

= - :~- : HOUSE COMMITTEE ON LABOR

March 1, 1991

Hearing Room D 8 30 a.m.

Tapes 48 - 50

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

STAFF PRESENT: Victoria Dozler, Commitbe Administrator Edward C. Dein, Committee Assistant MEASURES CONSIDERED: HB 2539 - Public Hearing and Work Session HB 2599 - Public Heanng HCR3 - Public Hearing - These minutes contain materials which paraphrase andlor nu~arize state nents made during this session. Onl' text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the lopes. - TAPE 48, SIDE A 003 CHAIR DERFLER: Calls the meeting to order at 8:31 A.M. as a subcommittee.

PUBLIC HEARING ON HOUSE BILL 2539 - EXHIBIT A Witnesses:Scott Gallant, Director of Government Affairs, Oregon Medical Association Bruce BiSB op, Kaiser Permanente Larry Young, Deputy Administrator, Workers' Compensation Division, Department of Insurance and Finance Brian De Lashmutt, Oregon Society of Oral & Maxillofacial Surgeons

CHAIR DERFLER: Opens the Public Hearing. 005 VICTORIA DOZLER: Describes the bill. 022 SCOTT GALLANT, Director of Government Affairs, Oregon Medical Association: Presents testimony on HB 2539 (EXHIBIT A). 059CHAIR DERFLER: What brought this on? GALLANT: This idea was included in GOVERNOR GOLDSCHMIDT's work group as a concept. -It was included in a house bill in 1987; it was not included on the Senate side, but was reinserted in a conference committee.

065 REP. DOMINY: Has there been a revised education program since the Special Session? GALLANT: No, the rules were adopted around last Christmas. House Committee on Labor January 20, 1991 Page 2

-We were in the process of working out a compromise on how the program might be done. We received mixed signals and did not pursue it.

-The association's executive committee instructed our legal counsel to prepare papers to restrain any enforcement of this section. We've not filed those. Our concern is that someone could arbitrarily fine a provider.

REP. DOMINY: Hopes that before we repeal this requirement we'll receive some form of explanation of the changes that came about because of HB 1197.

-You started to do something, but haven't-

GALLANT: In trying to figure out the process, we've been in contact with SAIF to co-sponsor some programs with regard to the changes from the Special Session.

-Those programs do not meet the technical requirements of this statute.

094 BRUCE BISHOP, Kaiser Permanente: We support the Oregon Medical Associations position on HB 2539. -He briefly describes Kaiser Permanente. -We have found the requirement for continuing education to be less than a constructive use of timo. -It's not that physicians shouldn't know about the workers' compensation system, but having to

comply with these requirements has been an onerous undertaking. -We take measures to inform our physicians about the procedures they must comply with. -There are a number of systems in place to handle idle industrial claims. - Many of the kinds of information being conveyed aren't relevant to our physicians' practice.

-We provide those services through other employees.

-We support the repeal of the educational requirement. If not, the bill in its current form is preferable to the current law.

-We feel it is not appropriate and desirable to have physicians knowledgeable about the law. We would continue to do that, but this law adds an additional level of bureaucracy and record keeping.

137 CHAIR DERFLER: We hear complaints that medical doctors don't fill out the forms properly; is that what this program is about? BISHOP: That's not part of this program. There may be problems with physicians not filling out forms properly. -Whenever possible, physician offices, clinics and programs like ours organize in ways to systematize those kind of responsibilities. -The system that has been developed is very complex and detailed. House Commf~e on Labor January 20, 1991Page 3

-This continuing education requirement doesn't address that problem.

-Only about half of our physicians have participated in the training program for certification. 164 REP. JOHNSON: The Labor-Management Committee said we should repeal the existing law? GALLANT: Yes. Their recommendation was to repeal ORS 656.329. In order to do it properly ORS 656.254 (4)(d), the penalty section, would also have to be repealed. REP. DOMINY: Could you give the committee the minutes of that portion of the meeting? GALLANT: It was my understanding the Labor-Management Committee was going to send either a letter or report. DOZIER: When was that? GALLANT: Two weeks ago. -He will request the report be sent to the committee.

REP. JOHNSON: If they recommend its repeal, you want it repealed?

