

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

April 20, 1995 Hearing Room 357
1:00 pm Tapes 102 - 106

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice Chair
Rep. Bev Clarno (Arrival: 2:15 pm)
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBERS EXCUSED:

Rep. Lonnie Roberts
Rep. Barbara Ross

STAFF PRESENT:

Greg Moore, Committee Counsel
Anne Tweedt, Committee Counsel
Kay C. Shaw, Committee Assistant

MEASURES HEARD:

HB 2134 - Work Session
HB 2187 - Work Session
HB 2398 - Work Session
HB 2438 - Work Session
HB 2558 - Work Session
HB 2756 - Work Session
HB 2759 - Work Session
HB 2764 - Work Session
HB 2789 - Work Session
HB 2874 - Work Session
HB 3284 - Work Session
HB 3370 - Work Session
HB 3434 - Work Session
HJR 2 - Work Session
HJR 35 - 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 102, A

009 CHAIR TIERNAN: Calls meeting to order at 1:29 pm. REPS. CLARNO,
ROBERTS and ROSS are EXCUSED. Announcements.

CHAIR TIERNAN: Opens work session on HB 3284.

HB 3284 - WORK SESSION

Witness: Kelly Taylor, DMV Services (ODOT)

013 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure

Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT_A).

CHAIR TIERNAN: Requests explanation of the SAVE program.

COUNSEL TWEEDT: Systematic Alien Verification for Entitlements program. The Immigration Reform and Control Act of 1986 requires the verification of

immigration status of aliens that happen to be applying for benefits under certain federally funded programs.

031 CHAIR TIERNAN: Adds to explanation:

- > Requires citizenship or proof of legal status in the state before a driver's license is issued.

- > Comments about investigation since last hearing.

- > FOR THE RECORD: Immigration and Naturalization Service supports this bill.

- > Says fiscal is somewhat inaccurate -- cost would be much lower, because the program already exists and is in use.

073 REP. LEHMAN: Refers to the statement there is already a program currently in effect (i.e., SAVE program). Are they using that program for driver's licenses?

CHAIR TIERNAN: No. California is using it for driver's licenses currently, but the State of Oregon is not using it and that is the purpose of the bill.

REP. LEHMAN: Continues inquiries about problems.

120 REP. HAYDEN: Comments about the opportunity to travel overseas. Wants

to see the least intrusive control and methods possible. Opines this a very mild control that the state can easily adopt/utilize to be aware of who is traveling within the borders. Supports the bill.

143 REP. JOHNSTON: Explains opposition to bill:

- > All regulations are submitted to a public policy balancing test.

- > Agrees with Rep. Lehman that the need for the bill has not clearly been established.

- > Heard three things from the discussion:

Informational

Gateway identification fear

Original intent of the drafters of the bill is not to have this be proof of citizenship for other purposes.

- > SAVE program prevents this bill being proof of citizenship for other state purposes.

- > Points out problem of illegal aliens who are driving.

- > Comments about two different burdens:

Reality that some will drive anyway to increase likelihood of proper licensing, knowledge of rules and appropriate insurance.

Minority population and potential of "flaming the fires, embers of xenophobia in this nation."

- > Urges opposition to the bill.

176 CHAIR TIERNAN: Comments about phone calls received and a radio appearance. Chicanos very much support the bill, because they felt they have earned the right to citizenship. Disagrees that most Oregonians disagree with this bill. False identification problem is not solved by the

SAVE program or other programs. Comments about anecdotal information from the Oregon State Police, driving is a privilege and the bill is appropriate, something that should be considered.

201 REP. STROBECK: Refers to Rep. Johnston's issue as the reason why he supports bill, because it is a burden upon the citizenry. Concern should be about the rights of people who are citizens, have undergone the process,

are legal residents and who do have the rights of citizenship. The privileges of citizenship should be granted only to those people who have the rights of citizenship.

REP. JOHNSTON: Not in favor of "not proof of citizenship."

222 REP. STROBECK: Recalls that as the reason for the withdrawal of this bill. because all driver's licenses would have "not proof of citizenship" language printed on licenses. Urges a view of the bigger picture (i.e., protecting citizens who are doing what is correct). Irritated by questioning whether or not rights of citizenship should be extended to people who are not citizens.

236 REP. WYLIE: Comments this is a troubling issue. Unsure what problem is being solved and the bill doesn't solve the problem that everybody who drove a car was here legally, obeying other laws and had insurance. Opines this bill doesn't resolve that, but it means illegal aliens won't be able without forged documents to get a driver's license. Agrees that driving is a privilege.

CHAIR TIERNAN: There is a responsibility to uphold the law and the law provides that illegal aliens have no legal or lawful right to be here; therefore, why enable them to break the law by providing state services to them in a driver's license.

276 REP. JOHNSTON: Explains what it will mean by extending proof every time government interacts with its citizenry.

297 REP. HAYDEN: Explains position and that people from other countries should get an international driver's license. Comments from the fiscal analysis (Exhibit A, Page 2) about an eight percent decrease in the issuance of driver's licenses.

324 REP. LEHMAN: Bottom line is that when applying for a driver's license proof of citizenship is never requested. States that when someone applies who is without perfect English and any complexion that's "less than lily white" will be asked to provide some proof of citizenship. Agrees that legal citizens deserve protection. Questions whether or not the eight percent drop was because of illegal aliens or those who perhaps lost their papers and "didn't want to go through the hassle -- it wasn't worth it." Opines this is fighting over one problem with "a sledgehammer" and creating another with people on the streets without driver's licenses (i.e., eight percent more without a driver's license or insurance and who will probably flee the scene).

