

House Committee on Labor March 18, 1991 - Page

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

March 18, 1991Hearing Room D 8:30 a.m.Tapes 65 - 67

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

MEMBER EXCUSED: Rep. Rod Johnson

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

MEASURES CONSIDERED: HB 3156 - Work Session HB 3076 - Work Session HB 2474 - Public Hearing and Work Session HB 2599 - Public Hearing and Work Session HB 2240 - Public Hearing and Work Session HB 2527 - Public Hearing and Work Session HB 2643 - Public Hearing and Work Session

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TAPE 65, SIDE A

003 VICE CHAIR MANNIX: Calls the meeting to order at 8:33 A.M.

Vice Chair Mannix will chair the meeting at Chair Derfler's request.

WORK SESSION, HB 3156

012 CHAIR MANNIX: Opens work session on HB 3156. The recommendation on this bill is that it be referred to the judiciary committee without any recommendation.

017 MOTION: REP. EDMUNSON: Moves that HB 3156 be referred to the Judiciary Committee without recommendation.

VOTE: The motion carries 5-0.

EXCUSED: Rep. Derfler and Rep. Johnson.

WORK SESSION, HB 3076

031 CHAIR MANNIX: Opens work session on HB 3076. The recommendation is that this bill be referred to the Committee on Business and Consumer Affairs.

037 MOTION: REP. REPINE: Moves that HB 3076 be referred to the Committee on

Business and Consumer Affairs without recommendation.

VOTE: The motion carries 5-0.

EXCUSED: Rep. Derfler and Rep. Johnson.

PUBLIC HEARING, HB 2472 (Exhibits A,B,C & D)

Witnesses: Bobby Mink, Children's Services Division Gary Stewart, Workers Compensation Division Dexter Henderson, Senior and Disabled Services Karla Orcut, Mental Health Division

048 CHAIR MANNIX: Opens public hearing on HB 2472.

049 VICTORIA DOZLER: Describes the bill.

058 BOBBY MINK, Deputy Administrator, Children's Services Division: Testifies in support of an amendment, which would make foster parents non-subject workers, to HB 247 2 (Exhibit A). He refers to the letter by Kevin Concannon which introduces an amendment to HB 2474 excluding foster parents from being subject workers under the workers' compensation law (Exhibit B).

-Discusses the OgelsB y case where the hearings division found foster parents to be subject workers for the purposes of workers' compensation. The amendment would reverse that decision.

-Our long-standing belief is that foster parents are volunteers or independent contractors.

-Foster parents don't want the reimbursement they receive to be taxed.

-If the amendment doesn't pass there is a huge fiscal impact for Child Services Division.

106 REP. MANNIX: I understand that Rep. Edmunson has already agreed to this?

108 REP. EDMUNSON: The OgelsB y decision was the workers' compensation board?

MINK: Yes.

REP. EDMUNSON: No court in Oregon has declared these employees to be subject workers.

MINK: That is correct.

REP. EDMUNSON: Are foster parents subject to federal tax on the amount that is paid to them?

MINK: No they are not.

REP.EDMUNSON: Are they considered to be subject workers for unemployment benefits?

MINK: No they are not.

REP. EDMUNSON: Are they allowed to buy into the state employees health plan?

MINK: Yes they are an exception.

REP. EDMUNSON: Do foster parents purchase their own health care through SEBB?

MINK: They may do so.

REP. EDMUNSON: I am surprised that the workers compensation board ruled foster parents to be subject employees.

130 REP. REPINE: Would an emergency clause be appropriate?

MINK: That would be a very good idea.

137 REP. WATT: What would be the date to pay workers' compensation if this bill was not amended?

MINK: Our private providers are at risk to increase premiums right away due to the proceedings of the Ogelsby case.

149 REP. MANNIX: Sounds like you haven't had any negative reactions.

MINK: We have not heard of anybody's desire to be included as a subject worker.