GALLANT: Yes. 193 LARRY YOUNG, Deputy Administrator, Workers' Compensation Division: The fiscal impact is estimated at almost \$300,000 and the department opposes the bill.

-The division's objective over the next biennium is to insure all parties affected by the requirements of the statutes and rules to be aware of those requirements.

-We are interested in assisting with the development of educational materials and the continuing education of medical service providers.

-There are continuing education systems already in place in the associations and we believe the distribution of materials and education process can be accomplished by the associations more efficiently than the department. REP. JOHNSON: You oppose the bill and yet you say the education system in place is good enough? YOUNG: The bill requires us to send a copy of any educational material to each medical service provider. The medical associations already have continuing education programs and we support the continuation of that process. REP. JOHNSON: You agree with repealing the existing requirement and don't want to add the new language? YOUNG: We're not necessarily agreeing with the Management-Labor Committee to repeal that language.

-We have a strong need that all the parties involved with the workers' compensation system be aware of the requirements. How Committee on Labor January 20, 1991 - Page 4

-To go through the associations for the distribution and dissemination of that information is a more efficient process.

-He is not sure if repealing the statute would allow us-through administrative rules-to require the associations to disseminate information that we may develop.

-We intend to have and participate in seminars to assist providers in understanding the requirements of the system.

259 REP. WATT: Are seminars to assist the professional associations budgeted at this time? YOUNG: To some degree, but not to the necessary degree.

REP. WATT: That's not the question. YOUNG: No, they are not.

REP. WATT: There would be an additional budget request to aid in putting the information together?

-There will be an expenditure anyway; correct? YOUNG: It is in the budget. The statute requires the association to provide continuing education.

REP. WATT: How much? YOUNG: Doesn't know.

REP. WATT: Could you give me that information? YOUNG: Yes.

276 REP. DOMINY: The intent, in my opinion, was to assure the doctor understood the importance of their decisions as they relate to workers's comp. -The physicians are saying they are not able to get the right information. They get told things about the workers' comp system, but not how to fill out the forms. -Have you had a serious problem with doctor's reports being inaccurate? Will eliminating this requirement help or hurt? -Maybe we need to go in a different direction? YOUNG: Many times we have to ask the attending physician for additional information. There is a need for a better educational process. -There may be better ways to get the information out. We haven't looked at it from that perspective. ed at it from that perspective. -He is not saying we oppose the repeal. -He is not saying we oppose the repeal. -We need some help getting the information out. We'd like to have the assurance the associations are available to assist in the dissemination of that information. House Committee on Labor January 20, 1991 Page 5

REP. DOMINY: Could you take some time to give us an option of how we could do the education without cost to the department and still allow there be a line of communication between you and the doctors. YOUNG: Would be happy to. 334 CHAIR DERFLER: Don't you do have the ability to resolve this through rulemaking? YOUNG: Possibly. ORS 726.656 allows the director to promulgate any rules necessary to carry out the intent of the statutes. -We could possibly say that the associations have to assist us in disseminating this information. -Yes we could. CHAIR DERFLER: You could kindle it through rules. If you found a weakness you could correct it. 355 REP. JOHNSON: An effective workers' comp system includes a knowledgeable medical community. -If this is repealed and you worked on a voluntary system and it doesn't work we'll deal with it next session. -Would you be comfortable with a voluntary system that didn't

necessarily need a rule behind it?

YOUNG: That would not be too much of a problem. -If we did it by rule we would not put in very specific details and see how it worked. If it didn't work we would come back to the Legislature or expand the rules.  
BRIAN DE LASHMUTT, Oregon Society of Oral & Maxillofacial Surgeons and Oregon Nurses Association: Is the society's only representative. If the current requirement were to continue, there is no one to do it. That is one problem we see with the current law.

-We would like to see the law repealed.

-In the case of the Oregon Nurses Association: nurse practitioners do not qualify as attending physicians, but it is our understanding that they have to have the continuing education under the existing law. -The association would also like to see the law repealed. -We disseminate information voluntarily and would rather not have the mandatory requirement.

WORK SESSION ON HOUSE BILL 2539 CHAIR DERFLER: Opens the Work Session.  
442 MOTION: REP. JOHNSON: Moves to amend House Bill 2539 by repealing ORS 656.329 and deleting the language contained in ORS 656.254 (3)(d) as it pertains to ORS 656.329. VOTE: The motion passes 6 to 0. House Committee on Labor January 20, 1991 - Page 6

EXCUSED: REP. MANNIX CHAIR DERFLER: Closes the Work Session.