353 REP. HAYDEN: Continues to comment from the fiscal analysis.

363 CHAIR TIERNAN: Rule would affect everybody.

REP. JOHNSTON: Gives example of a mediation while in private practice in Los Alamos, New Mexico. There was the perception about minority status and acting from those perceptions that caused further disharmony. "This is a piece of legislation which I think is arguably justified on its face and which I think is racially neutral by the intention of its drafters and which I think in application will further harm the State of Oregon and we shouldn't do it."

397 CHAIR TIERNAN: There are 11 states already doing it. None of those criticisms, except perhaps California has ever come to light. It is done in the northeast and opines there do not appear to be allegations against white-speaking French Canadians.

REP. STROBECK: When people apply currently for Oregon driver's licenses and who show proof of legal alien status, are they issued a driver's

license which says "not a citizen" or are they issued an Oregon driver's license?

416 KELLY TAYLOR, DMV Services (ODOT): No, DMV does not put "not a U.S. citizen" on a driver's license.

REP. STROBECK: Will DMV currently issue driver's licenses to people whom are known to not be U.S. citizens.

MS. TAYLOR: DMV would issue an Oregon driver's license.

REP. STROBECK: Opines that it is an oversight.

TAPE 103, A

CHAIR TIERNAN: Closes work session on HB 3284 and opens work session on HB 2789.

> Introductory comments.

HB 2789 - WORK SESSION

025 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2789-2 amendments. The Preliminary Staff Measure Summary and HB 2789-2 Amendments are hereby made a part of these Minutes (EXHIBIT B).

REP. LEHMAN: Urges support for HB 2789-2 amendments, because it cleans up the bill. Additionally, urges support for the entire language changes of the Minority Report submitted that says "there will be open meetings, if either side request it". Explains reasons: The language is currently in SB 750. There are times public bodies want to have an open meeting to do negotiations and there are times when it is to everybody's benefit not to have open meetings.

> Opines that in light of SB 750 this whole bill could be forgotten.

047 CHAIR TIERNAN: Agrees with the Oregonian's editorial about open negotiations, because open negotiations will only occur unless it is required. Opines open meeting laws serve a purpose.

070 REP. STROBECK: Agrees with Rep. Lehman. This puts the burden on the other side that the meetings will be conducted in the open if either side requests it. There are times when both sides in negotiation can see the value of having "a few moments to be behind closed doors" and opines that is a reasonable request.

CHAIR TIERNAN: Closes work session on HB 2789 and opens work session on HB 2759.

HB 2759 - WORK SESSION

086 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2759-3 amendments. The Preliminary Staff Measure Summary and HB 2759-2/HB 2759-3 amendments are hereby made a part of these Minutes (EXHIBIT C).

MOTION: REP. STROBECK moves ADOPTION of HB 2759-2 and HB 2759-3 amendments.

127 CHAIR TIERNAN: Calls for any objections and hearing no objections from ALL MEMBERS PRESENT declares the MOTION ADOPTED. REPS. CLARNO, HAYDEN, MARKHAM, ROBERTS and ROSS are EXCUSED.

MOTION: REP. STROBECK moves that HB 2759 as amended be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, HAYDEN, MARKHAM,

ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares the MOTION PASSED. Carrier of the bill is REP._VERAL TARNO.

142 CHAIR TIERNAN: Closes the work session on HB 2759 and opens work session on HB _2756.

HB 2756 - WORK SESSION

144 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2756-1 and HB 2756-3 amendments. The Preliminary Staff Measure Summary and HB 2756-3 amendments are hereby made a part of these Minutes (EXHIBIT D).

171 MOTION: REP. STROBECK moves ADOPTION of HB 2756-1 and HB 2756-3 amendments.

CHAIR TIERNAN: Calls for objections and hearing no objections from ALL MEMBERS PRESENT declares the MOTION PASSED. REPS. CLARNO, HAYDEN, MARKHAM,

ROBERTS and ROSS are EXCUSED.

MOTION: REP. STROBECK moves that HB 2756 as amended be sent to the Floor with a DO PASS recommendation.

185 REP. LEHMAN: Intends to vote to move bill out of committee; however, has some concerns and may not vote for it on the Floor.

VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, HAYDEN, MARKHAM,

ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION PASSED. Carrier of the bill is REP. VERAL TARNO.

196 CHAIR TIERNAN: Closes work session on HB 2756 and opens work session on HB 2874.

HB 2874 - WORK SESSION

197 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2874-2 amendments. The Preliminary Staff Measure Summary and HB 2874-2 amendments are hereby made a part of these Minutes (EXHIBIT E).

225 MOTION: REP. STARR moves ADOPTION of HB 2874-2 amendments.

CHAIR TIERNAN: Calls for objections and hearing no objections from ALL MEMBERS PRESENT declares MOTION PASSED. REPS. CLARNO, HAYDEN, MARKHAM, ROBERTS and ROSS are EXCUSED

228 MOTION: REP. STARR moves that HB 2874 as amended be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, LEHMAN, MARKHAM, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, HAYDEN, JOHNSTON, ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares the MOTION PASSED. Carrier of the bill is Rep._Charles Starr.

253 CHAIR TIERNAN: Closes the work session on HB 2874 and opens work session on HB 2134.

HB 2134 - WORK SESSION

Witness: JOHN MERRISS, Oregon Department of Transportation (ODOT)

256 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2134-3 amendments. The Preliminary Staff Measure Summary and HB 2134-3 amendments are hereby made a part of these Minutes (EXHIBIT F).

