

HOUSE COMMITTEE ON  
LABOR

Hearing Room

Tapes - 9

MEMBERS PRESENT:

Rep. John Watt, Chair  
Rep. Lee Beyer, Vice-Chair  
Rep. Kate Brown  
Rep. Chuck Carpenter  
Rep. Mike Fahey  
Rep. Lynn Lundquist  
Rep. Lynn Snodgrass

MEMBER EXCUSED:

STAFF PRESENT:

Aaron Felton, Committee Counsel  
Paula Gilmer Purcell, Committee Assistant

TOPIC HEARD:                   Public Hearing on House Bill 2111

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

02       CHAIR WATT: 1:32, p.m., the meeting is brought to order.

09       Opens Public Hearing on HB 2111

13       CHRISTINE A. CHUTE ADMINISTRATOR FOR POLICY, DEPARTMENT OF EMPLOYMENT:  
Submits written testimony in favor of HB 2111 [EXHIBIT A]

17       Last session this was House Bill 2132. The new bill comes from sections six and nine of House Bill 2132.

26       This comes from the unemployment insurance reform project.

48       REP. BEYER: Is this the same bill that passed the house?

50       CHUTE: Yes, the house added an amendment. Discussion of amendment followed.

53       REP. BEYER: So the changes in the minimum wage make that amendment immaterial now. Is that correct?

54       CHUTE: That is our evaluation of it.

56 REP. BROWN: In terms of who will and will not get coverage, does that include teachers and educators?

58 CHUTE: It is unlikely that they would be a group that we would be concerned with.

74 REP. FAHEY: On the eighteen weeks is there a minimum or maximum hours you have to work in the week?

76 CHUTE: No there is none.

78 REP. FAHEY: This five hundred hours, what is the period? Is it annual?

80 CHUTE: Yes it is annual.

82 CHAIR WATT: Why do you have the act taking effect January 1, 1998?

84 CHUTE: We are undergoing massive change in automation. This will avoid any extra costs by waiting and not having to do more program conversion. We also need a period of time to implement the overlap.

100 CHAIR WATT: You could move that up?

102 CHUTE: I would want to check with our data processing manager first.

103 REP. BEYER: Will the overlap cause employers to do additional reporting?

105 CHUTE: We will try to address this during a work session on the bill.

110 REP. BEYER: You have amendments in mind already?

113 CHUTE: Yes.

115 CHAIR WATT: What were the other sections to the HB 2132 that are not HB 2111?

118 CHUTE: Vacation pay changes, which I think is the next bill you will hear, and UI reform bill, now HB 2060 which you are hearing on Friday. And that's everything.

123 CHAIR WATT: So you split them out into other bills?

124 CHUTE: Yes.

136 IRV FLETCHER, OREGON AFL-CIO: Could I invite Ed Edwards, Government Relations Director for the Oregon School Employees Association to sit with me?

138 CHAIR WATT: Yes.

140 FLETCHER: If this was our issue, and you were going from weeks to hours worked somebody would lose.

143 We ask you not to vote the bill out today. We are having some figures run on the health and welfare trust of the craft unions.

149 Any one working twenty seven hours a week or less would have to work more than eighteen weeks to qualify.

151       The people that would be more negatively impacted would be people in the  
contingent work force.

155       We want to see how it will effect people in the craft unions.

166       ED EDWARDS, DIRECTOR OF GOVERNMENT RELATIONS FOR OREGON SCHOOL EMPLOYEES  
ASSOCIATION: Will speak from submitted testimony [EXHIBIT B] in opposition  
to House Bill 2111.

176       This bill denies working people eligibility.

196       Four thousand school employees work less than five hours per day.

211       This bill would have more of a negative impact on women.

228       I would support the bill if hours of eligibility would be a second  
threshold.

230       VIRLENA CROSLEY, ADMINISTRATOR OF THE WORKERS COMPOSITION DIVISION:  
Submits written testimony in support of HB 2111 [EXHIBIT C], but does not  
testify.

235       Closes the PUBLIC HEARING ON HB 2111  
Opens the PUBLIC HEARING ON HB 2062

237       CHRISTINE A. CHUTE, ADMINISTRATOR FOR POLICY, DEPARTMENT OF EMPLOYMENT:  
Speaks from prepared testimony [EXHIBIT D] in support of the HB 2111.

280       Vacation pay can come in many different ways.

328       Designated shut downs can be totally at the employers discretion.

335       We used to give people unemployment during these shut downs. Because it  
was the employers decision.

350       This has been very hard to administer.

369       Complex and confusing. The changes will treat vacation pay just like  
holiday pay.

400       Eliminates designated vacation pay.

438       REP. FAHEY: What would stop an employer from saying you cannot take a  
vacation. This could cause a lot of manipulation.

473       CHUTE: If the worker has no income during that shut down, if they have  
no vacation, they will get unemployment.

Tape 9, Side A

25       CHUTE: Continues with the explanation.

50       REP. BROWN: Why was the law changed in 1989?

53       CHUTE: When workers would be faced with a plant shut down, and they had  
vacation pay coming, they would take the vacation pay and collect  
unemployment. Employers did not like this. They saw it as double dipping.

70 REP. BROWN: Would that not encourage employers who know they are going to have a two week shut down to essentially pay their employees for 50 weeks as opposed to 52 weeks? They have two weeks of vacation and two weeks of shut down? If the worker had taken their vacation and then there is a shut down to fix the plant up, the employers don't have to pay them so

the workers would take unemployment. Doesn't that encourage employers to do that?

78 CHUTE: Employers have always had the option of manipulating these laws and rules to the way that works best for them. Similarly the employees have always had the option. I don't think that we could make any change that would eliminate that.

87 FAHEY: In the other sense, now we are talking about the employer double dipping. The employee has accrued vacation all along and then forced to take it the last two weeks of the year. The employer is going to get subsidized by not paying unemployment insurance. Where do we call the double dipping? Why don't we just take it off the right foot and put it on the left foot.

94 CHUTE: That's another way of looking at it. The employee has accrued vacation all the way along. It's not as if they would be earning it only during the two weeks the plant is shut down. The way that we could handle that is to look at it from the time they get it into their pocket. It is hard for us to track from an accrued bases. What we want in the bill is far more simple to administrate.

112 IRV FLETCHER, OREGON AFL-CIO

115 The forced vacation is a point that we raised two years ago. And we still have that concern.

119 Under some contracts you accrue vacation by the day.

123 Under current law if you have any vacation accrued you are not eligible for unemployment. This law takes care of that, if I am correct.

125 So there is a small nugget in this bill. But I'm not sure it is large enough.

141 Closes the Public Hearing on HB 2062

Submitted by, Reviewed by,

Paula Gilmer Purcell	Aaron Felton
Committee Assistant	Committee Counsel

#### EXHIBIT SUMMARY:

A - Testimony on HB 2111 presented by Christine Chute, Employment Division

B - Testimony on HB 2111 presented by Ed Edwards, Oregon School Employees Association

C - Testimony on HB 2111 presented by Virlena Crosley, Administrator Workers Compensation Division

D - Testimony on HB 2062 presented by Christine Chute, Employment  
Department