160 REP. REPINE: Have you seen the language change proposed by the Department of Insurance and Finance?

MINK: No, I have not.

172 GARY STEWART, Workers' Compensation Division: Suggests a change in the language (Exhibit C).

-The bill, as written excludes all home health care workers from workers' compensation coverage.

-Two types of home health care workers 1) individual and 2) employees of a company.

-The bill should not exclude commercial home health care services.

-We recommend that the language "on private employment contracts" apply to all household domestic service.

-Recommends that the language be changed as follows:"domestic servant" means any worker engaged in household domestic service, by private employment contract, including, but not limited to, home health workers.

204 REP. REPINE: Refers to the -1 amendment in Mr. Concannon's letter. Have you reviewed that?

STEWART: No I have not.

REP. REPINE: It appears that it might do the same thing.

STEWART: I believe it deals with a separate issue.

226 REP. EDMUNSON: When I introduced the bill it was clearly not to exclude commercial home health care providers. I am troubled by the decision of the workers compensation board.

-Provides an example of a house cleaning company.

-The case law distinguishes people who are individually working in a private home, excluding them because they are not placed by a placement service.

-With regard to the employment contracts for home health workers, I would support the amendment.

273 REP. DOMINY: Would an individual who works, for example, two or three senior homes have to be covered by workers' compensation?

STEWART: I don't think so as long as they are paid by the person or family receiving the services.

REP. DOMINY: Isn't that money sometimes paid through the welfare system?

STEWART: Yes.

REP. DOMINY: Even in that case do those people fall under the independent contractor definition?

STEWART: Yes.

298 REP. MANNIX: Reiterates the two categories of home health care workers--independent and employees of a company. If a person who has hired someone directly and gets reimbursed by welfare, would that situation would be similar to the situation of a private health care worker?

STEWART: Yes.

321 DEXTER HENDERSON, Contracts Manager and Provider Relations Supervisor, Senior and Disabled Services: Most of the issues I planned to talk about have already been touched upon (Exhibit D). I am happy to answer any questions you might have.

339 REP. EDMUNSON: Do you agree with Rep. Mannix's description of the welfare recipient situation?

HENDERSON: Yes. Describes how the system works.

REP. MANNIX: Do you send the check yourself or do you reimburse the recipient of the welfare benefits?

HENDERSON: We send the check directly to the provider.

REP. MANNIX: Is that based on the specific instructions by the person who receives the services?

HENDERSON: They report the number of hours that they received services.

370 REP. DOMINY: You refer three or four people to different houses on daily basis. You don't provide workers' compensation for those employees?

HENDERSON: No we don't. They are not our employees, they work for the recipient in their home.

REP. DOMINY: Provides an example of a family situation. A person who would come to take care of my mother would be an individual every day? Where do you draw a line if this person comes in every day and works four hours a day.

HENDERSON: They would not be full-time employees, they would still be domestic servants.

394 REP. MANNIX: Is the line that you are drawing a distinction between who selects and who directs and controls?

HENDERSON: That is correct.

411 REP. DOMINY: If you hire and have complete control over whether the person goes or comes, etc., you would be paying workers' compensation coverage. Is that correct?

HENDERSON: Yes.

-We would have the same concerns that Mr. Meek has raised in reference to the service payment.

435 REP. MANNIX: Refers to the proposed amendment by the Department of Insurance and Finance. Will that cover your situation?

HENDERSON: I am not sure what the "private employment contract" means.

REP. MANNIX: I guess it means any kind of employment agreement. I suppose this doesn't have to be a written contract.

HENDERSON: That is true.

REP. MANNIX: Are you asking to include your folks into this "included but not limited to" listing?

HENDERSON: Yes we are.

TAPE 66, SIDE A

013 REP. MANNIX: How would you describe your people to be included in this? What is the generic phrase to use?

014 HENDERSON: We are looking at just the adult foster care providers.

018 DOZLER: How does chapter 433 apply to this particular proposed amendment?

HENDERSON: I am not familiar with this.