REP. CLARNO: Arrives at 2:15 pm.

REP. JOHNSTON: Will we later pass a two cents gas tax to make up for these lost revenues?

CHAIR TIERNAN: Eight cents is what they want.

REP. JOHNSTON: Explains that the fiscal says that revenues to the Highway Fund would be reduced by \$19 Million this biennium and \$27 Million in the next biennium.

CHAIR TIERNAN: What is the total overall fund?

294 JOHN MERRISS, Transportation Economist, Oregon Department of Transportation (ODOT): Explains that the overall Highway Fund is approximately \$1.2 Billion and believes that is per biennium.

CHAIR TIERNAN: What percent would represent \$19 Million?

MR. MERRISS: For the trucking industry portion of the State Highway Fund (i.e., what they pay into the fund) represents an average of a 6.2 percent reduction.

CHAIR TIERNAN: Continues inquiries about the Highway Fund.

323 REP. MARKHAM: What is the background about why PUC asked for this bill?

MR. MERRISS: Original intent of the bill was to extend the axle weight tax down to 26,001 lbs. so there would be one overall tax schedule and weight mile tax schedule for all trucks; however, the HB 2134-3 amendments remove that provision of the bill and implement the findings of the latest cost responsibility study.

REP. MARKHAM: Theoretically does it level the playing field?

MR. MERRISS: That's correct -- brings the payment from trucks down to what they should be contributing according to the cost responsibility study findings.

349 MOTION: REP. STROBECK moves ADOPTION of HB 2134-3 amendments.

CHAIR TIERNAN: Calls for objections and hearing no objections from ALL MEMBERS PRESENT declares the MOTION PASSED. REPS. CLARNO, HAYDEN, MARKHAM, ROBERTS and ROSS are EXCUSED.

MOTION: REP. MARKHAM moves that HB 2134 as amended be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, JOHNSTON, LEHMAN, MARKHAM, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. HAYDEN, ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION PASSED.

392 CHAIR TIERNAN: Closes work session on HB 2134 and opens work session on HJR 35.

HJR 35 - WORK SESSION

ANNE TWEEDT, Committee Counsel: Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT G).

390 MOTION: CHAIR TIERNAN moves HJR 35 to Rules Committee.

CHAIR TIERNAN: Calls for objections and hearing no objections from ALL MEMBERS PRESENT declares the MOTION PASSED. REPS. ROBERTS and ROSS are EXCUSED.

406 CHAIR TIERNAN: Closes work session on HJR 35 and opens work session on HB 2764.

HB 2764 - WORK SESSION

ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT H)

TAPE 102, B

005 REP. STROBECK: Explains subcommittee work and this bill was the more acceptable solution, because in part it was supported by the agency.

MOTION: REP. MARKHAM moves that HB 2764 be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares the MOTION PASSED. Carrier of the bill is REP. KEN STROBECK.

029 CHAIR TIERNAN: Closes work session on HB 2764 and opens work session on HB 2558.

HB 2558 - WORK SESSION

Witness: FRED MCDONNAL, Public Employees Retirement System (PERS)

036 GREG MOORE, Committee Counsel: Reviews Preliminary Staff Measure Summary, HB _2558-3 amendments and Hand Engrossed HB 2558 with -3 amendments. Said documents are hereby made a part of these Minutes (EXHIBIT I). Introduces Fred McDonnal and Bob Andrews (PERS).

076 CHAIR TIERNAN: This is the recommendation that flowed from the House PERS Task Force established by the Speaker of House from the 1993 Legislative Session to research the area and reach a conclusion about the best type of benefit plan for new employees. The recommendation was of a defined benefit plan that provides a 75-85 percent promise of the current promise to existing employees. What is the implementation date that is stated in the bill?

COUNSEL MOORE: Refers to page 13 of HB 2558-3 amendments (i.e., January 1, 1996). Eligibility criteria is on page 1, Section 2 of HB 2558-3 amendments.

096 CHAIR TIERNAN: Would somebody hired July 1 be under Tier 1 or 2?

COUNSEL MOORE: Tier 1.

CHAIR TIERNAN: If hired on November 1?

COUNSEL MOORE: Still under the current existing tier.

CHAIR TIERNAN: Refers to discussion of the issue and the prospect of making implementation based upon the signature of the Governor. In fact it

wouldn't be for everybody who has been hired since the signing of the bill.

Because of the six months period, it wouldn't go into effect until 1996.
Is that correct?

105 FRED MCDONNAL, Public Employes Retirement System (PERS): That is correct. Understands it would take effect January 1, 1996, for people hired after that date.

107 CHAIR TIERNAN: If an emergency clause is included, it would be on the signature of the Governor and any employees hired after that would be on the second tier -- the actual effect of it would be at the earliest time, probably January 1.

MR. MCDONNAL: That's correct. From an administrative standpoint PERS strongly recommends that it be the first of the calendar year.

CHAIR TIERNAN: Continues inquiries about the implementation date.

121 REP. MARKHAM: Requests an explanation of the term "brighter line"?

COUNSEL MOORE: Explains the concern around the original draft of HB 2558 that the eligibility criteria was complicated and describes the consultation with PERS that resulted in a decision to attempt to draw "a very mechanical line in the sand as to who was on Tier 1 and who was on Tier 2 and to make it real simple."

134 REP. WYLIE: Explains intent to vote "no". FOR THE RECORD: Opposes the process and the method utilized by the committee.

