

HOUSE COMMITTEE ON
LABOR

Hearing Room
Tapes - 102

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

STAFF PRESENT:

Aaron Felton, Committee Counsel
Paula Gilmer Purcell, Committee Assistant

MEASURES HEARD:

Public Hearing on Senate Bill 1003
Work Session on Senate Bill 1003
Public Hearing on Senate Bill 141
Work Session on Senate Bill 141
Public Hearing on Senate Bill 230
Work Session on Senate Bill 230
Public Hearing on Senate Bill 242
Work Session on Senate Bill 242
Public Hearing on Senate Bill 340
Work Session on Senate Bill 340
Public Hearing on Senate Bill 936
Work Session on Senate Bill 936
Public Hearing on House Bill 2044
Work Session on House Bill 2044

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

06 CHAIR WATT: Brings meeting to order at 1:45 p.m.

Public Hearing on Senate Bill 1003

Witnesses: Jack Roberts
Paul Tiffany
Diane Cowan
Ruthann Mogen
Rod Benion
Maria Keltner
Connie Wiggins
Tom O'Connor
Irv Fletcher
Bob Shipwreck
Mary Bodkin

12 JACK ROBERTS, COMMISSIONER OF THE BUREAU OF LABOR AND INDUSTRY:
Testifies on Senate Bill 1003.

17 PAUL TIFFANY, ADMINISTRATOR OF WAGE AND HOUR DIVISION: I have concerns
about the deletion of some of the language in the bill. It was
inadvertently done on the Senate side. They took out the eight hours which
is federal law.

30 DIANE COWAN, EXECUTIVE DIRECTOR OF THE OREGON PEOPLE'S UTILITY DISTRICT
ASSOCIATION: Testifies in favor of Senate Bill 1003. Provides written
testimony [EXHIBIT A].

70 RUTHANN MOGEN, TILLAMOOK PEOPLE'S UTILITY DISTRICT: Testifies in favor
of Senate Bill 1003. Provides written testimony [EXHIBIT B].

95 ROD BENNION, COLUMBIA RIVER PEOPLE'S UTILITY DISTRICT: Testifies in
favor of Senate Bill 1003. Provides written testimony [EXHIBIT C].

123 CHAIR WATT: Do you agree that what the Commissioner said about the
omission being a drafting error?

125 COWAN: Yes.

128 REP. FAHEY: If there is a storm, do your non-represented workers get
overtime?

133 MORGAN: Indeed.

142 REP. FAHEY: Then would it be possible to work someone sixteen hours one

day and twelve the next? Then you could use it to circumvent from paying them overtime because of a storm?

148 MORGAN: In case of a storm we pay overtime to anyone who is called in for a storm. That would be an exclusion to what you talked about.

160 MARIA KELTONER, ASSOCIATION OF OREGON COUNTIES: We support the bill.

164 CONNIE WIGGENS, CITY OF SALEM: Testifies in support of Senate Bill 1103.

176 CHAIR WATT: Connie, this would only effect non-represented employees because the represented employees have this right through contracts?

183 WIGGENS: The accountants and people who can not be represented, such as seasonal people need this bill.

193 TOM O'CONNOR, EUGENE WATER AND ELECTRIC BOARD: Testifies in favor of Senate Bill 1003.

200 REP. FAHEY: Are non-represented paid less or more?

21 WIGGENS: Paid more.

213 REP. FAHEY: What are their hours worked?

2215 WIGGENS: Explains the hours worked.

216 IRV FLETCHER, AFL-CIO: We are opposed to the bill and all others like it.

229 BOB SHIPRACK, OREGON BUILDING TRADE COUNSEL: Testifies against Senate Bill 1003. The Independent Brotherhood of Electrical Workers took a neutral stance on the original bill. The Senate changed this bill dramatically.