TAPE 49, SIDE A

PUBLIC HEARING ON HOUSE BILL 2599-EXHIBITS B to H Witnesses: Fred Van Natta, Oregon State Home Builders Association Larry Young, Assistant Administrator, Workers' Compensation Division Fred Jaeger, Floors Unlimited, Inc.

CHAIR DERFLER: Opens the Public Hearing.

034 DOZIER: Describes the bill. 048 FRED VAN NATTA, Oregon State Home Builders Association: Presents testimony on HB 2599 (EXHIBIT B).  
133 REP. EDMUNSON: Would your amendment include people that would not otherwise qualify as independent contractors? VAN NATTA: The argument has been carpet installers should not be independent contractors, because they don't meet the test of "free from direction and control."  
REP. EDMUNSON: We talked at length about the nature of control over the outcome of the work. A contractor tells the installer where to put the carpet. -No one would be supervising them. -Are you telling me that people telling someone how to lay carpet would be exempt under your proposal because they would not qualify as independent contractors?  
169 VAN NATTA: The first part of your assumption is in error.

-SAIF has interpreted that carpet installers must be covered as employees.

-Litigation has started in a number of cases. In the one case that has been settled, the Department of Insurance and Finance agreed with SAIF. No cases have reached the appellate level to see if our interpretations are correct.

184 REP. EDMUNSON: If your interpretation is the same as mine, you're correct.

-He is appalled SAIF would take such a position.

VAN NATTA: SAIF met with the homebuilders and after several sessions they said they believed the law was not clear. HB 2799 was originally drafted by one of SAIF's counsel's.

-SAIF believes they may be liable to pay claims on these people. They have not produced a court case that said they had to pay claims on anybody since the new law went into effect. House Committee on Labor January 20, 1991 Page 7

-SAIF believes and we believe that we should come to the legislature and try to make it clear that when you register with the Construction Contractors Board you are exempt. That's what this amendment does.

-SAIP has not seen this approach where the exemption is limited just to solo proprietors.

-This is a more narrow approach than they suggested.

CHAIR DERFLER: We thought we addressed that last time and corrected it. 217 REP. JOHNSON: You want to make sure a sole proprietor is not forced to buy workers' comp insurance on themselves. VAN NATTA: Or have the carpet company subsequently declared liable for paying premium on the contractual amount paid to that carpet installer. REP. JOHNSON: If that solo proprietor hires someone we want to make sure they have workers' comp insurance on that employee? VAN NATTA: Correct. REP. JOHNSON: Is there anything about your amendment that would lessen an employer's duty to make sure they have workers' comp insurance before they hire an employee? VAN NATTA: Does not believe the original language of the proposed amendment affects the obligation of the independent contractor to have workers' compensation coverage on their employees. -He doesn't believe we are tampering with that responsibility. That responsibility should continue to exist and should rest with that independent carpet installing contractor. REP. JOHNSON: Tho solo proprietor who is registered is okay. As soon as they hire an employee there is something wrong with their registration. -Aren't there two kinds of registration? VAN NATTA: Yes. -He continues with the last paragraph page 1 of his testimony. -The language suggested for the amendment may not be the right language. -The philosophy-if you agree with it-is that the contractor who hires an employee and does not get workers' compensation coverage ought to be liable for failure to follow the law and the liability is not passed on to another who doesn't know about it and has no ability to protect themselves from the penalties. -The only way to get employees covered is to make the person who violates the law responsible for the penalties and not someone else. -If the board has to take action to cancel the non-exempt status of a contractor there is a provision for the general contractor to know about it. -What we're trying to get at: House Committee on Labor January 20, 1991- Page 8

-When the general contractor goes to contract with a subcontractor they ask if the subcontractor is registered with the Construction Contractors Board. If the answer is yes, the general contractor has to find out if the registration remains current and then the general contractor is protected.

