2582-1 amendments (EXHIBIT I). The Preliminary Staff Measure Summary and the proposed HB 2582-1 amendments are

hereby made a part of these Minutes (EXHIBIT I).

347 REP. STROBECK: Supplements the summary given. States that a similar ordinance is working successfully in Beaverton and Klamath Falls. Explains

the reason for expansion on a statewide basis is to avoid parties moving outside the city limits into unincorporated areas. MADD and law enforcement agencies support the bill. Discusses the amendments requested by the Parks and Recreation Division to remove "public property" from the language in the bill, as the intent was not toward public property. Additionally, the word "knowingly" was added in the event someone was on a large piece of private property without the knowledge of the property owner. The legislation is very narrowly used in the city and it has the effect of helping to stop underage drinking.

377 REP. HAYDEN: What if there is no-host bar?

REP. STROBECK: The language in the bill provides that responsibility is toward the controller of the premises; therefore, the focus on hosting is whomever opens the door and says "Come on in."

404 MOTION: REP. STROBECK moves ADOPTION of the HB 2582-1 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Reps. Markham and Roberts are EXCUSED.

411 MOTION: REP. STROBECK moves HB 2582, as amended, to the Floor with a DO PASS recommendation.

419 VOTE: 10-0

AYE: 10 - Clarno, Grisham, Hayden, Johnston, Lehman, Ross, Starr, Strobeck,

Wylie and Tiernan

EXCUSED: 2 - Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Ken Strobeck will lead discussion on the floor.

439 CHAIR TIERNAN: Closes work session on HB 2582 and opens work session on HB 3392.

TAPE 100, B

HB 3392 - WORK SESSION

Witnesses: Joe Gilliam, Northwest Payphone Association
Paul Romain, MCI Telecommunications

004 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary on HB 3392 and the proposed HB 3392 -4 amendments. The Preliminary

Staff Measure Summary, proposed HB 3392-4 amendments and the Fiscal Impact Assessment are hereby made a part of these Minutes (EXHIBIT J).

027 REP. HAYDEN: Would the long distance carriers have the ability to opt out of the dial around service?

COUNSEL MOORE: Understands that payphone operators are not regulated currently; therefore, PUC would not have authority to regulate what the payphone operator was doing.

REP. HAYDEN: Would the person billed have the chance to opt out of this system?

COUNSEL MOORE: There is nothing in this bill that would allow them to do that. The bill allows the payphone operator to charge for that call where there is no fee collected; therefore, it will be a 25 cents call regardless

of the duration of the call. The long distance carrier would have the \$4.00 or whatever charge which is dependent upon the default long distance carrier.

068 JOE GILLIAM, Northwest Payphone Association: Clarifies the issue. "We own payphones and we are not in the phone service business. Paul's group is in the phone service business, but doesn't own payphones. The dial around services, such as 1-800-COLLECT or 10-ATT . . . promote the use of using a payphone to access the services their company provides -- it's a long distance service." The payphone operators don't oppose the dial

around service; however, there is a requirement by law to provide access to dial around services. When the dial around services occur, the payphone operators are not reimbursed by the long distance carrier.

095 PAUL ROMAIN, represents MCI Telecommunications: Explains the difference between a billing card and a dial around card plus the billing charges for calls placed.

131 REP. JOHNSTON: Explains his subcommittee vote to move the bill to Full Committee.

REP. HAYDEN: Recaps his understanding that the phones are already being paid a lump sum of \$6 per month regardless of whether or not there are any calls. Now a surcharge is being added.

MR. GILLIAM: Explains the \$6 charge.

167 REP. LEHMAN: States his understanding of the bill.

178 REP. STROBECK: Discusses payment is simply for the use of making a single telephone call.

191 REP. ROSS: Why is the legislature rushing to regulate 25-cents calls when such activity was regulated by PUC?

CHAIR TIERNAN: Explains his intent to vote affirmatively.

205 MOTION: REP. STROBECK move ADOPTION of HB 3392-4 amendments.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares the motion CARRIES. Rep. Markham and Roberts are EXCUSED.

MOTION: REP. STROBECK moves HB 3392, as amended, to the Floor with a DO PASS recommendation.

REP. HAYDEN: Comments about his intention to vote affirmatively as a courtesy.

217 VOTE: 6-4
AYE: 6 - Clarno, Grisham, Hayden, Starr and Strobeck
NAY: 4 - Johnston, Lehman, Ross, Tiernan and Wylie
EXCUSED: 2 - Markham and Roberts
(Chair Tiernan changes vote to NAY. See tape at 229).

229 CHAIR TIERNAN: Changes vote to "Nay". Serves notice of possible reconsideration to allow absent members to be present.

250 CHAIR TIERNAN: Declares the motion FAILS.

252 CHAIR TIERNAN: Closes work session on HB 3392 and opens work session on SB 108.

SB 108 - WORK SESSION

254 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary on SB 108. The Preliminary Staff Measure Summary, Fiscal Impact Assessment and Revenue Impact Analysis are hereby made a part of these Minutes (EXHIBIT K).