246 MARY BODKIN, AMERICAN FEDERATION OF STATE FEDERAL AND MUNICIPAL EMPLOYEES: Testifies against Senate Bill 1003. There is nothing that stops the employers from doing this now if they have formed an employee association.

283 REP. BEYER: Bob, the language that the IBEW objects to? what is it?

290 SHIPRACK: They were neutral on the printed original bill. It only applied to utility districts and it was 10 hours.

Closes Public Hearing on Senate Bill 1003

Opens Work Session on Senate Bill 1003

312 FELTON: Goes over the amendments to Senate Bill 1003.

321 REP. BROWN: I cannot support this bill.

329 MOTION: REP. BROWN: MOVES the dash two amendments.

VOTE: CHAIR WATT: Discussion? hearing none, so ordered.

333 MOTION: REP. BROWN: MOVES the Labor Commissioner's amendments, on thirteen page two, restore the deleted language.

lin

VOTE: CHAIR WATT: Discussion? hearing none, so ordered.

346 MOTION: REP. CARPENTER: MOVES Senate Bill 1003 as amended, to the with DO PASS recommendation.

flo

348 VOTE: 4-3 MOTION PASSES

AYE: Carpenter, Lundquist, Snodgrass, Watt
NO: Beyer, Brown, Fahey

355 CHAIR WATT: Rep. Snodgrass. will you carry?

357 REP. SNODGRASS: Yes.

Closes Work Session on Senate Bill 1003

Opens Public Hearing on Senate Bill 141

373 FELTON: Provides summary of Senate Bill 141.

393 FRED MCDONNALL, PUBLIC EMPLOYEES RETIREMENT SYSTEM: Testifies in favor of Senate Bill 141. Provides amendments to the bill. Provides written testimony [EXHIBIT D].

455 Continues with summary

458 KIM DUNCAN, OREGON PUBLIC BROADCASTING: Testifies in favor of Senate Bill 141.

TAPE 100, SIDE A

40 DUNCAN: Continues to explain why OPB supports this bill.

47 DONNA CAMRON, OREGON PUBLIC BROADCASTING, MILLER NASH: Testifies in favor Senate Bill 141.

62 This bill is also needed because those employees with twenty years of service can earn PERS credits up to thirty years of service.

77 MCDONNAL: Explains why they have provided the amendments.

Closes Public Hearing on Senate Bill 141

Opens Work Session on Senate Bill 141

93 MOTION: REP BEYER: MOVES the amendments to Senate Bill 141.

96 VOTE: CHAIR WATT: Discussion? objections? hearing none so ordered.

98 MOTION: REP. BEYER MOVES Senate Bill 141, as amended, to the floor with a
DO PASS recommendation.

99 VOTE: 5-0 MOTION PASSES
AYE: Beyer, Brown, Carpenter, Fahey, Watt
NO: None

Rep. Lundquist and Rep. Snodgrass are excused.

105 CHAIR WATT: Rep. Brown, will you carry?

106 REP. BROWN: Yes.

Closes Work Session on Senate Bill 141

Opens Public Hearing on Senate Bill 230

110 FELTON: Provides a summary of Senate Bill 230

116 MCDONNAL: Explains why they need the tax exempt status for the fund is
maintained.

138 The senate amendments were not substantive.

166 Let me go over the example I have provided for you.

200 Continues with explanation of the example.

206 CHAIR WATT: Have you withheld this in the last two years?

208 MCDONNAL: No.

236 REP. BEYER: After 1993 you folks were going to talk to the IRS about
you actually had to do this or not, and get an opinion on it. Did you do
that?

240 ELIZABETH ARSHANKO, SPECIAL COUNSEL TO THE ATTORNEY GENERAL: The
federal law is very clear. Congress needs to do something. Public plans
across the country are struggling with the reductions.

264 By putting this in place now we will maintain the tax qualification for
the future.

289 CHAIR WATT: To simplify this lets say because of the danger of
potential overpayments for long time members we need to set up a qualified
governmental retirement planner trust. That assures that we do not lose
our IRS qualification.

