

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

May 5, 1993 Hearing Room D 8:30 a.m. Tapes 106 - 107

MEMBERS PRESENT: Rep. John Watt, Chair

Rep. Lee Beyer Rep. Michael Payne

Rep. Charles Starr

Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator Kimberly Burt,
Committee Assistant

MEASURES CONSIDERED: HB 2132 HB 2043

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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. [--- Unable To Translate Graphic ---]

TAPE 106, SIDE A

CHAIR WATT: Calls the meeting to order. (8:37 a.m.)

WORK SESSION ON HB 2043 Witnesses: Mary Neidig, Chair, Workers' Compensation Board Dan Kennedy, Workers' Compensation Board

007 MARILYN JOHNSTON, COMMITTEE ADMINISTRATOR: Describes HB 2043, (-2) amendments, hand engrossed version and revenue impact statement, (EXHIBIT A).

CHAIR WATT: Reviews changes in (-2) amendments.

035 MARY NEIDIG, CHAIR, WORKERS' COMPENSATION BOARD: Line thirty eight on page two should read, "one member shall not represent the interests of either employers or employees".

_ Clarifies amendments, see Exhibit A.

063 MOTION: REP. BEYER MOVES THAT THE (-2) AMENDMENTS, WITH PROPOSED CHANGES, BE ADOPTED.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY.

085 DAN KENNEDY, WORKERS' COMPENSATION BOARD: Clarifies fiscal impact statement, (See Exhibit A).

_ Rep. Tiernan and Chair Watt discuss fiscal impact statement.

KENNEDY: What you see is a continuation of our existing budget.

115 MOTION: REP. BEYER MOVES THAT HB 2043, AS AMENDED, BE SENT TO

THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

_ Rep. Payne and Chair Watt discuss the measure.

140 CHAIR WATT: The legislative intent here is not to allow that they go to a seven member board irresponsibly; the only time they would do that is if their workload were to increase and the back log increased?

NEIDIG: The original intent was to allow us to be a seven member board as long as there is a back log.

REP. BEYER: My understanding is that they will continue as a seven member board, then the two temporary members will go away.

REP. TIERNAN: If they are hiring and replacing these people there will be an increase and if not, it is a wash?

NEIDIG: There would be no increase as there is a seven member board currently.

185 REP. PAYNE: Is there any incentive to go back to a five member board?

NEIDIG: We were a nine member board last biennium; we are at seven now and it has been our intention to drop the two temporary members as soon as possible.

230 CHAIR WATT: The idea is to get the board back to the original number of three; today it is seven, with the intent of reducing the backlog.

253 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. MEMBERS VOTING NO: PAYNE CARRIER: BEYER

WORK SESSION ON HB 2132 Witness: Christine Chute, Employment Division

262 MARILYN JOHNSTON, COMMITTEE ADMINISTRATOR: Describes HB 2132; submits staff measure summary, (-3) amendments, hand engrossed version and revenue impact statement, (EXHIBIT B).

305 CHRISTINE CHUTE, EMPLOYMENT DIVISION: Describes changes in HB 213 2, (-3) amendments, see Exhibit B.

_ Describes time lines in the measure.

360 CHUTE: (In response to Rep. Payne) There is a minimum earning level; we have doubled the \$1000 level.

_ Refers to the letter dated May 4th, see Exhibit B; discusses the projected annual wage.

435 CHAIR WATT: If a client passed the ten percent annual average wage, they would still qualify for employment benefits?

CHUTE: That is correct.

NEIDIG: There has been a dollar amount set since 1930.

REP. PAYNE: Expresses opposition to the measure.

447 CHUTE: There is a provision regarding vacation pay; this is for accounting, it makes it easier for us to calculate.

TAPE 107, SIDE A

050 REP. BEYER: I'm opposed to locking out those at minimum wage, who may need this.

CHAIR WATT: We aren't doing that; this says that if you earn an amount under the line, you don't qualify; that is why we used 10% as opposed to a set number.