163 REP. STROBECK: Comments about participation in the work group. Explains why he likes Plan A. Concerned about the significant inequity in the contribution level and the risk that PERS may be down so far that it starts to become an unattractive plan.

182 REP. LEHMAN: Explains intent to vote "no".

203 REP. JOHNSTON: Comments about difficulty with issue. Opines it is essential that employer and employee be required to contribute the same amount to a plan. Additionally, the concept of tiers is very destructive to workplaces.

235 CHAIR TIERNAN: Provides background about introduction of the two plans.
Intends to proceed with this bill.

307 MOTION: REP. MARKHAM moves ADOPTION of HB 2558-3 amendments.

CHAIR TIERNAN: Calls for objection and hearing no objection declares MOTION ADOPTED.

MOTION: REP. MARKHAM moves that HB 2558 as amended be sent to the Floor with a DO PASS recommendation.

REP. STROBECK: Echoes comments by Rep. Johnston and Chair Tiernan about equal contribution as being in the best interests of all sides. It is important to ensure this is not out of balance with the private sector since both reports were pre-Measure 8's implementation.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, MARKHAM, STARR, STROBECK and CHAIR TIERNAN vote AYE.

REPS. JOHNSTON, LEHMAN and WYLIE vote NAY. REPS. ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares the MOTION PASSED.

349 CHAIR TIERNAN: Closes the work session on HB 2558 and opens work session on HB _2438.

HB 2438 - WORK SESSION

358 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2438-2 amendments. The Preliminary Staff Measure Summary and HB 2438-2 amendments are hereby made a part of these Minutes (EXHIBIT J).

363 CHAIR TIERNAN: Comments about discussion with Rep. Naito and agreement reached about COLAs.

REP. STROBECK: Comments about objection; however, in light of current understanding, he will support that.

CHAIR TIERNAN: Suggests a conceptual amendment that "the COLA will apply if it is now in existence up to 1-1-95. Any COLA adopted since 1-1-95, would be null and void, and the rest of the bill would apply." Basically, it is a grandfathering in of COLAs if they so exist.

419 REP. STROBECK: Would that be on the HB 2438-1 amendments?

CHAIR TIERNAN: It would be on the HB 2438-2 amendments.

COUNSEL MOORE: Neither the -1 nor -2 reflect this.

REP. STROBECK: Opines the language couldn't be added to -2, because -2 deletes COLAs entirely.

CHAIR TIERNAN: Will add the conceptual amendment to the HB 2438-1 amendments.

TAPE 103. B

004 MOTION: REP. MARKHAM moves ADOPTION of HB 2438-1 amendments, including stating in concept "that COLAs in place before 1-1-95 will be grandfathered in and any COLAs established after 1-1-95 will be null and void."

REP. STROBECK: Except at the next election?

CHAIR TIERNAN: Yes, and the rest of the bill takes effect. Calls for objections to that amendment and hearing no objection declares the MOTION ADOPTED.

010 MOTION: REP. MARKHAM moves HB 2438-1 as amended to Floor with a DO PASS recommendation.

CHAIR TIERNAN: Calls for discussion.

REP. LEHMAN: Intends to vote against HB 2438-1 amendments. No problem applying this bill to legislators. Amazed at how many times the legislature is going to meddle in local government's decision making.

036 REP. STROBECK: Agrees with Rep. Lehman. Opines "we ought to inflict this upon ourselves, but I don't think we ought to inflict it on local government." Suggests moving the bill as originally written.

CHAIR TIERNAN: Comments about an amendment that is either going to include all elected officials in the state or one that only includes legislators.

CHAIR TIERNAN: Withdraws the amendment.

070 MOTION: REP. HAYDEN moves ADOPTION of amendment to strike out the last sentence of HB 2438 which reads "However, nothing in this section applies to cost of living adjustments or to salary increases that result from the increases in salaries for other public offices on which legislative salaries are based."

CHAIR TIERNAN: Calls for discussion on that language.

REP. STROBECK: What does that mean?

CHAIR TIERNAN: If it only applies to legislators, that if we had a COLA, which we don't, it wouldn't apply, and if our salaries are tied to another agency's official or to other officials' increase in salaries (e.g., judges

received a four percent increase and our salaries were based upon their increase and if we voted the judges a four percent increase then our salaries would also increase four percent). What we are doing is striking out that language.

REP. STROBECK: It would just become effective after the next election again as we discussed earlier?

CHAIR TIERNAN: Yes.

088 CHAIR TIERNAN: Calls for other discussion

CHAIR TIERNAN: Hearing no further discussion or objection, declares MOTION

ADOPTED.

090 MOTION: REP. STROBECK moves HB 2438 as amended to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares the MOTION PASSED. Carrier is Rep. Ken Strobeck.

CHAIR TIERNAN: Closes work session on HB 2438 and opens work session on HB 2398.

HB 2398 - WORK SESSION

108 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2398-1 amendments. The Preliminary Staff Measure Summary, including HB 2398-1 amendments, is hereby made a part of these Minutes (EXHIBIT K).

135 MOTION: REP. JOHNSTON moves ADOPTION of HB 2398-1 amendments.

CHAIR TIERNAN: Calls for further discussion or objection. Hearing no further discussion or objections, declares MOTION ADOPTED.

MOTION: REP. JOHNSTON moves HB 2398 as amended to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, MARKHAM, STARR, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, HAYDEN, ROBERTS, ROSS and STROBECK are EXCUSED.