309 REP. FAHEY: On the wages of \$36,000, if you are only paying on the
\$23,000 are you paying PERS contribution on the full amount? or the reduced
amount?

310 ARSHANKO: The larger amount.

323 REP. FAHEY: So basically you are paying him for full, but your
liability is limited because they have another plan. So that goes into
breakage?

324 ARSHANKKO: The way that the benefits are paid the employee will always
receive the value that the employee contributed.

334 MCDONNEL: We have been lobbying to get this resolved on the federal
level

Closes Public Hearing on Senate Bill 230

Opens Work Session on Senate Bill 230

361 MCDONNAL: Bob Andrews is retiring and this will be his last session.

377 WATT: Goes over the fiscal impact for Senate Bill 230.

339 MOTION: REP. BEYER: MOVES the bill with a DO PASS recommendation.

346 VOTE: 6-0 MOTION PASSES
AYE: Beyer, Brown, Carpenter, Fahey, Snodgrass, Watt
NO: None

Rep. Lundquist is excused.

353 CHAIR WATT: Rep. Beyer, will you carry?

356 REP. BEYER: Yes I will.

Closes Work Session on Senate Bill 230

Opens Public Hearing on Senate Bill 242

425 JULIE BRANDIS, ASSOCIATED OREGON INDUSTRIES: Testifies in favor of
Senate Bill 242. Provides written testimony [EXHIBIT E].

453 JACK ROBERTS, LABOR COMMISSIONER: We think that this is positive as long
as everyone knows what is happening.

TAPE 99, SIDE B

35 Continues with testimony.

50 REP. BROWN: Do we need the words "not less than" in the bill?

53 ROBERTS: That would not work. They would not start at minimum wage.
That whole section is irrelevant.

61 CHAIR WATT: The key will still be the apprenticeship counsel

63 REP. FAHEY: Why can't you have both language in the bill?

66 ROBERTS: You should say that is should be not less than minimum wage.
69 REP. FAHEY: No

72 ROBERTS: Anything existing would not change. We are becoming more
flexible.

77 REP. FAHEY: Why was it raised from forty to forty-four hours per week?

80 ROBERTS: That was not our recommendation.

87 BOB SHIPRACK, OREGON BUILDING TRADES COUNSEL: Testifies against Senate
Bill 242.

112 In my industry this program has been misused. Much of what the rules
require are not done by the schools, or the industry.

131 We want the building trades exempted from this law.

142 CHAIR WATT: I would say continue your work with the Commissioner and
the Department of Education to work with this program. I share the concern

that you have. That these people do not have the basic skills that they
need to have and that is a detriment not only to the youth apprenticeship
program but business in general, because everyone suffers and you a longer
period of time. And you have a lesser product to begin with. So, in
looking at 747 I would hope that maybe in a work session we could get the
Commissioner back up hear and we will have Bill Brawley from the
Department of Education get some kind of a reaffirmation that we should get

back to those kind of things and we will address sub six under section one
specifically with regards to that in hope that we can bring you a little
more satisfaction. So it can be a program that you can continue to -

164 SHIPRACK: My employers want kids to be in school and take the classes
they need to enter an adult apprenticeship program. There are so many
phony training programs.

171 BRAD WITT, OREGON AFL-CIO: Testifies against Senate Bill 242. We do
not like the language in this bill.

188 CHAIR WATT The way I read the increase to forty four hour a week
includes combines school and the possibility of work.

206 REP. BROWN: What about the issue of paying students more than full time
adults doing the same job?

226 WITT: Some people just pay low, it is a value judgment. We have set
expectation for this state of high wages and skills. The expectations are
not all there.

240 REP. BROWN: I can see paying a student a little bit less for the
training aspect. Should not the student employee share some of that
burden?