268 MOTION: REP. JOHNSTON moves SB 108 to the Floor with a DO PASS recommendation.

270 VOTE: 10-0
AYE: 10 - Clarno, Grisham, Hayden, Johnston, Lehman, Ross, Starr, Strobeck, Wylie and Tiernan
EXCUSED: 2 - Markham and Roberts

CHAIR TIERNAN: Declares the motion CARRIES. REP. Jerry Grisham will lead discussion on the floor.

288 CHAIR TIERNAN: Closes work session on SB 108 and opens work session on HB 3274.

HB 3274 - WORK SESSION

Witnesses: Mari Anne Gest, Oregon Public Employees Union (OPEU)

Rich Peppers, Oregon Public Employees Union (OPEU)

290 GREG MOORE, Committee Counsel Reviews Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary, Fiscal Impact Assessment and Revenue Impact Analysis are hereby made a part of these Minutes (EXHIBIT L).

302 REP. WYLIE: Explains the difficulty in comparing compensation to market in the private sector. Does this bill include everything, calling it compensation and then comparing it to just salaries?

COUNSEL MOORE: Doesn't believe the bill goes that far. It does not say anything about comparison. The discussion is in terms of what it will cost the state for this employee.

331 REP. JOHNSTON: Speaks in support of Rep. Wylie's position and that the bill "puts us on the wrong side of the equation."

343 CHAIR TIERNAN: Discusses the existing law and that the intent of the bill is to clarify.

388 MARI ANNE GEST, Oregon Public Employees Union (OPEU): FOR THE RECORD: OPEU opposes the bill. Believes the information used for the purpose of comparison is reported as a total figure when most people consider compensation as direct salary. That is not what will be reported. Opines the information used inflates the state employees' wages.

442 MS. GEST: Continues to discuss the basis used for comparison.

472 CHAIR TIERNAN: States the design of this bill is to clarify total compensation.

TAPE 101, A

021 RICH PEPPERS, Oregon Public Employees Union: Clarifies that in all bargaining situations as well as fact-finding and other comparisons that take place currently, the benefit levels for state employees are considered

in comparison. Explains the problems in listing in the compensation plan all items in one total amount.

047 MS. GEST: Opines the bill inflates salaries and in reality makes it look as though state employees are paid higher as well as the data will be used in unfair comparisons.

059 MR. PEPPERS: Explains that the information published as salary amounts and the payroll normally attributed to fringe benefits in the previous reports cited all included those amounts in their comparisons with the market.

066 REP. HAYDEN: Cites the list supplied by the proponent of this bill and that it is not particularly comprehensive in that it does not include retirement pay, step increases, merit pay, or upgrades. Opines that exclusively the discussion would not be to discuss state and private total benefit packages, but the Budget Committee members have to know total budget packages to fairly assess the number of state dollars to allocate toward employees, benefits and other needs of the state.

073 CHAIR TIERNAN: Declares the meeting adjourned at 3:21 p.m.

Transcribed and submitted by, Reviewed by,

Kay C. Shaw Gregory G. Moore
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Preliminary Staff Measure Summary on HB 2861, Proposed HB 2861-1 Amendments and Revenue Impact Analysis -- Staff -- 4 Pages

B - Preliminary Staff Measure Summary on HB 2862, Proposed HB 2862-3 Amendments, Revenue Impact Analysis and Fiscal Analysis of Proposed Legislation -- Staff -- 4 Pages

C - Preliminary Staff Measure Summary on HB 2832, Fiscal Impact Assessment and Revenue Impact Analysis -- Staff --2 Pages

D - Fiscal Analysis of Proposed Legislation on HB 3224 -- Staff -- 2 Pages

E - Proposed HB 3205-1 Amendments -- Staff -- 1 Page

F - Preliminary Staff Measure Summary on HB 3367, Proposed HB 3367-1 Amendments, Fiscal Analysis of Proposed Legislation and Revenue Impact Analysis -- Staff -- 10 Pages

G - Proposed HB 3395-3 Amendments -- Staff -- 5 Pages

H - Preliminary Staff Measure Summary on HB 3365, Proposed HB 3365-1 Amendments, Revenue Impact Analysis and Fiscal Impact Assessment -- Staff -- 5 Pages

I - Preliminary Staff Measure Summary on HB 2582 and Proposed HB 2582-1 Amendments -- Staff -- 2 Pages

J - Preliminary Staff Measure Summary on HB 3392, Proposed HB 3392-4 Amendments and Fiscal Impact Assessment -- Staff -- 3 Pages

K - Preliminary Staff Measure Summary on SB 108, Fiscal Impact Assessment and Revenue Impact Analysis -- Staff --2 Pages

L - Preliminary Staff Measure Summary on HB 3274, Fiscal Impact Assessment and Revenue Impact Analysis --Staff -- 2 Pages