108 REP. PAYNE: It is my intention to find another member to file a minority report if we are to exclude those people.

111 MOTION: REP. TIERNAN MOVES THE (-3) AMENDMENTS TO HB 2132.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. MEMBERS VOTING NO: PAYNE & BEYER

124 CHAIR WATT: If there is no other business before the committee, we stand adjourned. (9:14 a.m.)

Submitted by, Reviewed by,

Kimberly Burt Marilyn Johnston Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - HB 2043: Preliminary staff measure summary, (-2) amendments, hand engrossed version, revenue and fiscal impact statements submitted by staff, pp 8 B - HB 2132: Preliminary staff measure summary, (-3) amendments, hand engrossed version and revenue impact statement submitted by staff, pp 18 C - HB 2043: Written testimony from Fields, submitted for the record by staff, pp 4

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

May 5, 1993 Hearing Room D 6:00 p.m. Tapes 108 - 111

MEMBERS PRESENT: Rep. John Watt, Chair Rep. Lee Beyer Rep. Michael Payne Rep. Charles Starr Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator Rick Gaupo, Committee Clerk

INFORMATIONAL MEETING: PERS

MEASURES CONSIDERED: HB 3597 - Public Hearing HB 2844 - Public Hearing

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TAPE 108, SIDE A

010 Chair Watt calls the meeting to order at 6:05 p.m.

INFORMATIONAL MEETING: PERS

OVERVIEW & GOALS OF PERS

030 Fred McDonald, PERS, submits and summarizes prepared statement - (Exhibit A) > Goals of PERS

076 Mark Johnson, PERS, Actuary, submits and summarizes prepared statement - (see exhibit A, tab 3) > Describes funding 099 > Vice-Chair Beyer asks whether the standard for public retirements is the same as the standard for private employees. Mark Johnson responds that this is the best option. Norm Losk also respond

(Note: Power disturbance turned tape off recorder off. Lost discussion on Vice-Chair Beyer questions) 105 Mark Johnson continues-tab 3, page 9 163 > Funding Policy 179 > Answers members' questions

236 Peter Ozanne, PERS, describes highlights of PERS - (see exhibit A, tab 2)

TAPE 109, SIDE A

020 Norm Losk, Wyatt Co., compares private and public retirement plans - (see exhibit A-tab 4) > Answers members' questions > Rep. Tiernan ask about the IRS' minimum retirement contribution mandated to employers 116 > Vice-Chair Beyer asks what percentage do private sector employees pay towards their own benefits

OVERVIEW OF PRIVATE SECTOR PLANS & COMPARISON TO PERS

192 Alan Stonewall, Stonewall Pension Services, compares PERS to private sector retirement plans 263 > Vice-Chair Beyer asks whether

the goal of PERS of providing 70% is too generous. No, to early 330
> Commenting on HB 2170, states that the mere fact that this bill is
necessary should indicate that PERS is too generous

TAPE 108, SIDE B

> Answers members' questions > Vice-Chair Beyer asks in what areas
does PERS overpay 052 > Rep. Payne asks what alternative he
offers to HB 2170

072 Ken Sutherland, Insurance Salesman, submits and summarizes
prepared statement - (Exhibit B) 153 > Describes how PERS pension is
calculated > Full formula - 13% retired in this fund 195 > Money
match - 39% retired in this fund > 1% acuity - 38% retired in this fund
309 > Cites the example of one PERS employee that he advises 422
> Makes three proposes > Cut employer pick-up > Cut cost of living
increase > increase minimum age of retirement

TAPE 109, SIDE B

025 Jim Smith, Pension Concepts, submits and summarizes prepared
statement - (Exhibit C) 083 > Answers members' questions

OVERVIEW OF PERS EFFECT ON STATE & LOCAL GOVERNMENT

163 Victoria Totten and Chris Dudley of Oregon School Boards
Association, cite excesses in the program and methods for changing PERS