253 That may create some problems for some companies.

268 BILL BRAWLEY, DEPARTMENT OF HIGHER EDUCATION: Testifies in favor of
Senate Bill 242.

283 We have no interest in providing cheap labor.

308 Teachers, students and the employer sign an agreement
.

316 REP. BEYER: Students can only work twenty hours a week with this bill.
Students get eighty percent of what a regular apprentice gets?

331 BRAWLEY: That is correct.

352 REP. BEYER: Are these youth programs under statute in an approved
apprenticeship program where they will move to journeyman program?

353 BRAWLEY: There is no guarantee that they will move into the program.

360 The student apprenticeship program ends when they graduate from school.

393 CHAIR WATT: Did you address subsection six under section two?

398 BRAWLEY: Yes.

404 CHAIR WATT: There are some concerns that some of these things are not being followed as closely as they should. In fact, if that is happening we

can get back and make sure that we are following these things. We would like to see the best product being put out there.

416 BRAWLEY: We will be going out into the classroom to assure that the quality education we are calling for is happening.

420 CHAIR WATT: I would like a report by the Bureau of Labor and the Department of Education to prepare a report for the next legislative session on the Youth Apprenticeship Program and the things that are being done to insure that we have the best work based learning programs youth apprenticeship programs that we can according to the statutes that we have.

Closes Public Hearing on Senate Bill 242

Open Work Session on Senate Bill 242

440 REP. BEYER: I am concerned that the two systems may be working against each other. There are so many pseudo apprenticeship programs that are out there. I am concerned about this.

452 ROBERTS: Current law says five to eight applied to participants in work based learning programs. Now it just says five. We want to separate work base learning from a formal apprenticeship program for the reasons you are talking about.

TAPE 100, SIDE B

35 ROBERTS: Continues with statement.

60 We could use the apprenticeship model in more areas, such as law offices.

I understand that the building trades are fed up with youth apprenticeship.

79 REP. BROWN: I would like to see this addressed in the report. I am concerned about channeling kids into apprenticeship programs particularly boys vs. girls, or race issues. I am particularly concerned about the construction industry how that tends to be a very male dominated industry. What are we doing at the school level about making sure all children regardless of race or color are involved in these programs and have access to these programs. Particularly if they are going to be the training ground for apprenticeship programs as adults.

102 MOTION: REP. SNODGRASS: MOVES Senate Bill 242 with a DO PASS recommendation.

105 CHAIR WATT: We would ask that BOLI and the Department of Education return to the sixty-ninth legislative assembly with a report to this house committee, should this pass, on how this has worked and have a discussion of that in the next legislative session.

115 VOTE: 6-1 MOTION PASSES
AYE: Beyer, Brown, Carpenter, Lundquist, Snodgrass, Watt
NO: Fahey

118 CHAIR WATT: Rep. Carpenter, will you carry?

119 REP. CARPENTER: Yes.

120 REP. BEYER: I am going to support this because I think this is the heart and soul of 3565, the educational reform, but I have a lot of reservations about this and I wish were not calling this an apprenticeship because we are raising a whole lot of issues and it really isn't an apprenticeship. I go along with taking a look at in two years.

126 CHAIR WATT: Your comments are well taken, and I hope the Labor Committee and the Education Committee will meet to evaluate the affects of 3565 on this program.

133 REP. FAHEY: I voted no because when they changed it from the eighty percent down to the minimum wage, I have had. Our apprenticeship program does give credit to the youth programs. But, I have concerns that the building trades do.

Close Work Session on Senate Bill 242

Opens Public Hearing on Senate Bill 340

148 FELTON: Provides a summary of Senate Bill 340.

154 RICHARD VAN PELT, EMPLOYMENT DEPARTMENT: Testifies in favor of Senate Bill 340. provides written testimony.

199 Continues with testimony.

206 We could go back and find out if the employee was unemployed because of misconduct under our policy.

217 We are funded by the Department of Labor to do certain things. They would not fund us to do these investigations.

242 REP. BEYER: Is this a big deal?

244 VANPELT: Yes we do get a number of complaints.

252 REP. BEYER: All employers will pay a lot more of taxes for this. Is it worth it?

259 DONNA HUNTER, EMPLOYMENT DEPARTMENT: The reason behind the rating is to share the cost out equally. This makes the employee use good hiring and firing practices.

