

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.

HOUSE COMMITTEE ON LABOR

January 16, 1991Hearing Room D 8:30 a.m.Tape 1

MEMBERS PRESENT:Rep. Gene Derfler, Chair Rep. Kevin Mannix, Vice-Chair Rep. Sam Dominy Rep. Jim Edmunson Rep. Rod Johnson Rep. Bob Repine Rep. John Watt

MEMBER EXCUSED:

VISITING MEMBER:

STAFF PRESENT: Victoria Dozler, Committee Administrator Johanna Klarin, Committee Assistant

WITNESSES : Pamela Mattson, Director, Employment Division

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TAPE 1, SIDE A

ORGANIZATIONAL MEETING

008 CHAIR DERFLER: Calls the meeting to order at 8:30 a.m. He outlines the committee's goals for the session as follows: Ballot Measure 7, overview of the Employment Division, overview of the Bureau of Labor and Industries, overview of the vocational rehabilitation programs, and Workman's Compensation.

041 REP. WATT: Introduces himself.

045 REP. JOHNSON: Introduces himself. Expresses concern about the problems caused for the working people in Douglas County by the timber industry crisis.

054 REP. EDMUNSON: Introduces himself.

061 REP. MANNIX: Introduces himself.

068 REP. DOMINY: Introduces himself. Expresses concern about the timber industry problems in his district and consequently about the future of dislocated workers.

092 REP. REPINE: Introduces himself. Expresses concern about the labor force of the State of Oregon.

109 VICTORIA DOZLER: Introduces herself.

#### Rules

122 Committee adopts rules as distributed.

#### Overview of Ballot Measure 7

127 VICTORIA DOZLER: Presents background information and summarizes provisos in ballot measure 7 (Exhibit A). Ballot measure 7 is known as the Full Employment Program and the basic overall concept is to replace welfare benefits in six counties in Oregon, as a pilot program for three years. The measure requires that the Governor and Legislature petition Congress for waivers and exemptions so that Oregon can enact the program. The program would be administered by the Employment Division assisted by a voluntary advisory board. The funding for the program comes from the current unemployment taxes paid by all employers. The measure also anticipates that all the federal monies coming to Oregon now, for aid to families with dependent children and food stamps, would be spent in those counties to implement the program. Eligibility is for eighteen years, and older, individuals and 16-18 during the summer months. The measure requires a job matching system for skilled employees as well as unskilled employees. It requires 90% minimum wage pay for the worker and there is a provision for skilled employees. The employers who want skilled employees would pay a rate determined by the Employment Division.

Letters have been drafted by the state agencies to the corresponding federal agencies and there has been some response. The following federal provisions would be affected: the Food Stamp Act, Aid to Families with Dependent Children, the Social Security Act and various provisions of the IRS code as well as the Federal Unemployment Tax Act. Included in the members' packets is a letter concerning this issue from Kevin Concannon, Director of the Department of Human Resources, addressed to the Governor (Exhibit B).

200 Some anticipated possible problems: No provisions within the measure for disabled individuals who are unable to work at all, no provision for aged people who are unable to work, no provisions for families with children under eighteen years old. The 90% wage might be less than now received in benefits by the recipients and there are federal prohibitions to cuts in benefits.

226 REP. MANNIX: How should we approach this issue? A simple way would be to ask a resolution from the House and Senate authorizing the labor committees to fill out the necessary forms and forward them to the federal government. I recognize we have an obligation, in good faith, to try to implement this, but I am concerned about the amount of energy that might be expended in something that I truly believe is a dead-end project.

Rep. Mannix suggests a federal agency be contacted to obtain a general overview of the possible problems and obstacles the committees might encounter.

235 REP. REPINE: Has there been other states in the Union who have attempted or succeeded in this type of measure.

248 VICTORIA DOZLER: Apparently Washington and Minnesota have obtained waivers for some pilot programs.

259 REP. REPINE: That information would be of interest in the light of what Rep. Mannix said.

263 CHAIR DERFLER: We will have that information for you first part of next week.

264 REP. DOMINY: Has there been any discussion concerning discrimination between individuals living in the pilot program area and in a different community. Should we ask for an attorney general's opinion concerning this issue?

273 CHAIR DERFLER: The federal law requires that all counties be treated equal.

280 REP. MANNIX: Asks if the proponents of the measure could do some of the homework to avoid putting an extraordinary amount of energy into this project.

298 CHAIR DERFLER: Asks Pamela Mattson, Director of the Employment Division, if her agency has done some work concerning this issue.