333 Maria Keltner, League of Oregon Cities, explains the effect that
raising PERS has on local government > Local board would control of
some PERS issues

TAPE 110, SIDE A

030 Karen Garst and Judy Gohring, OCCA, submits and summarizes
prepared statement - (Exhibit D)

PUBLIC HEARING ON HB 3597 and HB 2844

Administrator Johnston submits and summarizes Staff Measure Summary and
impact statements - (Exhibit E)

163 Ruth Bendl, Pitch In Committee, testifying in opposition to the
bill, submits and summarizes prepared statement - (Exhibit E)

187 Bill Sizemore, sponsor of the initiative to curb PERS benefits,
explains intent of the initiative > Answers members' questions

320 June Buck, Teacher, testifying in opposition to the bill,
submits and summarizes prepared statement - (Exhibit F)

TAPE 111, SIDE A

000 Jack Felmet and Tom Hughes testifies in support of the bill >
Explains that people choose teaching in part because of the
retirement security 097 > Answers members' questions

165 Ken Fitzsimon, Oregon Nurses Association, testifying in

opposition to the bill, submits and summarizes prepared statement -
(Exhibit G)

190 Joe Simion, Beaverton Education Association, testifying in
opposition to the bill, submits and summarizes prepared statement -
(Exhibit H)

230 Pat Healy, North Clackamas School District, testifying in
opposition to the bill, submits and summarizes prepared statement -
(Exhibit I) 263 Roslie Pedroza, representing self, testifying in
opposition to the bill, submits and summarizes prepared statement -
(Exhibit J)

378 PJ Mulcamm testifies in opposition to the bill

TAPE 110, SIDE B

014 Janet McIntire, Salem-Keizer School District, testifying in
opposition to the bill, submits and summarizes prepared statement -
(Exhibit K)

065 Steve Austin, Clackamas Co. Peace Officers Assoc.,
testifies in opposition to the bill

130 Irvan Flethcher, AFL-CIO, testifying in opposition to the bill,
submits and summarizes prepared statement - (Exhibit L)

176 PERS Coalition expresses their opposition to the bill - (Exhibit
M)

230 Fred Mcdonald, PERS, testifies in opposition to the bill

240 Jack Soclis, PERS retirees, testifies in opposition to the bill

Phyllis Guile, Salem Education Association, submits testimony in
opposition to the bill - (Exhibit N)

216 Chair Watt adjourns the meeting at 9:43 p.m.

Submitted by

Reviewed by

Rick Gaupo
Clerk

Marilyn Johnston Committee
Committee Administrator

EXHIBIT LOG: A - Informational Meeting: PERS, PERS, Prepared Testimony,
31 pages B - Informational Meeting: PERS, Ken Sutherland, Prepared
Testimony, 7 pages C - Informational Meeting: PERS, Jim Smith, Prepared
Testimony, 15 pages D - Informational Meeting: PERS, OCCA, 1 page E -
HB 3597 and HB 2844 Staff, Staff Measure Summary, 4 pages F - HB 3597
and HB 2844 Pitch in Committee, 3 pages G - HB 3597 and HB 2844 June
buck, Prepared Testimony, 2 pages H - HB 3597 and HB 2844 ONA, Prepared

Testimony, 2 pages I - HB 3597 and HB 2844 Beaverton Education Assoc.,
Prepared Testimony, 5 pages J - HB 3597 and HB 2844 Pat Healy, Prepared
Testimony, 1 page K - HB 3597 and HB 2844 Roslie Pedroza, Prepared
Testimony, 3 pages L - HB 3597 and HB 2844 Janet McIntire, Prepared
Testimony, 2 pages M - HB 3597 and HB 2844 Irvan Fletcher, Prepared
Testimony, 1 page N - HB 3597 and HB 2844 PERS Coalition, Prepared
Testimony, 4 pages O - HB 3597 and HB 2844 Phyllis Guile, Prepared
Testimony, 1 page