

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

February 24, 1993 Hearing Room B 9:00 a.m. Tapes 31- 32 MEMBERS
PRESENT: Senator Tricia Smith, Chair Senator Grattan Kerans, Vice
Chair Senator Wes Cooley Senator Peg Jolin EXCUSED: Senator Brady
Adams STAFF PRESENT: Joan Van Almen, Committee Counsel Stephanie
Holmes, Committee Research Joan Green, Committee Assistant MEASURES
HEARD: Possible bill introduction SB 219 relating to the Oregon State
Bar, PH SB 133 relating to state agency petty cash funds, PH/VVS SB 135
relating to out-of-state travel, PH

WITNESSES: Carl Meyers, Oregon State Bar Association Rod Wegener,
Director of Finance, Oregon State Bar Association Bob Andrews,
Legislative Liaison, Public Employes Retirement System Cindy Becker,
Assistant Director, Executive Department John Radford, Executive
Department

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 1. SIDE A

006 Chair Smith: Meeting called to order at 9:08 a.m.

INFORMATIONAL POSSIBLE BILL INTRODUCTION

015 MOTION: MOVED THAT THE PACKET OF LEGISLATIVE DRAFTS, EXHIBIT A, BE
ADOPTED AS COMMITTEE BILLS. HEARING NO OBJECTION, SO ORDERED.

PUBLIC HEARING SB 135 RELATING TO OUT-OF-STATE TRAVEL

018 Cindy Becker, Assistant Director, Executive Department: The bill
was pre-session filed and there Senate Labor and Govern neut Operations
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is no longer a need for the bill. We have resolved this with amendments
to a HB 2496.

SB 219 RELATING TO THE OREGON STATE BAR

046 Entered for the record, fiscal impact statement, Exhibit B.

048 Joan Van Almen, Counsel: Reviews bill. 093 Rod Wegener, Director
of Finance, Oregon State Bar Association: Speaks to the bill, Exhibit C.

134 Chair Smith: What kind of salary ranges are you referring to for
non-participating Public Employes Retirement System (PERS) employees?

143 Wegener: Responds.

145 Chair Smith: On an average how much do the non-exempt people make?

146 Wegener: Responds.

152 Chair Smith: What sort of dollar figure would this cost them? 157
Wegener: Responds.

159 Chair Smith: Are you proposing giving them a raise to offset this?

163 Wegener: Responds.

166 Chair Smith: How do the employees fee about this bill?

171 Wegener: Responds.

183 Chair Smith: Are you aware of the House bills that would eliminate the employer contribution?

187 Carl Meyers, Oregon State Bar Association: Responds.

190 Chair Smith: If those bills passed how would that affect this?

102 Wegener: Responds.

200 Chair Smith: The House bills would benefit the bar, as I understand it. If this bill passed requiring employees to be participants and then one of the House bills passed prohibiting employer contributions, how would the Bar deal with that?

209 Wegener: Responds. 224 Sen. Kerans: The outcome of that sort of legislation would result in the Bar adjusting salaries accordingly?

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238 Meyers: Responds.

244 Van Almen: Regarding §2, do the committee members have a clear understanding and are they comfortable with that provision?

260 Chair Smith: Does that fall under the Executive Department rules?

264 Wegener: Responds.

268 Chair Smith: Do new hires go through a six-month probationary period, the same as the Executive Department employees? 273 Wegener: Responds. 277 Sen. Kerans: As of a certain date all employees would be locked in? 284 Meyers: Responds. 288 Sen. Kerans: That is not what it says. 290 Wegener: Responds. 308 Chair Smith: This bill references permanent employees. To be considered a permanent employee a six-month probationary period must be served, correct? 322 Wegener: Responds. 323 Chair Smith: And personnel policies state that? 324 Wegener: Responds. 325 Chair Smith: Are they eligible for any benefits during that six-month trial service period? 327Wegener: Responds. 330 Chair Smith: Your personnel policies state that? 331 Wegener: Correct. 332 Chair Smith: Is your point that the phrase "solely by reason of the failure of the employee to exercise . . ." eliminates these new people? 335 Wegener: Correct. 347 Chair Smith: Would another reason be that you won't give it to them during that six-month period? 350 Wegener: Responds.

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352 Sen. Kerans: Requests that PERS speak to this bill. The first sentence needs clarification. 362 Chair Smith: The language is not clear enough. We all understand what is being said, but the language needs to clearly state the intent.

374 Bob Andrews, Legislative Liaison, Public Employes Retirement System: Responds to committee's concerns with the language.