289 The rest of the employers have to pick up the difference in the system.

299 This bill would add a small of the tax to the employers.

310 REP. BEYER: The kinds of claims are not the normal ones are they? This is people who do not file an original claim when the are fired.

321 HUNTER: Yes they are rare instances

343 REP. BEYER: Every single claim? you will resolve it once they file a claim even if they do not get any money?

360 HUNTER: No.

372 We would investigate if a claim shows up months latter.

378 VANPELT: We would have to create some kind of tickler file.

412 REP. LUNDQUIST: My concern is we are going to spend this money, and who will benefit?

420 VANPELT: The employer will be the one relieved.

433 HUNTER: The rest of the employers pick up the cost.

439 CHAIR WATT: Consider this based on the merits of what the bill does. This will have to be referred to ways and means.

451 REP. FAHEY: Do you have a definition of misconduct?

453 VAN PELT: We do have a definition, a negligent violation of the standards of behavior that an employer has a right to expect of an employee.

467 REP. FAHEY: What supersedes, the employers handbook or your list?

474 VANPELT: We would make the determination

TAPE, 101, SIDE A

41 REP. BEYER: People do not have a clue what to do when they get these type of forms.

57 GROVER SIMMONS, INDEPENDENT EMPLOYERS ASSOCIATION: Testifies on Senate Bill 340, and why they have brought this bill to the committee.

74 Gives an example of why this bill is needed.

121 REP. BEYER: Every employer will pay a little bit for that person.

131 SIMMONS: It does not effect benefits at all.

135 MIKE MCCALLUM, OREGON RESTAURANT ASSOCIATION: Testifies in favor of Senate Bill 340.

Closes Public Hearing on Senate Bill 340

Opens Work Session on Senate Bill 340

161 CHAIR WATT: Maybe it won't cost as much?

165 VANPELT: Yes.

168 CHAIR WATT: Then we wouldn't be adding the FTE just because we had the opportunity to do it.

173 VANPELT: No.

181 REP. BEYER: I think you can find comfort in the fact that they are not going to add the FTE unless they come back to the emergency board.

185 MOTION: REP. BEYER: MOVES Senate Bill 340 with a DO PASS recommendation.

188 VOTE: 7-0 MOTION PASSES
AYE: Beyer, Brown, Carpenter, Fahey, Lundquist, Snodgrass, Watt
NO: None

195 CHAIR WATT: Rep. Fahey, will you carry?

196 REP. FAHEY: Yes, I will.

Closes Work Session on Senate Bill 340

Opens Public Hearing on 936

198 FELTON: Provides a summary of Senate Bill 936.

200 JOHN MCCULLY, REPRESENTING THE TREE FRUIT GROWERS: Testifies in favor of Senate Bill 936. Provides written testimony [EXHIBIT F].