302 PAMELA MATTSON: In the Department of Human Resources a committee has been formed, representing Adult and Family Services and the Employment Division, to look at these issues. We have advised the regional offices of Ballot Measure 7, and they have begun to study what it would take in terms of congressional law changes to make this happen. At least six to seven federal statutory changes would need to occur in order for ballot measure 7 to be in effect.

318 REP. R. JOHNSON: Does this type of pilot program create a conflict in regards to the federal jobs program.

325 PAMELA MATTSON: The concept of the federal jobs program is to train people for living\family wage jobs. It seems that the concept of Ballot Measure 7 is mandatory employment, and the substandard minimum wage is also questionable considering that other benefits are not be received by the participating individuals.

339 REP. MANNIX: Maybe we should come up with a resolution with some general applications that allows the federal government to respond. We don't want the federal government to think that the State of Oregon is becoming an obstructionist.

369 REP. EDMUNSON: It seems that we have a waiver issue, a federal statutory issue, and a constitutional issue also in regards to the inequities to families and disabled. I ask this committee obtain a formal opinion from the attorney general as to the constitutionality of this measure under state and federal constitutions. Best intentions aside, the voters may have made a mistake.

383 REP. R. JOHNSON: I support Rep. Mannix in his comments about supporting the medical efforts of Sen. Kitzhaber, but I hope that our guiding light in this effort is not to avoid causing the federal bureaucracy any trouble. 401 REP. WATT: How can we have a state law that affects only these six counties?

411 REP. DOMINY: How hard will this program be to administer. What if some employers would lay people off and rehire them just to save money. I see some employers looking at this as a way to save money. Is there any way we can regulate that?

423 PAMELA MATTSON: We are at the same position you are. If this program becomes reality there will be a whole host of administrative considerations like that.

436 REP. MANNIX: We will probably be talking a lot about what the voters meant when they voted for measure 7. We have a legal obligation to implement it, but I hope we seek for the simplest way to fulfill our obligation.

TAPE 1, SIDE B

001 REP. MANNIX: We should gather some more information from the proponents as to how this was to be implemented by us. My recommendation at this point is that we seek for additional information and be prepared to act in the simplest manner possible to avoid further bureaucracy.

MOTION

011 REP. EDMUNSON: Moves that the committee forward a request for the necessary waivers to the federal agencies.

019 REP. MANNIX: Do we need to get an authorization from the legislature to do that? Are we going to have a resolution that goes to the house and senate floors, and subsequently a joint resolution? This seems to be the direction we are moving into. Perhaps Rep. Edmunson, there could be a friendly amendment that we endeavor to prepare a resolution to go to the legislature regarding requests for waivers and implementations.

027 REP. EDMUNSON: That is exactly what I meant. I think it should take a form of a resolution since it requires action by Congress.

031 REP. DOMINY: Before voting I would like to know where are as far as asking attorney general's opinion on the constitutionality of this law. Do we need to pass a motion to do that.

038 CHAIR DERFLER: We will ask Speaker of the House if we can get attorney general's opinion.

045 REP. MANNIX: Reiterates the motion as follows: The motion is for this committee to direct staff to prepare a resolution to be forwarded to the house floor to seek to for federal waivers required for this act.

070 VOTE: In a roll call vote the motion carries with all those members present voting AYE.

077 REP. R. JOHNSON: I recommend we advise Senate Labor Committee of our role in this issue to avoid duplication of efforts.

083 VICTORIA DOZLER: Outlines upcoming meeting's agenda.

089 REP. REPINE: What is the committee's policy concerning bringing bills to the meetings?

093 CHAIR DERFLER: We bring our own bills to avoid unnecessary duplication.

094 REP. DOMINY: How are bills relating to PERS going to be directed?

101 CHAIR DERFLER: Those bills have been referred to this committee for review.

103 REP. DOMINY: What will be the procedure for bills not filed pre-session.

106 CHAIR DERFLER: What is your preference, would you like to present them yourself?

109 REP. DOMINY: If it is your pleasure we could work with the Legislative Counsel and get them ready for committee introduction.

112 CHAIR DERFLER: That is fine.

116 CHAIR DERFLER: Adjourns the meeting at 9:10 a.m.

Submitted by:      Reviewed by:

Johanna Klarin    Victoria Dozler Assistant                      Administrator

EXHIBIT LOG:

A            -            Ballot Measure 7 (3pp.) B            -            Letter from Kevin Concannon,  
Director, Department of Human Resources (5pp.)