149 CHAIR TIERNAN: Declares MOTION PASSED. Carriers of the bill are REP. BRYAN JOHNSTON and CHAIR TIERNAN.

CHAIR TIERNAN: Closes work session on HB 2398 and opens work session on HB 3370.

HB 3370 - WORK SESSION

170 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 3370-12 amendments. The Preliminary Staff Measure Summary, including HB 3370-12 amendments, is hereby made a part of these Minutes (EXHIBIT L).

216 REP. LEHMAN: Discusses his understanding of the bill. How does the arbitration process work?

COUNSEL TWEEDT: If there is the requirement to expend money to conduct a program and the money is not reimbursed by the state, that could go to a panel of nonbinding arbiters for decision on reimbursement.

CHAIR TIERNAN: Believes the arbitration clause is for the dispute of the cost of complying. Provides example about the sewer plant in Wheeler County.

REP. JOHNSTON: Agrees with the understanding. Comments about the care given to making it a nonbinding arbitration.

CHAIR TIERNAN: Continues comments and discussion about the arbitration process and unfunded mandates from the state to cities, counties and local jurisdictions.

307 REP. HAYDEN: Comments about HJR 2 which requested that the Federal Government not impose any more unfunded mandates on the state. Says SB 1 passed and was signed by the President (i.e., there are no more unfunded federal mandates to the state). HB 3370 and HJR 2 will extend that same courtesy from the State Government to local jurisdictions.

MOTION: REP. HAYDEN moves ADOPTION of HB 3370-12 amendments.

CHAIR TIERNAN: Calls for further discussion or objection.

REP. WYLIE: Objects.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, JOHNSTON, MARKHAM, STARR, STROBECK, and CHAIR TIERNAN vote AYE. REPS. LEHMAN and WYLIE vote NAY. REPS. ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION ADOPTED.

MOTION: REP. MARKHAM moves that HB 3370 as amended be sent to the Floor with a DO PASS recommendation.

REP. STROBECK: Are school districts still included in this bill?

COUNSEL TWEEDT: The original HB 3370 included school districts. The amendments passed put school districts into HJR 2 as well.

CHAIR TIERNAN: It put in school districts prospectively not retroactively.

REP. STROBECK: School districts were not taken out?

COUNSEL TWEEDT: What was taken out was the language that would apply the bill retroactively back to January 1. School districts were added to HJR 2.

363 REP. STROBECK: Comments about concern on the bill. Believes that the state is "picking up the tab to go to local schools" and that it is a "bad idea" to include school districts.

REP. JOHNSTON: Talks about the debate as to whether or not the state is paying "our fair share to schools".

REP. STROBECK: Continues discussion about State Government and what should occur at local schools.

426 REP. HAYDEN: Remedy is the Ways & Means Subcommittee which analyzes every budget.

REP. LEHMAN: Explains intent to vote "no".

TAPE 104, A

001 REP. LEHMAN: Continues explanation of intent to vote "no".

028 CHAIR TIERNAN: Refers to Rep. Lehman's comments. Points out that people in the eastern counties make comments about the massive state programs.

REP. MARKHAM: Opines "we owe it to local governments to give it a try."

MOTION: REP. STARR moves that HB 3370 as amended be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, JOHNSTON, MARKHAM, STARR and CHAIR TIERNAN vote AYE. REPS. LEHMAN and STROBECK vote NAY. REPS. ROBERTS, ROSS and WYLIE are EXCUSED.

CHAIR TIERNAN: Declares MOTION PASSED. Carrier of the bill is REP. JERRY GRISHAM.

051 CHAIR TIERNAN: Closes work session on HB 3370 and opens work session on HJR 2.

HJR 2 - WORK SESSION

ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HJR 2-8 amendments. The Preliminary Staff Measure Summary, including the HJR 2-8 amendments, is hereby made a part of these Minutes (EXHIBIT M).

073 REP. LEHMAN: Is this needed to be in line with the statute, the bill, or are they independent?

COUNSEL TWEEDT: Explains that HB 3370 could serve as the enacting language for HJR 2, but HJR 2 does not have to be passed for HB 3370 to be effective.

REP. LEHMAN: Agrees with Rep. Markham's comments that "we ought to give this a chance." Opines that passing the bill to amend the statute is a good starting point; however, if it "creates a nightmare and creates all kinds of problems we hadn't conceived of, we now have a constitutional amendment that is much more difficult to go back from in the '97 Legislature." Says that HB 3370 is a mistake, but that HJR 2 is a bigger mistake if something is locked into the Constitution when the impact is unknown.

089 REP. JOHNSTON: Reiterates "yes" vote for HB 3370 and explains intent to vote "no" on HJR 2.

REP. HAYDEN: Comments about concerns regarding the discussion of HJR 2. Supports HJR 2.

112 REP. STROBECK: Says concerns are similar to those expressed about HB 3370 (i.e., enormous potential liability). Suggests deleting school boards from the HJR 2-8 amendments.

CHAIR TIERNAN: Asks if it would be acceptable if school district language is removed from HJR 2?

REPS. HAYDEN and STROBECK: Yes.

123 MOTION: REP. HAYDEN moves to strike the language in a conceptual amendment to HJR 2 to delete "any reference to schools".

CHAIR TIERNAN: Calls for further discussion or objection to the amendment.

REP. MARKHAM: Opines that school districts should be eager to be included.

REP. STROBECK: The state is already paying \$3.5 Billion to schools. The Finance Committee has heard from numerous school districts and each has a different, unique situation.

CHAIR TIERNAN: Hearing no objections, declares MOTION ADOPTED.