381 REP. DOMINY: The people you're having a problem with are those people who do not go through the process of filing to become independent contractors? VAN NATTA: In the case he referred to, a person went

through the process and became an independent contractor who didn't have any employees and were registered as exempt from workers' comp coverage. -That contractor then went out and hired an employee and did not get coverage. -The general contractor who contracted with that subcontractor was held liable. REP. DOMINY: Are you also saying that the time they applied as an independent contractor and said they were going to have an employee they still wouldn't have to have insurance for themselves, but their employee would have had to have insurance? VAN NATTA: When a subcontractor registers with the Construction Contractors Board, and says they will hire someone, they are not registered until they show evidence of coverage (a workers' comp number). 418 REP. DOMINY: The other part of the solution is that they register as an independent contractor and say they will have employees and get their number. Do we still have a problem? VAN NATTA: To get that registration they must have workers' compensation coverage. REP. DOMINY: The other way is to keep independent contractors from filing and becoming independent contractors. VAN NATTA: We want them to go through the process so they meet the test of independent contractor. -The liabilities that arise to the general contractor are substantial if they are an independent contractor. REP. DOMINY: Once the independent contractor files and hires employees you don't have a problem? VAN NATTA: As long as they have workers' compensation coverage. -Some independent contractors have workers' compensation coverage and some do not. -The practice has been that the general contractor has been held liable for the failure of the subcontractor to have workers' compensation coverage. -It's easy for subcontractors to violate the law and not have coverage. They are never penalized. The penalty always fell on the general contractor. -It almost encourages employees to be without workers' compensation coverage. The way to stop that is to place the penalty on the bad actor.

TAPE 48, SIDE B

014 REP. MANNIX: The reality of the problem is that someone can register with the Construction Contractors Board as an independent contractor. There are two options: [House Committee on Labor January 20, 1991- Page 9

-Option 1. No employees, does not intend to have employees. Wants to be exempt from workers' comp coverage. Wants to be registered as an independent contractor. They are registered.

-Option 2. Has employees or intends to have employees. Has to have workers' comp coverage and has to demonstrate they have coverage. They are registered.

-The problem that arises:

-People who are validly registered as sole proprietor independent contractors work on a project. An insurance company says they don't care if they are registered with the Construction Contractors Board or whether or not they have employees. The insurance company thinks that for purposes of working for the general contractor they are not really independent contractors, but are under the direction and control of the general contractor and that general contractor has liability and must have coverage. -Or an independent contractor who doesn't have coverage, but is registered with the board and files a claim saying that even though they were registered they were really employees of a general contractor and want benefits. -The insurance companies' solution is to make general contractors provide coverage for any independent contractors. -You want to make it equitable on both sides. If a person

is registered as an independent contractor and has an employee without coverage it is the independent contractor's problem. -Your amendment is intended to say that if a person is registered a certain way and goes to work that way, lack of workers' compensation is their problem. VAN NATTA: Correct. 049 REP. REPINE: It's not just an element of hiring. It could be the independent contractor who has a tie with a carpet company that supplies the goods and that carpet company is told that installer is a direct employee. Isn't that correct? VAN NATTA: Correct. -The original bill dealt with the relationship between the general contractor and the subcontractor. -The second amendment deals with general contractor, subcontractor and employee of the subcontractor and who's responsible for that employee. CHAIR DERFLER: We discussed that last session and wanted the liability to stop with the registered subcontractor. VAN NATTA: Believes the established policy was to be responsible for your own employees and not someone else. -That didn't happen in the case before us. 078 REP. EDMUNSON: Isn't the key independent judgement? -A dependent contractor is dependent upon the supervision of the general contractor or subcontractor.

. [House Committee on Labor January 20, 1991 - Page 10

-What if we clarify the definition of independent contractor?

-The first requirement is that they be free from the "direction and control over the means and manner providing the labor or services ...."

-For clarity we add an additional element. They exercise independent judgement in the execution of the labor or services being provided.

-Given today's discussion and the intent of the amendment to clarify what we believed was the intent of the legislation in 1989-interpreted to the contrary by other state agencies-we would fix the problem without opening up unforeseen circumstances.

-How would you react if we added such a clause? 103 VAN NATTA: Is not particularly comfortable with that as the sole remedy.

-From 1983 to 1989 one could define themselves as an independent contractor by going to the Department of Employment and buying a certificate. They had to meet very little standards to do that.