TAPE 32. SIDE A SB 133 RELATING TO STATE AGENCY PETTY CASH FUNDS

022 Joan Van Almen, Counsel: Reviews the bill.

043 John Radford, Executive Department: Speaks in support of the bill, Exhibit D.

067 Sen. Cooley: What is the dollar limitation on petty cash?

070 Radford: Responds.

075 Sen. Cooley: Typically the fund could range from \$5-\$5,000, depending on agency need?

077 Radford: Responds.

081 Sen. Cooley: Isn't the Emergency Board (E-Board) empowered to provide this function during the interim? 087 Radford: Responds.

088 Van Almen: Requests Mr. Radford address his concerns about a request that does go to Ways and Means. 089 Radford: Responds.

097 Chair Smith: You are looking at the authorization to put the process in place to spend the money; the decision to spend the money is made in Ways and Means? 100 Radford: Responds. 104 Van Almen: Would your rule-making authority change your answer in any way?

107 Radford: Responds.

110 Chair Smith: This bill would not allow the agency to make an appropriation?

113 Radford: Responds.

WORK SESSION

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123 Sen. Cooley: In the line-item budget, for any particular agency, is there an area where the agency can elect to take funds from that item and put it into a petty cash fund or does the Legislative Assembly have to approve an original budget?

127 Chair Smith: Currently if the Legislature appropriates money for the provision of a service they are given some discretion in the way the agency can use the money. My understanding of the bill does not alter in any way our authority to approve this appropriation; only the way the service is provided in a technical, bookkeeping manner.

156 Sen. Cooley: In theory, if an agency needed cash, and there was no petty cash fund, under this legislation, if it hadn't been a line item, they could appropriate money from their general operational fund to put into this petty cash fund, is that a correct interpretation?

165 Sen. Jolin: The bill gives the Executive Department the authority to authorize a state agency to establish a petty cash fund. Historically they have not had this authority. What is the average petty cash fund for agencies? 176 Radford: Responds.

184 Sen. Jolin: Could it become as large as \$15,000? I am concerned with oversight. This is a policy decision that could involve substantial dollars. 205 Radford: Responds with an average site level figure.

217 Chair Smith: The difference in this bill and what is currently happening is merely your ability to establish these funds. You are required to administer them now? What agency currently does not have one, if they need one? 230 Van Almen: Part of the reasoning for the bill is possible reorganization bills. Depending on which bill(s) might pass and create new agencies; this legislation would definitely affect those agencies/departments in establishing their funds. 241 Radford: Responds. 257 Sen. Jolin: As a further policy issue, we will potentially have lost further control, legislatively, of accountability. It makes me nervous. 280 Radford: Responds. 282 Sen. Kerans: These are all subject to the examination of Legislative Fiscal Office and there examination of the budget process? 284 Radford: Responds. 289 Sen. Kerans: Is it subject to the Secretary of State's Auditing Division process; and it would be one of the areas where the audit would first go, by virtue of the fact that you are dealing with cash? ~ .

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290 Radford: Responds.

297 Sen. Kerans: I don't share the same concern. It would be administered by the Executive Department rule process, and the Secretary of State's Audit Division would have oversight. 321 Chair Smith: Petty cash funds are monitored closely. I don't have a great deal of concern regarding the bill. 342 Sen. Cooley: I am uncomfotable about not having any definition of what petty cash and what the dollar limitations are. 359 Chair Smith: Is there a definition? 360 Sen. Kerans: Responds.

371 Radford: Responds.

374 Chair Smith: What if a cap were established?

375 Radford: Responds.

381 Chair Smith: Introduces the sixth grade class of Scott Elementary School and their teachers.

391 Sen. Kerans: Perhaps Mr. Radford could study this issue and come back with a cap amount and a suggested rule for "governing the

establishment, authorization and approval for . . .". 408 Sen. Jolin:
We may want to see how some of the smaller bills integrate into larger
legislation (i.e. SB 's 145, SB 167).

431 Van Almen: If there are difficulties in determining a cap, perhaps
parameters could be established, giving employees of agencies categories
in which they can spend this money.

413 Meeting adjourned at 10:03 a.m.

Submitted by: Reviewed by: Joan Green Joan Van Almen
Assistant Counsel

EXHIBIT LOG: A - Packet of legislative drafts - Staff - 7 pages B -
Fiscal impact statement on SB 219-A - Staff - 1 page C - Testimony on SB
219-A - Meyers - 2 pages D - Testimony on SB 133 - Radford - 2 pages -
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