MOTION: CHAIR TIERNAN moves that amendments to HJR 2-8 amendments be ADOPTED.

CHAIR TIERNAN: Calls for further discussion or objection. Hearing no objection, declares MOTION ADOPTED.

153 MOTION: REP. HAYDEN moves that HJR 2 as amended be sent to the Floor
with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, MARKHAM, STARR,
STROBECK and CHAIR TIERNAN vote AYE. REPS. JOHNSTON, LEHMAN and WYLIE vote
NAY. REPS. ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION PASSED. Carrier of the bill is REP._CEDRIC
HAYDEN.

CHAIR TIERNAN: Closes work session on HJR 2 and opens work session on HB
3434.

HB 3434 - WORK SESSION

176 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure
Summary. The Preliminary Staff Measure Summary is hereby made a part of
these Minutes (EXHIBIT N).

186 COUNSEL TWEEDT: Comments about Rep. Montgomery's support of amendments
suggested by the Oregon State Police and the Sheriffs Association Search
and Rescue Advisory Council. Reads from proposed amendments. Proposed
amendments are hereby made a part of these Minutes (EXHIBIT O).

MOTION: REP. GRISHAM moves ADOPTION of amendment to HB 3434 that on Page
1, Line 9, to delete "shall be" and insert "may be held", and at Line 14
after "individuals" delete "shall be" and insert "may be held".

CHAIR TIERNAN: Calls for discussion and objections. Hearing no objections,
declares MOTION ADOPTED.

236 REP. JOHNSTON: Comments in opposition to the bill. Suggests adding a
line to the bill "there shall be no right of collection".

CHAIR TIERNAN: Is it correct that the currently amended bill would make it
optional to bill?

COUNSEL TWEEDT: Yes, to bill, but not to pay.

CHAIR TIERNAN: You want to make it optional to pay?

REP. JOHNSTON: Right.

272 REP. LEHMAN: Expresses concerns about extending regulations. If more
than one person is lost, can each be held liable for the \$5,000? Can the
liability be imposed in situations when someone didn't report when they
were supposed to, a massive search was engaged and the person turned up
somewhere else? Can the liability for search and rescue be sought from the
estate if someone died? Concurs with Rep. Johnston and comments by Rep.

Grisham.

310 REP. HAYDEN: Provides examples of wilderness travels and describes modern technology. Supports that a permit to travel in the wilderness include carrying a communication device.

MOTION: REP. GRISHAM moves that HB 3434 as amended be sent to the Floor with a DO PASS recommendation.

343 REP. GRISHAM: Provides background about being at Timberline Lodge when the Episcopal school group was lost and the benefits of mountain locator units.

390 REP. WYLIE: Discusses variety of circumstances when people are lost. Would support some type of standards of carelessness or disregard for obvious safety things.

430 REP. STROBECK: Refers to Rep. Johnston's argument regarding the driver's license bill. There is nothing that says if this becomes law that it is going to require people to use good judgment and to carry these devices. Points to a flaw in the bill that in many areas cellular phones do not work and there is nothing in the bill that says the device people are carrying must be effective, working and appropriate to the area.

TAPE 105, A [Defective tape -- go to TAPE 106, A]

TAPE 106, A

006 REP. HAYDEN: Agrees there are areas in which cell phones do not work (i.e., in the valleys); however, there is no place in the higher elevations

of wilderness areas in Oregon where a cell could not be reached. Says the wilderness is only about 20 miles wide.

REP. LEHMAN: Comments about potential media presentation if the bill passes. People may delay search and rescue for fear of being charged for the cost.

035 CHAIR TIERNAN: Comments before the vote: "If you are not lost, if these are the people who are in the motel, if you are not lost, you can't be found. . . If you have a whole boy scout troupe lost, I would imagine it's only going to be counted as one individual and not fine each boy scout \$5,000. Secondly, the bill mentions individuals, and if you are an individual, that assumes you are alive. You can't be an individual and be deceased as a matter of law. . . Individual in the context of the bill, I don't believe, refers to a deceased, and I don't believe an individual can be somebody who's not alive."

VOTE: In a roll call vote, REPS. CLARNO, GRISHAM, HAYDEN, MARKHAM, STARR and STROBECK vote AYE. REPS. JOHNSTON, LEHMAN, WYLIE and CHAIR TIERNAN vote NAY. REPS. ROBERTS and ROSS are EXCUSED. CHAIR TIERNAN changes vote from AYE to NAY -- see tape at 064.

061 REPS. JOHNSTON and LEHMAN: Serves notice of a Minority Report.

064 CHAIR TIERNAN: Changes vote to NAY. Serves Motion of Reconsideration of the bill.

CHAIR TIERNAN: Requests Reps. Wylie and Strobeck meet with the sponsor of the bill to rework the bill. Announcement about HB 3364.

CHAIR TIERNAN: Closes work session on HB 3434 and opens work session on HB 2187.

HB 2187 - WORK SESSION

Witness: Grover Simmons, Commercial Printing Industry (Oregon)
Patricia O'Sullivan, Department of Administrative Services (DAS)
John Radford, Department of Administrative Services (DAS), State

087 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary and HB 2187-3 amendments. The Preliminary Staff Measure Summary, including HB 2187-3 amendments, is hereby made a part of these Minutes (EXHIBIT P).

CHAIR TIERNAN: Requests Rep. Johnston's position on the bill.

REP. JOHNSTON: Depends upon the amendments passed.

CHAIR TIERNAN: Comments about HB 2187-3 amendments. Says DAS is sponsor of the bill.

