HOUSE COMMITTEE ON LABOR Hearing Room Tape 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 MEASURES HEARD: Public Hearing on Senate Bill 46 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 , SIDE A 03 CHAIR WATT: Brings meeting to order at 1:30pm. 05 Today, the first thing we will do is the entry of committee bills, Rep. Beyer. Entry of Committee Bills LC 266, 07 MOTION: REP. BEYER: It is my understanding that we have three committee bills to be introduced today. I would move that we would introduce as committee bills LC 266, LC 2695, and LC 3275. CHAIR WATT: Rep. Beyer moves the introduction of committee bills LC 266, 10 LC 2695, and LC 3275. Any discussion? REP. BROWN: Do we have copies of the drafts in our bill packets? I am 13 just curious, who are requesting these bills. 15 CHAIR WATT: 2695 is the Oregon Wheat Growers, 266 is Rep. Markham and 3275 is the Oregon Hospital Association. 2.2 VOTE: CHAIR WATT: Any objections? Hearing none, So Ordered. Opens Public Hearing on Senate Bill 46

Witnesses: Frank Richie, Oregon Department of Employment

28 AARON FELTON, COUNSEL: Gives a summary of Senate Bill 46.

40 FRANK RICHIE, MANGER OF PROGRAM ANALYSIS FOR THE OREGON DEPARTMENT OF EMPLOYMENT: Submits written testimony [EXHIBIT A] in favor of Senate Bill

46.

51 Describes the funds that are in question.

53 Two funds have not been added to this bill. These are employer taxes that pass through on their way to the U.S. Treasury.

77 REP. BEYER: The federal piece of it, is that collected separately, or does it come with the states?

83 $\,$ REP. BEYER: That portion that is state tax, that will be able to be invested?

84 RICHIE: That is correct.

89 REP. SNODGRASS: Does the interest go back into the same fund?

91 RICHIE: Yes

98 REP. FAHEY: The two funds you are talking about are the unemployment benefit fund and the supplemental department. These are not affected?

103 RICHIE: The two that are not being funded are the unemployment compensation trust fund and the unemployment benefit fund.

109 REP. FAHEY: What is in the bill now that prohibits you from investing that money?

110 RICHIE: The current law says they have to be held separately for the Treasures purposes.

112 REP. FAHEY: Will all this money be earmarked for unemployment?

115 RICHIE: Yes

118 REP. FAHEY: How much money are we talking about?

120 RICHIE: Three million dollars, about five hundred thousand dollars, and three hundred thousand dollars.

123 REP. FAHEY: How about Child care fund?

124 RICHIE: About a hundred thousand dollars, it is a very new fund.

130 CHAIR WATT: Why were these funds not able to be invested in the first place?

134 RICHIE: Because the federal government required us not to. And then we found that it only existed on two of the funds.

143 CHAIR WATT: How did you find this problem?

144 RICHIE: We were looking at how are money was being invested.

150 CHAIR WATT: There are only six funds at the division? Are others being invested?

158 RICHIE: There are some that are already invested.

165 CHAIR WATT: Where did the Contractors Certification Fund go?

166	RICHIE: It was moved six years ago to the Contractors Board.
	CHAIR WATT: The fiscal analysis does not show the child care fund, so grows there will be more money, correct?
184	RICHIE: That is correct.
185 funds.	REP. BEYER: Could you give us a source of revenue that goes into these
192	RICHIE: I will provide that.
202	REP. BROWN: Are we going to have a work session on this bill?
203	CHAIR: Not today.
223	Closes Public Hearing on Senate Bill 46
225	CHAIR WATT: Adjourns hearing.

Submitted by, Reviewed by,

Paula Gilmer Purcell Aaron Felton Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Testimony on Senate Bill 46, presented by Frank Richey