029 MINK: That is a mental health chapter.

038 KARLA ORCUT, Mental Health Division: It is possible this reference is not proper, it refers to the mental health statutes in which foster care parent are mentioned.

REP. MANNIX: So we can make a technical correction there.

ORCUT: Yes.

WORK SESSION, HB 2474

050 REP. MANNIX: Opens work session on HB 2474.

051 MOTION: REP. EDMUNSON: Moves that the committee adopts the March 18, 199 1 revised language proposed by the Department of Insurance and Finance.

REP. EDMUNSON: Clarifies that these employees are not commercially placed.

073 CHAIR DERFLER: We need to make sure it doesn't have to be a written contract.

REP EDMUNSON: Our understanding is that contracts for services need not be in writing.

REP. MANNIX: The contract can be verbal or written.

-The reference to private is a reference to employment with whatever family or household is involved as opposed to some commercial operation.

REP. EDMUNSON: That is correct.

The Committee has no objections to the above motion.

084 MOTION: REP. EDMUNSON: Moves that HB 2474 be amended by adopting the -1

amendments with the correction that 433 be changed to 430 with a double check to make sure that that is the mental health provision.

The Committee has no objections to the above motion.

097 MOTION: REP. EDMUNSON: Moves that the HB 2474 be amended by adding an emergency clause.

The Committee has no objections to the above motion.

102 MOTION: REP. EDMUNSON: Moves that HB 2474, as amended, be referred to the House floor with a "do pass" recommendation.

103 REP. DOMINY: Would it be appropriate to have an impact statement of this?

REP. MANNIX: Rep. Derfler just indicated that there is no fiscal impact on state or local government.

110 REP. EDMUNSON: This clarifies the law as it is today in the state of Oregon. Refers to the pertinent pending workers compensation law cases; both of those decisions were an error as a matter of law.

118 REP. DOMINY: Is it appropriate to get a statement as to what the savings could be?

REP. MANNIX: A referral to the Committee on Ways and Means is not necessary unless there is a negative fiscal impact.

127 REP. REPINE: That might be a difficult thing to assess.

134 VOTE: The motion carries 6-0.

EXCUSED: Rep. Johnson

CARRIER: Rep. Edmunson.

WORK SESSION, HB 2599

Witnesses: Chris Davie, SAIF Fred Van Natta, Oregon State Home Builders Association Patrick Gallagher, SAIF Larry Young, Workers Compensation Division Ken Keudell, Construction Contractors Board

REP. MANNIX: Opens work session on HB 2599.

143 DOZLER: Describes the bill. Refers to an amendment processed but not drafted by Legislative Counsel. It is the exact replica of the SAIF proposed amendments to this particular bill. Mr. Van Natta is requesting an emergency clause.

165 CHRIS DAVIE, SAIF: This is the original language we had proposed.

179 REP. DERFLER: We thought we had solved this problem last time. Does this solve the problem that we are trying to accomplish?

DAVIE: This is the language we believe would solve the problem.

184 REP. EDMUNSON: Are these amendments limited to carpet layers or do they apply to any individual registered with the Construction Contractors Board?

DAVIE: They apply to any individual registered.

190 MOTION: REP. REPINE: Moves that the committee adopts the -1 amendments to HB 2599.

207 REP. EDMUNSON: I am troubled by the breadth of the exemptions.

-This amendment goes beyond the problem that was brought to us. I cannot support this amendment.

228 REP. DOMINY: What makes the carpet layer any different than the painter? Are we letting out all independent contractors completely? Who are left to have to cover workers' compensation?

DAVIE: I was not involved in the drafting of this language.

250 FRED VAN NATTA, Oregon State Home Builders Association: An independent contractor registered with the Construction Contractors Board would have the election of whether they choose to cover themselves or not under this amendment.