-That was the way most carpet installers survived as independent contractors.

-That certificate was repealed last session. This left a loophole in direction and control.

-The insurance carriers then said the carpet installers were employees. He is not sure they would buy the exercise of independent judgement as an adequate test. REP. EDMUNSON: Who wouldn't buy it; the lawyers? VAN NATTA: The problem has been the SAIF audits

-The front office of SAIF says that the installation of carpet and tile in existing dwellings is done by employees. If it is work in new dwellings it can be done as an independent contractual relationship and there is no problem. 133REP EDMUNSON: That is not surprising, but it is an absurd construction of statute. VAN NATTA: Is uncomfortable about that. Their auditors in the field never distinguished between new construction and existing construction.

-Your language is not as good a fix as this bill, which was originally drafted by SAIF's attorneys. 145REP. MANNIX: We may be creating a bigger problem by opening the door to additional concepts.

-HB 2599, with your approach, is limited. We're talking about exemptions from who is an employee. You are putting this under the sole proprietorship.

-If it is not a sole proprietorship you don't have to discuss it any further.

-If a person is a sole proprietor and is having labor or service performed under contract they must qualify as an independent contractor.

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-Your proposal is to modify this-be registered with the board and perform work within the scope of that registration-is a very limited exception.

-If someone has been registered as a sole proprietor, they've bought their own risk. Isn't that your approach?

166 VAN NAITA: REP. EDMUNSON's suggestion may be a good addition to the definition of an independent contractor, but only do it in addition to this language. -This language fixes the problem before us.

177 REP. REPINE: Would like to consider REP. EDMUNSON's recommendation.

-We have another bill that deals with another section of this. We could combine the bills and have one vehicle.

-It is frustrating to think that we had the intent of the language explained.

-As legislation is implemented, agencies and government reinterpret our thought processes.

-He would like to have the Department of Insurance and Finance and the representative of the Attorney General come forward and give us their philosophy on how they missed something like this.

-If there is a way that this interpretation was flawed, he would do everything possible to get the \$28,000 settlement back to the member of the Home Builders Association.

211 REP. JOHNSON: Is it common for carpet layers to operate in tandem?

VAN NATTA: Has been told that more and more of it is done by individuals. My understanding is that under the existing statute, if they are partners they must have coverage on themselves or by the person who contracts with them.

-My guess is that as originally drafted, HB 2599 would have exempted partners in the construction industry from carrying workers' compensation on themselves if they are registered.

REP. MANNIX: Why aren't we using the same approach for partners? -There is a provision for partners not engaged

-What about partners registered with the Construction Contractors Board?

260 VAN NATTA: In 1983 the Home Builders made a deal with the Chairman of this committee who was concerned with partners working at construction sites not having workers' compensation coverage. -In return for his support for the Department of Employment exemption (referred to earlier), we agreed not to oppose the concept of having workers' compensation coverage on partners on construction job sites. -He is not sure we're bound to honor an eight year old deal. -He will not enter into that argument. House Committee on Labor January 20, 1991- Page 12

281 LARRY YOUNG: We would like the opportunity to respond in detail and will be happy to explain how we arrive at the determination of a non-complying employer. CHAIR DERFLER: Also take a look at REP. REPINE's request that if we change the statute to exempt that gentleman sad we could get some of their \$28,000 back. DOZLER: We will reschedule this for March 11. YOUNG: We will provide some history between the relationship of ORS 656.029 and the independent contractor statutes. CHAIR DERFLER: There are obviously some things we're not aware of. REP. JOHNSON: Would like to make sure we're all aware that there may be some other non construction situations that should be included. -He would appreciate an analysis of the impact if it was added to the sole proprietorship section, page 1, lines 27 and 28, HB 2599. -Make the change in sole proprietorships and not do anything with partnerships.

329 CHAIR DERFLER: We would like this presented to the Labor-Management Advisory Committee. REP. MANNIX: Would like the department to back away from the intertwining relationships and if someone registers with the Department of Insurance and Finance, for example, and says they do not want workers' comp coverage and shows evidence within the scope of their operation that they meet the minimum coverage plan and as long as a record is made that there is no comp coverage, that person can never make a claim while they are operating under that.

-This would deal with the person who doesn't have coverage and decides they would like coverage after an injury.

