

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

June 21, 1993      Hearing Room B 8:00 a.m.      Tapes 166 - 167

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

STAFF PRESENT:      Joan Van Almen, Committee Counsel Katy Yetter,  
Committee Clerk

MEASURES CONSIDERED:      HB 1134 - Creates Contract Claims Board

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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 166, SIDE A

003      CHAIR SMITH:    Calls the meeting to order at 8:20 a.m.

PUBLIC HEARING ON SB 1134

WITNESSES:            Elizabeth Harchenko, Attorney General's Office Paul Snider, Association of Oregon Counties Jack Sollis, Former Assistant Attorney General Marv Evans, Confederation of Oregon School Administrators (COSA) Arno Denecke, PERS recipient Fred McDonald, Public Employees Retirement System (PERS) Mari Anne Gest, Oregon Public Employees Union (OPEU) Dick Townsend, League of Oregon Cities

013 ELIZABETH HARCHENKO, ATTORNEY GENERAL'S OFFICE: Describes for the committee the various sections in the bill.

020      JOAN VAN ALMEN, COMMITTEE COUNSEL: Reviews the bill for the committee. -Section 12 is the funding mechanism, Section 15 is the initial funding language. -PERS can establish a rate based on the employee's payroll. -Section 13 authorizes a non-PERS member (but a public employee) to file a claim with PERS. -Annual payroll from state agency has the ability to transfer funds

during the initial funding period. -Describes the various tasks of the board members and the authorizations allowed of the board.

260      FRED MCDONALD, PERS: Testifies in favor of SB 1134. -Discusses fiscal impact of the bill upon the state of Oregon. -Describes how the claims would be recovered and how many full time

employee positions would be required for this function. -\$1.8 million for the upcoming biennium. -The other bills that address this problem have a wide range of fiscal

impacts.

357 PAUL SNIDER, ASSOCIATION OF OREGON COUNTIES: Presents testimony in opposition to SB 1134 (EXHIBIT A).

TAPE 167, SIDE A

019 CHAIR SMITH: Asks Snider about the contracts between local government.

030 SNIDER: Under the Supreme Court rationale, local government are under the same contract and taxation as the State. -If the intent of the provision is to deal with the question of whether the State is liable for the public employer, then the AOC may be more

agreeable with the bill. -Local government may be a third-party beneficiary in public claims. -Davis vs. Michigan case prohibiting discrimination against employees

due to the source of compensation was the source of the bill. -Continues with testimony. -Would cause public employees to be exempt from taxation of benefits.

190 JACK SOLLIS, FORMER ASSISTANT ATTORNEY GENERAL: Presents testimony in opposition to SB 1134 (EXHIBIT B). -Speaks in representation of Oregon's retired citizens who may be

affected by the bill.

370 MARV EVANS, COSA: Testifies on SB 1134; is neither in favor of nor in opposition to the bill. -Would place responsibility of payment back with the school districts.

TAPE 166, SIDE B

030 ARNO DENECKE, FORMER JUDGE and PERS RECIPIENT: Testifies in opposition to SB 1134.

060 MARI ANNE GEST, OPEU: Presents testimony on SB 1134 (EXHIBIT C).

100 DICK TOWNSEND, LEAGUE OF OREGON CITIES: Testifies on SB 1134.

150 CHAIR SMITH: Adjourns the meeting at 9:30 a.m.

Submitted by:

Reviewed by:

Katy Yetter  
Coordinator

Pamela Stefani Committee Clerk Committee

EXHIBIT LOG:

A - Testimony on SB 1134 - P. Snider - 2 pages B - Testimony on SB

1134 - P. Snider - 5 pages C - Testimony on SB 1134 - M. Gest - 2 pages