274 REP. DOMINY: Is it your statement that it is going to be completely up to the independent contractor with these amendments?

VAN NATTA: Up to the independent contractor, not up to the general contractor. Up to the persons themselves who are doing the work.

REP. DOMINY: So this amendment would give the freedom to choose to have or not have workers' compensation coverage also outside the carpet layers profession?

VAN NATTA: Yes. It is fair to say though that independent contractors in the siding business are not an issue. They already have that right of choice.

296 CHAIR DERFLER: So this bill does not expand the present exemption except the carpet installers who own their companies?

VAN NATTA: Yes. The language eliminates the requirement that partners in the construction industry carry compensation on themselves.

319 REP. EDMUNSON: We heard last time about the insurance and bond requirements in connection to registration. Section two of the proposed amendments (lines 9 and 10). Am I correct that an individual who would want to be exempt would have to not only file the liability insurance and the bond, but would have to meet all the other criteria to be an independent contractor. I am concerned about this concept of labor brokerage.

VAN NATTA: I don't believe that we are creating a loophole.

REP. EDMUNSON: Would the other gentlemen from SAIF respond to this issue?

381 PATRICK GALLAGHER, SAIF: I could not say to any certainty that this would not be a loophole. The financial aspects that Mr. Van Natta spoke about do act as a screen.

394 REP. EDMUNSON: I am talking about a legal loophole not simply about individuals who do not follow the law or misrepresent their status.

GALLAGHER: I agree to that.

434 REP. MANNIX: Addresses Mr. Larry Young. You have heard the dialogue about the interpretation of the registration itself which Rep. Edmunson brought out. Do you have any comments?

440 LARRY YOUNG, Deputy Administrator, Workers Compensation Division: We would share Rep. Edmunson's concern about the language.

TAPE 65, SIDE B

003 -He speaks in reference to ORS 656.027 language. The Construction Contractors Board does not screen the applications whether the person meets the test of an independent contractor. This amendment says that once they are registered, they are no longer subject to the workers compensation law.

013 REP. MANNIX: Is this an enforcement issue for the Construction Contractors Board (CCB)?

YOUNG: This language exempts everyone who is registered with the CCB regardless what kind of work they are doing.

MANNIX: Are we talking about a bona fide registration? A bona fide requirement would get into what Rep. Edmunson is talking about meaning did this person registered simply to get around the coverage issue.

027 VAN NATTA: I had suggested at least a modest narrowing of the language by making it clear that they were working within the course of that registration.

REP. MANNIX: The requirement says "while performing any work of the nature described in the registration statement." Maybe one could challenge that registration at some point by saying that the individual was not truly an independent contractor but playing games to get around the statutes.

038 YOUNG: The problem has been the question of direction of control. The carpet layers have not met the independent contractor test. If you want to solve the carpet layers situation, you should go back to the original language that we proposed. With this language we are circling around the issue.

REP. MANNIX: Under this provision if the registration is there, unless the insurer wants to go and investigate the registration, the insurer will say the registration is valid.

050 REP. EDMUNSON: Refers to subsection 18. This creates a potential loophole.

-Suggests "a person who has satisfied the provisions for ORS 701.025 and has registered with the CCB board under ORS 701.035." Would that help to close the potential for a loophole?

070 YOUNG: I believe so. It is not much different than what the current law already says.

REP. EDMUNSON: It at least clarifies what the current law says.

072 REP. DOMINY: Would Rep. Edmunson's addition result that the carpet layers who meet all the independent contractor criteria be exempt from paying workers' compensation?

YOUNG: Yes.

078 REP. MANNIX: Would you comment on the registration issue? Does it give an individual blanket coverage as to being an independent contractor if they say so?

080 KEN KEUDELL, Administrator, Construction Contractors Board (CCB): Refers to the eight written conditions required to be an independent contractor. Anyone who chooses to can meet those conditions. The registration with the board means that the individual certifies that he does and will meet those conditions. Some of those conditions, the predominant one is works free of direction and control, are ones that are job by job related and it would be impossible for us to run a check to determine whether the person, at each time, is meeting that condition.

