

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

May 5, 1993 Hearing Room B 8:00 A.M. Tapes 121 - 123

MEMBERS PRESENT: Senator Tricia Smith, Chair Senator Karsten Rasmussen, Vice Chair Senator Brady Adams Senator Wes Cooley Senator Dick Springer

VISITING MEMBERS: Senator Ron Cease Senator Grattan Kerans Rep. Cynthia Wooten Rep. Bob Shiprack

STAFF PRESENT: Joan Van Almen, Committee Counsel Stephanie Holmes, Committee Research Stasi Kitchen, Committee Assistant Pamela Stefani, Committee Clerk

MEASURES CONSIDERED: SB 697 SB 817 SB 300

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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 121, SIDE A

006 CHAIR SMITH: Calls to order. (8:00 A.M.)

PUBLIC HEARING SB 817 WITNESSES: REP. BOB SHIPRACK, HOUSE DISTRICT 23 FRANK BIEHL, ASSOCAITION OF WESTERN PULP & PAPER WOKERS, (AWPPW) BRAD WITT, OREGON AFL-CIO CHRIS DAVIE, SAIF CORPORATION

015 REP. BOB SHIPRACK, HOUSE DISTRICT 23: Testifies in support of SB 817 . _ SB 817 raises Workers' Compensation benefits in the permanent partial disability area, both scheduled and unscheduled. _ Oregon workers are receiving some of the lowest benefits in the

Country despite efforts of a number of legislatures to raise those.

060 FRANK BIEHL, ASSOCIATION OF WESTERN PULP AND PAPER WORKERS, (AWPPW): Submits & summarizes written testimony in support of SB 817. (EXHIBIT

A). _ This bill increases scheduled and all three tiers of unscheduled

permanent partial disability benefits. _ This bill lowers the threshold for permanent partial disability tiers using actual wages rather than average weekly wages in the calculation

of those benefits. _ This bill expands on a program initiated in 1991 from SB 732;

describes bill. _ Continues reading written testimony, see Exhibit A.

141 CHAIR SMITH: If you make \$100,000.00 per year or \$10,000.00 per

year you will get the same compensation for permanent partial disability?

BEIHL: It treats the lower wage earner differently than a higher wage earner; the higher wage earner would get a higher award.

SEN. COOLEY: Let's not confuse the percentile until we see the curve.

204 BRAD WITT, OREGON AFL-CIO: Submits & summarizes written testimony in support of SB 817, (EXHIBIT B). _ SB 817 would enable injured workers to share in the fruits of success of Oregon's legislative reform in the Workers' Compensation arena.

233 SEN. RASMUSSEN: How does repealing a sunset provision have an impact?

WITT: If the increases were to sunset we are concerned that we would be headed backward.

BIEHL: Describes impact; if this passed as is, in January 1996 the structure will disappear and we would return to the dollar amounts in effect prior to the reform.

278 CHRIS DAVIE, SAIF CORP: Submits & summarizes written testimony for clarification of SB 817, (EXHIBIT C). _ I am appearing to explain SAIF's involvement; describes. _ Summarizing written testimony, see Exhibit C.

SEN. ADAMS: Employers would still receive a net decrease if this bill passes?

DAVIE: That is my best guess.

380 CHAIR SMITH: Why did the committee members vote against this is they would still get a decrease, even with the bill?

DAVIE: We are changing the tiered proposal that was introduced two years ago and given four years to run; we have built on the frame work there. _ They felt that the four year program should be allowed to run it's

course first.

CHAIR SMITH: Over 95% of Oregon's injured workers would continue to receive lower benefits than Washington, Idaho or California; even if we pass this bill, we are still behind?

DAVIE: Yes, that is correct; continues with written testimony, See exhibit C.

TAPE 122, SIDE A

038 SEN. COOLEY: When you say dividend, is that a cash dividend or premium credit?

DAVIE: That is a cash dividend; the average rate decrease for Oregon employers of the last three years has been approximately 11% per year.