-This is an alternative mechanism that would solve the problem across the board and not in each of these narrow areas. YOUNG: Would you like us to respond to the impact of applying as part of the exemption process for sole proprietors, partners and corporate officers and independent contractors? 380 REP. MANNIX: A person who wants to be exempt and wants a document that shows they are exempt. For that exemption they have to pre-purchase or prepay or meet health insurance that meets the minimum standards. -That would cover the grey areas. It's the after the fact claim that is the problem. YOUNG: Will be happy to do that, but it would be better to keep it two separate documents. REP. EDMUNSON: That's an excellent suggestion. -Look at SB 19, which allows for an exemption from workers' compensation if a 24 hour health coverage plan is provided. 415 FRED JAEGER, Owner, Floors Unlimited Inc., Eugene: Testifies in support of HB 2599. . House Committee on Labor January 20, 1991- Page 13

-He presents background information on how his company operated before the workers' compensation laws were changed.

-Eliminating the Employment Division certificate has turned out to be a

serious mistake. There is no final authority determining floor covering installer's independent status as regarded-by SAIP.

-SAIF has told store owners their subcontractors were considered to be employees and the store owners were charged thousands of dollars in additional premiums.

TAPE 49, SIDE B

024 JAEGER: SAIP's justification is that the very nature of the way floor covering stores sell and provide service precludes any possibility that the installer can perform their work without being in violation of freedom from direction from control. -SAIF has stated that carpet installers cannot meet the criteria and will be viewed as subject workers. -Carpet installers have the right to be independent contractors. -The existing situation cannot continue. -There must be a licensing board whose determination is the final word so we can feel assured that when entering into a contract with a subcontractor their status cannot come back to haunt us because of an agency's interpretation. -He urges passage of HB 2599. 047 REP. MANNIX: What would you think about an independent contractor registration system?

-We say in the law as long as have that cardfication you can never malce a claim for workers' comp benefits unless you've provided yourself with coverage. At the same time no insurer could require anyone that contracts with you to include your payments as part of the amount they impose a premium on.

JAEGER: Very few claims have been submitted by carpet layers.

-He has been told that if an exempt carpet layer working by themself were to purchase a workers' comp policy-

REP. MANNIX: It wouldn't require the purchase of a policy. The person registering as an independent contractor would be taking personal responsibility and that is binding on that person and anybody they work with in that type of work.

JAEGER: Anything that would insulate us from being responsible.

-If an independent exempt were to purchase workers' comp coverage for anyone they might hire-it is set in place.

-They hire someone, but they have coverage in place.

-It's difficult to hire someone for Tuesday and have a policy Monday night.

-It's my understanding a policy can be purchased to cover any employees they might have. House Commitbe on Labor January 20, 1991 - P - e 1.

084 REP. MANNIX: You have a backup policy in place. JAEGER: The person registering is exempt, the employee would be covered.

-If they had something in place they wouldn't have to change the personal exemption. DOZLER: The following written testimony will be accepted into the record: DENNIS LUKE, Oregon State Home Builders association (EXHIBIT C). -M. BONNIE TAYLOR, Mid-State Carpet

Distributors, Inc. (EXHIBIT D). . -BILL DUEHREN, Vice-President, Sisters Decorating Center, Inc. (EXHIBIT E). -DAVID TERHUNE, Independent Contractor (EXHIBIT F. Also submitted: -Letter to the Construction Contractors Board submitted by J. VAN SCOY (EXHIBIT G). -Testimony submitted by MARK G. DERBY (EXHIBIT H). 098 REP. REPINE: Encourages the members to read the letter from Mid-State Carpet Distributors, Inc. (EXHIBIT D). -He refers to the highlighted section and sentence beginning, "The auditor then offered me copies" 109 CHAIR DERFLER: Recesses at 10:05 A.M.

-He calls the committee back to order d 10:14 A.M. 115 REP. EDMUNSON: Describes his recent trip to the East Coast.

-He addressed the Workers' Compensation Research Institute, Cambridge Massachusetts on the issue of 24hour health care.

-He traveled to two of the major health trust foundations to discuss a national project to integrate workers' compensation insurance, health insurance and vocational retraining into a single form of employee benefit.

-\$60 billion is spent nationally on workers' compensation coverage.