112 REP. DERFLER: Isn't the present system operating properly now?

KEUDELL: The problem lies with the concept of direction and control.

128 MANNIX: If we adopt this amendment it is a self-certification of an independent contractor through the registration with the board. Do you have to say you are an independent contractor to get the registration?

KEUDELL: Yes.

143 REP. DOMINY: What would you consider to be completely free? Provides an example of carpet laying industry--are they really free from direction and control?

KEUDELL: Free of direction and control is a relative term.

REP. DOMINY: We'll be here the next session talking about this again.

KEUDELL: I don't have a definite feel about that.

REP. DOMINY: Sizeable number of those registered now who have workers' compensation coverage could decide, because they meet the qualification, that they can be without. Is that correct?

KEUDELL: This would not change the situation for the companies who have employees. Majority of the other 15,000 are proud to be independent contractors and don't intend to be covered by workers compensation.

204 REP. DERFLER: If we pass this amendment who could become exempted that is not presently exempted?

KEUDELL: Corporations and partnerships.

REP. DERFLER: Who would be allowed to become exempted from workers compensation, other than perhaps the carpet installers, that presently are not exempted?

216 KEUDELL: Sole proprietors, corporations and partnerships.

REP. DERFLER: We would be adding partnerships and carpet layers. Who else?

KEUDELL: You would be adding partnerships all the way through for any specialty. The carpet layers consider themselves presently independent contractors. All specialty contractors could be under this proposed amendment.

REP. DERFLER: We don't want to add a lot of people to this.

KEUDELL: Other than partnerships I don't believe there is going to be great big run of people registering with the CCB to be exempted from the workers compensation coverage.

253 REP. EDMUNSON: We have a limit on corporate officers. What is the limit on partners?

259 VAN NATTA: All partners in the construction business for work on the job site must carry workers' compensation coverage.

REP. EDMUNSON: This limits the exemptions to two corporate officers.

Provides an example from the framing business, can all five partners be exempted?

VAN NATTA: Not under the current law.

REP. EDMUNSON: If this amendment passes would that change the requirement of providing their own coverage for those partners?

289 YOUNG: Refers to subsection 18. It would override the exclusions in the same section. They would be exempted.

297 VAN NATTA: I agree with Mr. Young's opinion. There would be two contradictory provisions in ORS 656.027. The most recent one would prevail.

307 REP. EDMUNSON: What is your position on broadening this to exclude all partners and potentially corporate officers?

VAN NATTA: The Home Builders Association would prefer to leave the statute relative to corporate officers and partners as it presently exists.

322 REP. MANNIX: We have a strong limitation now on construction partnership exceptions. This proposed language creates problems with regard to that.

-We have a limitation on corporate officers.

-Suggests taking away the phraseology with regard to partnerships in this amendment. We would leave in the restriction which is in the current law.

-Suggests eliminating "or any partner of any partnership". We would not see suddenly twenty partners out there on the work site. Could you live with that?

352 VAN NATTA: Yes. Expresses concern about line 5.

MANNIX: We would have to take partner out of line 8 also.

359 YOUNG: You might want to change the broad definition of a "person" under workers' compensation into "individual."

MANNIX: I like that point. Maybe we should say any person other than a partner registered with the CCB.

YOUNG: Under ORS 656.027 subsection 18 should be an individual instead of an person.

375 -The committee discusses the appropriate places where "person" is to be changed into "individual."

424 REP. MANNIX: Reiterates the proposed changes to the HB 2599-1 amendments: -Line 3; change "a person" into an "individual". -Line 4; delete "or any partner,". -Line 5; delete "partner," and change "person" into "individual". -Page 2, line 1; change "any person" to "any individual". -Page 2, line 1 and 2; remove language "or any partner of any partnership". -Page 2, line 7; change "person" to "individual." -Page 2, line 8: delete "partner."