WORK SESSION ON SB 817

059 MOTION: SEN. COOLEY MOVES TO ADOPT THE (-1) AMENDMENTS, DATED 4/27/93, TO SB 817.

063 VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

064 MOTION: SEN. COOLEY MOVES THAT SB 817, AS AMENDED, TO THE FLOOR WITH A DO PASS RECOMMENDATION.

074 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY. CARRIER: SEN. COOLEY

WORK SESSION ON SB 300 WITNESS: PAUL TIFFANY, ADMINISTRATOR, WAGE & HOUR DIVISION, BUREAU OF LABOR & INDUSTRIES

095 JOAN VAN ALMEN, COMMITTEE COUNSEL: Describes bill and (-1) amendments to SB 300.

120 PAUL TIFFANY, ADMINISTRATOR, WAGE & HOUR DIVISION, BUREAU OF LABOR & INDUSTRIES, (L&I): Sen. Dwyer introduced this bill; describes bill.

CHAIR SMITH: What do you do with the civil monetary penalties?

161 TIFFANY: They would go to the Bureau to offset costs for the specific case involved; anything left would go to the common school fund. _ The bill adds an amount equal to unpaid wages as liquidated damages;

that is new and reflects federal language.

SEN. COOLEY: Does that now apply?

TIFFANY: No; this says that if you don't pay the state minimum wage, you are liable to the employee for the state minimum of \$4.75 an hour. _ On lines 25 and 26 it gives employees rights to bring action to collect minimum wage and liquidated damages. _ It is arguable that they could do it now, but this makes it specific.

223 CHAIR SMITH: Closes Work Session on SB 300.

PUBLIC HEARING ON SB 697 Witnesses: SENATOR GRATTAN KERANS, SENATE DISTRICT 20 IRV FLETCHER, OREGON AFL-CIO MARGARET HALLOCK, UNIVERSITY OF OREGON REPRESENTATIVE CYNTHIA WOOTEN, HOUSE DISTRICT 41 JESSE BOSTELLE, OREGON PUBLIC EMPLOYEES UNION, (OPEU) J.C. LENDVAI, TEAMSTERS JOE BERNEY, TEAMSTERS PAMELA MATTSON, ADMINISTRATOR, EMPLOYMENT DIVISION

220 GRATTAN KERANS, SENATE DISTRICT 20: Testifies in support of SB 697. _ We have struggled for some time dealing with crisis situations in

dealing with people displaced from work, becoming victims of dislocation. _ We need a private public partnership in providing the process of

upgrading workers' talents capabilities, knowledge and skills to meet the emerging opportunities. _ I recommend the bill to you highly; it is so logical on it's face, it is a wonder it hasn't happened before.

315 IRV FLETCHER, OREGON AFL-CIO: Submits & summarizes written testimony in support of SB 697, (EXHIBIT D).

339 MARGARET HALLOCK, U of O: Submits and summarizes written testimony in support of SB 697, (EXHIBIT E).

405 REP. CYNTHIA WOOTEN, HOUSE DISTRICT 41: Testifies in support of SB 697 . (EXHIBIT J).

TAPE 121, SIDE B

020 REP. WOOTEN: Continues with testimony, see Exhibit J.

096 JESSE BOSTELLE, OREGON PUBLIC EMPLOYEES UNION, (OPEU): Submits & summarizes written testimony in support of SB 697. (EXHIBIT F)

145 J.C. LENDVAI, TEAMSTERS: Submits & summarizes written testimony in support of SB 697. (EXHIBIT G).

169 JOE BERNEY, TEAMSTERS: Submits & summarizes written testimony in support of SB 697, see Exhibit G.

TAPE 122, SIDE B

020 BERNEY: Continues with testimony, see Exhibit G.

REP. WOOTEN: I think that the 21st Century Education Act addresses the issue of global competition, higher productivity, etc. as well as community college and higher education programming and this bill is interactive with those things. CHAIR: This is more employer driven?