145 MOTION: CHAIR TIERNAN moves ADOPTION of HB 2187-3 amendments.

CHAIR TIERNAN: Calls for discussion and requests Counsel Tweedt explain the proposed HB 2187-3 amendments.

148 COUNSEL TWEEDT: Explains the HB 2187-3 amendments and that if adopted, the State Printer is relegated to accepting work from only state governmental agencies.

CHAIR TIERNAN: Calls for objection to proposed HB 2187-3 amendments.

REP. JOHNSTON: Explains objection to HB 2187-3 amendments and that passage

would artificially allow the price of public sector service to go up -- we shouldn't do that.

199 CHAIR TIERNAN: So, your objection is because the public sector isn't allowed to sell to the public sector?

REP. JOHNSTON: Right. The public sector should be allowed to service the public sector and HB 2187-3 amendments prohibit that.

CHAIR TIERNAN: Continues discussion of competition by the public sector.

219 MIKE FREESE, Acting State Printer: The intent of the bill was to allow the State Printer to provide or extend an existing service to other public sector entities. Refers to study (Exhibit P).

REP. JOHNSTON: Suggests that the committee "saddle the public sector printing bid with the full cost." Agrees, doesn't want the public sector competing for public sector business in a subsidized fashion. Opines that taxpayers will be done a disservice by not allowing the public sector to service the public sector.

CHAIR TIERNAN: You would find HB 2187-3 amendments more palatable if amended to say that "as long as total costs is considered . . . as it would

be done in the private sector, if those dollars are cheaper, then it's the best bid"? Does the committee have a problem with that language?

258 REP. STROBECK: Refers to the cost comparison provided by the State Printer. Is it correct there is a standard formula used by commercial printers that includes all costs?

MR. FREESE: That's correct. Cites the study and that it compares relative cost allocations based on dollar volume to the way commercial printers actually do it.

CHAIR TIERNAN: Continues inquiries about costs.

271 REP. STROBECK: Refers to one of the provisions in HB 2764 to have the private printers and the State Printer meet to determine some "true costs" and whether or not they are operating as they say.

293 REP. JOHNSTON: Suggests amending HB 2187-3 amendments to say that "bids

for public sector work would be full cost of providing service bids." Such language would require incorporating taxes, land costs, etc. into bids.

309 CHAIR TIERNAN: Comments about proposed conceptual amendment.

MOTION: REP. JOHNSTON moves to conceptually amend HB 2187-3 amendments to include language that "would allow a public sector printer to sell to another public sector purchaser printing services as long as the bid is the

lowest cost and that bid includes the full cost as if the public sector employer was a private sector provider, private sector business." All of the costs relating to business must be factored in.

COUNSEL TWEEDT: This is State Printer to other public printers. This is not public printer to other public printers.

REP. JOHNSTON: State Printer to other public agencies, other public sector agencies.

364 REP. GRISHAM: Requests comment from a private sector representative as to what would be the impact on them?

366 GROVER SIMMONS, Commercial Printing Industry (Oregon): Testifies in opposition to the whole clause in the bill and the amendment. Believes the

result would be that throughout the entire State of Oregon all public agencies plus the Federal Government would be able to send their work to Salem to be printed in the Public Printing Division. Opines that approach is the opposite direction of what ought to be done and that the Printing Division ought to be privatized which is the opposite of expanding its jurisdiction to increase productivity.

CHAIR TIERNAN: Calls for further discussion.

REP. STROBECK: Requests a restatement of the question.

CHAIR TIERNAN: Question is to amend HB 2187 by the -3 as conceptually amended. The conceptual amendment is again to "allow a public sector printer to contract with a public sector buyer for printing services as long as the public sector printer's full costs are competitive or are as they would be if they were a private sector printer."

437 VOTE: In a roll call vote, REPS. HAYDEN, JOHNSTON, LEHMAN, STARR and WYLLIE vote AYE. REPS. GRISHAM, STROBECK and CHAIR TIERNAN vote NAY. REPS.

CLARNO, MARKHAM, ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION FAILS.

TAPE 104, B

014 CHAIR TIERNAN: Requests explanation of HB 2187-2 amendments.

REP. JOHNSTON: Comments about the HB 2187-3 amendments and that the original bill means full and complete competition in the public sector with no requirement to do the kind of bid discussed.

CHAIR TIERNAN: Is it correct that DAS would be "happy with the bill either with the -1 or -2's"? Acknowledges positive response.

025 COUNSEL TWEEDT: Explains the HB 2187-2 amendments.

CHAIR TIERNAN: HB 2187-2 amendments basically delete language that would parallel the overtime requirements of the private sector with the overtime requirements for the public sector (i.e., currently in the private sector

overtime is allowed after 40 hours and in the public sector overtime is allowed after eight hours). This amendment deletes that and gives the public sector overtime after eight hours.

REP. WYLIE: Did you mean it would leave it the way it is which is after eight?

CHAIR TIERNAN: It would leave the current overtime requirements for state employees unchanged, if the vote is "yes" on this amendment.

COUNSEL TWEEDT: Clarifies that it applies to public contracted employees not state employees. If the amendment is adopted, the current practice would remain unchanged. It is in the bill, but DAS would like it removed.

CHAIR TIERNAN: Public employees unions would like a "yes" vote.

057 CHAIR TIERNAN: Calls for objections to accept HB 2187-2 amendments. If the vote is "yes" on the amendment, the practice will remain unchanged. If the vote is "no" on the amendment, the practice will change.