243 REP. BEYER: Is Jackson County the only county effected by this?

254 Yes

258 MCULLEY: The growers requested this bill.

261 BILL FELL, LEAGUE OF OREGON CITIES: In this case we sponsor this because there is a specific problem.

283 REP. BEYER: We are assuming all fees and charges?

293 FELL: Yes, all cost of constructing and building that sewer line.

Closes Public Hearing on Senate Bill 936

Open a Work Session on Senate Bill 936

314 MOTION: REP. BEYER: MOVES Senate Bill 936 to the floor with a DO PASS recommendation.

316 VOTE: 6-0 MOTION PASSES
AYE: Beyer, Brown, Fahey, Lundquist, Snodgrass, Watt
NO: None

Rep. Carpenter is excused

320 CHAIR WATT: Rep. Uherbelau will carry the bill.

Closes Work Session on Senate Bill 340

Open a Public Hearing on House Bill 2077

323 REP. ELDON JOHNSON, SPONSOR OF THE BILL: Testifies as to why

333 Continues with testimony.

378 This is very straight forward as to why we need this change.

393 REP. BEYER: Would actuarial standards set the amounts?

408 CHAIR WATT: Tell me what your purpose in introducing this bill is?

415 JOHNSON: It will be less likely for the funds to be raided for other purposes.

423 CHAIR: How would this effect HB 2107?

428 JOHNSON: It will work with it.

448 CHAIR WATT: The funds need to come together and balance out. This will

protect the ones with a large reserve. If you put all the funds together that will at first lower them out.

TAPE 102, SIDE A

40 LARRY YOUNG, DEPUTY ADMINISTRATOR FOR THE WORKERS COMPENSATION DIVISION:

The rates will be set for no more than what they need to cover.

63 The director would use a formula to set the rates.

71 REP. BEYER: Are the funds big enough that you could take a hit without raising the rates too high?

77 YOUNG: Yes, please look at the summary of the bill.

88 JOHNSON: Charts one and two have some good examples.

94 REP. BEYER: You are not changing the uses of the funds?

98 JOHNSON: No I am not.

101 CHAIR WATT: Rep. Johnson show us were the protection is?

105 JOHNSON: It is not a probation, it won't build up a higher fund.

113 CHAIR WATT: This anticipates the passage of Senate Bill 369, what about the other bills that impact you?

120 YOUNG: Yes.

123 REP. FAHEY: This would not preclude the Governor from working on a compromise on SB 369?

148 JOHNSON: The people working with the Governor say we should proceed with this bill.

161 JOAN HADER: I will go over the bill section by section.

209 Continues with an explanation of the bill section by section.

235 The first amendment is on page 10, line 30.

243 CHAIR WATT: What kind of emergency?

245 HADER: Explains.

252 YOUNG: If the revenue goes down, we could set the rates sooner than just waiting for the next biennium. We might have to lower the benefits if we could not do this.

283 HADER: Continue with the section by section explanation.

299 WATT: What sub section is that?

303 HADER: Sub section "a" is the cents per hour.

316 CHAIR WATT: What is the language that combines the existing funds?

324 HADER: We have already discussed this.

360 Page 24, line 23, after word department the word funded should be put in. SAIF Corporation has recommended this added word.

Close Public Hearing on HB 2044

Opens a Work Session on House Bill 2044

401 CHAIR WATT: I would go for the language of amendment six instead of a deletion.

411 YOUNG: We could live without that change.

423 We need to change the page twenty-four, line twenty-three, between the words department and liability put in the work "funded".

429 MOTION: REP. BEYER: MOVES the dash one amendments to House Bill 2044.

VOTE: CHAIR WATT: Discussion, hearing none so ordered.

MOTION: REP. BEYER: MOVES House Bill 2044, as amended, to the floor with DO PASS recommendation.

VOTE: 7-0 MOTION PASSES

AYE: Beyer, Brown, Carpenter, Fahey, Lundquist, Snodgrass, Watt
NO: None.

438 CHAIR WATT: I will carry the bill.

440 CHAIR WATT: The meeting is adjourned.

Submitted by, Reviewed by,

Paula Gilmer Purcell	Aaron Felton
Committee Assistant	Committee Counsel

EXHIBIT SUMMARY:

A - Testimony on Senate Bill 1003, submitted by Diane Cowan

B - Testimony on Senate Bill 1003, submitted by Ruthann Mogen

C - Testimony on Senate Bill 1003, submitted by Rod Bennion

D - Testimony on Senate Bill 141, submitted by Fred McDonnell

E - Testimony on Senate Bill 242, submitted by Julie Brandis

F - Testimony on Senate Bill 936, submitted by John H. McCulley