~60 percent of that money is spent on determining whether a condition is related to work.

-There are a great number of uninsured workers.

-Approximately 500,000 people in Oregon have no health insurance.

-The problem is complicated by federal law, which preempts any state law that deals with health insurance.

-Workers' compensation is specifically exempted from the federal law.

-Twenty-four hour health insurance would require Congressional action. Howe Committee on Labor January 20, 1991- Page 15

-We're trying to build a coalition to persuade Congress that it is an idea whose time has come.

-The plan has been well received.

-We're trying to secure up to \$10 million in foundation support for a national project.

-He describes a small bridge building company which spends \$75,000 a year for health care.

#### PUBLIC HEARING ON HOUSE CONCURRENT RESOLUTION 3-EXHIBITS I & J

Witnesses: Gene Lawhorn, Coordinating Committee, Labor Environmental Solidarity Network and Executive Board of the Pacific Northwest Labor History Association Irv Fletcher, President, Oregon AFL CIO Frank Biehl, Association of Western Pulp and Paper Workers Shannon Applegate, Author-Historian

196 REP. DOMINY: Opens the Public Hearing on HCR3.

-He refers to Governor Goldschmidt's Proclamation proclaiming November,

199 0 as Labor History Appreciation Month (EXIDBIT I).

-Organized labor has not been getting the recognition it deserves.

-It's time the Legislature recognizes working people as having contributed to our society.

221 GENE LAWHORN, Coordinating Committee, Labor Environmental Solidarity Network and Executive Board of the Pacific Northwest Labor History Association: This resolution was unanimously passed two years ago by Local 2949, Roseburg and then taken to the AFL CIO Convention where it passed by unanimous vote to be taken to Governor Goldschmidt. -November is referred to as Black November, because of many labor related tragedies. He presents testimony (EXHIBIT J 305 IRV FLETCHER, President, Oregon AFL CIO: Supports the resolution

-He does not believe we should have a sanitized version of the history of labor. We should take it warts and all.

-Labor history is one of this country's best kept secrets.

-He has mixed feelings about requiring it to be taught.

-He hopes the Oregon AFL-CIO will approve our project to commission a history of the Oregon AFL-CIO.

351 FRANK BIEHL, Association of Western Pulp and Paper Workers: Many of the social programs we have today we owe to the labor movement. -Much of what we think of as good public policy is due to what labor has worked for. -Labor history should be recognized and taught.

377 SHANNON APPLGATE, Author-Historian: Is currently editing the Oregon Anthology of Literature.

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-Other scholars are interested in perpetuating Oregon's history.

-She describes one of Oregon's most spectacular log train wrecks. -This wreck had an effect on some of this country's most important workers' safety regulations and had an influence on the State Accident Insurance Fund.

-The history of the working men, women and children is worth knowing about.

-She describes the working conditions for 100 women who worked in the Oregon Packing Fruit Cannery in 1913.

-The rich history of Oregon's workers will be served by the passage of HCR 3.

TAPE 50, SIDE A

025 REP. DOMINY: Please provide us with copies of your testimony.

APPLGATE: She will.

REP. DOMINY: REP. BILL DWYER wanted to testify in support of HCR3.

033 REP. JOHNSON: MR. LAWHORN AND MISS. APPLGATE are both from

Douglas County, REP. DOMINY's and my area. We're glad we had input from our districts. REP. DOMINY: Adjourns at 10:35 A.M.

Submitted by:        Reviewed by:

Edward C. Klein, Victoria Dozler, Committee Assistant Committee Administrator

EXHIBIT LOG:

A - Testimony on HB 2539 - Scott Gallant - 4 pages B - Testimony on HB 2599 - Fred Van Natta - 2 pages C - Testimony on HB 2599 - Deonis Luke - 1 page D - Testimony on HB 2599 - M. Bonnie Taylor - 1 page E - Testimony on HB 2599 - Bill Duehren - 2 pages F - Testimony on HB 2599 - David Terhune - 2 pages G - Letter from SAIF to Construction Contractors Board - J. Van Scoy - 2 pages H - Testimony on HB 2599 - Madc Derby - 1 pages I - Governor's Proclamation - Rep. Dominy -1 page J - Testimony on HB HCR3 - Gene Lswhorn - 2 pages