COUNSEL TWEEDT: From eight hours a day to 40 hours a week.

068 CHAIR TIERNAN: What does the bill currently say?

PATRICIA O'SULLIVAN, Department of Administrative Services (DAS): Testifies about the current law for public service contracts, not state employees. FOR THE RECORD: DAS would like the amendment removed from the bill and the bill moved on its own merits. DAS desires that the committee vote "yes" on HB 2187-2 amendments so those sections will be removed from the bill and the bill will not address that issue at this time.

CHAIR TIERNAN: Is it correct that a private sector employer would have to pay overtime after eight hours?

MS. O'SULLIVAN: That's correct.

094 MOTION: CHAIR TIERNAN moves ADOPTION of HB 2187-2 amendments

CHAIR TIERNAN: Calls for further discussion or objection. Hearing no objection, declares MOTION ADOPTED.

102 COUNSEL TWEEDT: Explains the HB 2187-1 amendments.

MS. O'SULLIVAN: Testifies that the language is at BOLI's request, because DAS inadvertently added it to a statute that was BOLI's and that would apply to private employers as well as public. The same language is moved into a statute that applies only to state employees, because that is what DAS meant to do originally.

129 COUNSEL TWEEDT: Explains that HB 2187-1 amendments repeal ORS 237.103 which deals with the PERS issue.

134 JOHN RADFORD, Administrator, State Controllers Division, Department of Administrative Services (DAS): Testifies that the repeal of ORS 237.103 would eliminate the requirement that a

public employee, working for public agency A and moonlighting in public agency B, be required to pay and receive PERS.

155 MOTION: REP. JOHNSTON moves ADOPTION of HB 2187-1 amendments.

CHAIR TIERNAN: Calls for further discussion or objection. Hearing no objection, declares MOTION ADOPTED.

MOTION: REP. JOHNSTON moves HB 2187 as amended by HB 2187-1 and HB _2187-2

amendments sent to the Floor with a DO PASS recommendation.

REP. JOHNSTON: Comments about the vote that allows the Printing Division to compete for the public sector business.

CHAIR TIERNAN: Polls some committee members as to understanding of the current status of the bill. Requests Witness Grover Simmons' position on the current status of the bill.

172 GROVER SIMMONS, Commercial Printing Industry (Oregon) : Opposes.

REP. JOHNSTON: Explains what is needed to make the bill comport to the Majority's wishes (i.e., adopt HB 2187-3 amendments without the conceptual amendment that removes the State Printer's right to compete for public sector business).

REP. JOHNSTON withdraws MOTION.

189 MOTION: REP. STROBECK moves ADOPTION of HB 2187-3 amendments.

VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REP. LEHMAN votes NAY. REPS. CLARNO, MARKHAM, ROBERTS and ROSS are EXCUSED. REP. JOHNSTON changes vote to AYE (see tape at 213) and REP. WYLIE changes vote to AYE (see tape at 215).

CHAIR TIERNAN: Declares MOTION ADOPTED.

222 MOTION: REP. JOHNSTON moves HB 2187 as amended by HB 2187-1, HB 2187-2 and HB 2187-3 amendments to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, STARR, STROBECK, WYLIE and CHAIR TIERNAN vote AYE. REPS. CLARNO, MARKHAM, ROBERTS and ROSS are EXCUSED.

CHAIR TIERNAN: Declares MOTION PASSED.

CHAIR TIERNAN: Adjourns meeting at 4:30 pm.

Submitted by, Reviewed by, Reviewed by,

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

EXHIBIT SUMMARY:

A - Preliminary Staff Measure Summary on HB 3284 -- Staff -- 4 Pages

B - Preliminary Staff Measure Summary on HB 2789, including Proposed HB 2789-2 Amendments -- Staff -- 3 Pages

C - Preliminary Staff Measure Summary on HB 2759, including Proposed HB 2759-2 and HB _2759-3 Amendments -- Staff --6 Pages

D - Preliminary Staff Measure Summary on HB 2756, including Proposed HB 2756-1 and HB _2756-3 Amendments -- Staff -- 6 Pages

E - Preliminary Staff Measure Summary on HB 2874, including Proposed HB 2874-2 Amendments -- Staff -- 3 Pages

F - Preliminary Staff Measure Summary on HB 2134, including Proposed HB

2134-3 Amendments -- Staff -- 17 Pages

G - Preliminary Staff Measure Summary on HJR 35 -- Staff -- 2 Pages

H - Preliminary Staff Measure Summary on HB 2764 -- Staff -- 11 Pages

I - Preliminary Staff Measure Summary on HB 2558, including Proposed HB 2558-3 Amendments -- Staff -- 39 Pages

J - Preliminary Staff Measure Summary on HB 2438, including Proposed HB 2438-2 Amendments -- Staff -- 6 Pages

K - Preliminary Staff Measure Summary on HB 2398, including Proposed HB 2398-1 Amendments -- Staff -- 4 Pages

L - Preliminary Staff Measure Summary on HB 3370, including Proposed HB 3370-12 Amendments -- Staff -- 6 Pages

M - Preliminary Staff Measure Summary on HJR 2, including Proposed HJR 2-8 Amendments -- Staff -- 7 Pages

N - Preliminary Staff Measure Summary on HB 3434 -- Staff -- 3 Pages

O - Proposed HB 3434-1 Amendments -- Staff -- 2 Pages

P - Preliminary Staff Measure Summary on HB 2187, including Proposed HB 2187-3 Amendments -- Staff -- 17 Pages