REP. WOOTEN: Correct.

108 SEN. COOLEY: Under this program I could get reimbursed for having temporary people work while I sent my people to be trained?

WOOTEN: Correct, you can; there is a match provision so that employers now providing training at their own cost aren't shifting that burden to the unemployment fund. _ We would expect an advanced training program for workers below the

managerial level.

126 HALLOCK: This allows networks of businesses to be established to give them some scale to contract with and work out curriculums with

community colleges.

BERNEY: The employer is in control and whatever is most cost effective, this gives that person the ability to do.

145 SEN. ADAMS: The Oregon plan has a retention of 25%, is that enough incentive to make the program work?

BERNEY: The Oregon program is structured similar to the California program; the employer doesn't get the last 25% unless those people are still working; the work requirement is for three months.

230 HALLOCK: One evolving issue is how to award contracts that are truly effective; the bill says that the Board should make every reasonable

attempt to be sure that contracts are geographically dispersed, that small business gets a relatively large portion of the grants and that the contracts are performance based and require evaluation.

SEN. ADAMS: What are the lessons, in regards to "red tape" that you could share with us?

264 BERNEY: I don't believe one can legislate morality; from a user perspective I believe there is red tape in administration and

implementation; we have the opportunity to learn from California.

SEN. COOLEY: The current budget, \$97 million, was that totally funded from unemployment?

BERNEY: Yes; there is money in the program and interest is accrued.

REP. WOOTEN: The proposed rate here is .05; the bill suggests a diversion; it would be .05 or one half of one percent of the proposed unemployment insurance rate reduction proposed for 1994, which would equate to \$25 million for two bienniums, up to 1997.

340 PAMELA MATTSON, ADMINISTRATOR, EMPLOYMENT DIVISION:
Testifies in support of SB 697, (EXHIBIT H), and informative material, (EXHIBIT I).

TAPE 123, SIDE A

MATTSON: Continues with testimony, see Exhibit I. 050 SEN. ADAMS: Do they contain that cost of the program within the captured amount to expand the program and has that had any negative

impact on California's unemployment?

MATTSON: My understanding is that continually contributions have been made to the training fund. _ The California fund is a solvent fund; the way this is done is that

when you capture that savings, and continue that rate of contribution, the amount is sort of "above the water line".

SPRINGER: What is the balance in our state trust fund now?

075 MATTSON: We continually hover at about billion dollars. _ Last session we created a Oregon Benefit Reserve Trust Fund, so a

certain amount of that \$1 billion is in Oregon invested in that benefit fund, the majority being in Washington D.C. in interest drawing accounts.

CHAIR SMITH: Closes public session on SB 697.

WORK SESSION ON SB 300

109 MOTION: SEN. RASMUSSEN MOVES TO ADOPT THE (-1) AMENDMENTS.

116 VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

118 MOTION: SEN. RASMUSSEN MOVES THAT SB 300, AS AMENDED, BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION.

122 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. VOTING NO: SEN. COOLEY CARRIER: SEN. RASMUSSEN.

131 CHAIR SMITH: Adjourns the meeting. (10:15 A.M.)

Transcribed by,

Kimberly Burt Committee Assistant

EXHIBIT SUMMARY:

A - SB 817: Written testimony submitted by Biehl, pp 3 B - SB 817: Written testimony submitted by Witt, pp 2 C - SB 817: Written testimony submitted by Davie, pp 7 D - SB 697: Written testimony submitted by Fletcher, pp 1 E - SB 697: Written testimony submitted by Hallock, pp 14 F - SB 697: Written testimony submitted by Bostelle, pp 2 G - SB 697: Written testimony submitted by Berney, pp 6 H - SB 697: Written testimony and informative material submitted by Mattson, pp 16