444 REP. EDMUNSON: Suggests including in page 1, line 3 "who satisfies the provisions of ORS 701 .025 and has registered."

TAPE 66, SIDE B

011 -I don't want to create a situation that registering with the contractor's board for the purpose of protecting consumers is an exception from the protection that that individual should receive under workers compensation.

028 VAN NATTA: If we go ahead with this language, we are going to be responsible for workers compensation claims from carpet installers, based on old court cases.

043 MANNIX: Lets do first the other changes to the -1 amendments and then we can discuss that policy issue that Rep. Edmunson presented.

047 MOTION: REP. DOMINY: Moves that the committee adopt the changes outlined by Rep. Mannix above to the -1 amendments.

The committee has no objections to the above motion.

064 MOTION: REP. EDMUNSON: Moves the committee adopt the modified -1 amendments with the following change: Page 1, line 3 after the word individual to be included "who satisfies the provisions of ORS 701.025 and has registered".

REP. EDMUNSON: I am mindful about the witness's concern. I feel that to include this language makes it absolutely clear that if there is a question of an injury to those individuals they would be given coverage and a carpet layer who is truly independent would not receive coverage. This amendment closes the loophole completely.

097 REP. MANNIX: I disagree with this amendment. I think the nub of the issue is self-election. If this amendment is adopted we are back into unpredictability because someone can go behind the registration and say that the registration really did not satisfy the registration requirements.

123 REP. WATT: I am not comfortable voting for this amendment.

129 REP. DERFLER: I am not assured that this amendment solves the problem. I don't want to be back here next year with the same issue.

133 REP. EDMUNSON: I believe it does. Explains his position--there is no critical evaluation if any of those self-certification elements are met. I am concerned that an individual will make that agreement with the understanding that they are going to lose their job if they don't get that registration.

163 REP. DERFLER: If they were coerced as you suggest would they still come under the workers' compensation? If they sign that then they are not eligible for it.

166 REP. EDMUNSON: That contradicts the policy on workers compensation that workers cannot waive their right to coverage. We are allowing these people a waiver by registering with the CCB board. We don't do that with any other category.

177 VOTE: The motion fails 4-2.

AYE: Representatives Dominy and Edmunson.

NAY: Representatives Mannix, Repine, Watt and Derfler.

EXCUSED: Rep. Johnson.

187 REP. MANNIX: Entertains a vote on Rep. Dominy's motion to adopt the -1 modified amendments.

VOTE: The motion carries 4-2.

AYE: Representatives Mannix, Repine, Watt and Derfler.

NAY: Representatives Dominy and Edmunson.

EXCUSED: Rep. Johnson.

194 MOTION: REP. DOMINY: Moves that an emergency clause be added to the bill.

The committee has no objections to the above motion.

198 MOTION: BY IMPLIED MOTION: To refer HB 2599, with adopted -1 amendments and an emergency clause, to the House floor with a "do pass" recommendation.

VOTE: The motion carries 4-2.

AYE: Representatives Derfler, Watt, Repine and Mannix.

NAY: Representatives Dominy and Edmunson.

EXCUSED: Rep. Johnson.

CARRIER: Rep. Derfler.

212 REP. EDMUNSON: Gives notice of a possible minority report on HB 2599.

PUBLIC HEARING, HB 2240 (Exhibit E)

Witnesses: Sheryl Wilson, PERS

217 REP. MANNIX: Opens public hearing on HB 2240.

VICTORIA DOZLER: Summarizes the bill. There are two amendment proposals. The -1 amendments would cover all of the retired people before "blank" 1991. The other one would cover the spouse of the member who had retired and died prior to 1991.

237 SHERYL WILSON, Director, PERS: Refers to the 131 people currently in that status and are receiving this benefit.

-Encourages the committee's consideration of the -1 amendments.

-Refers to the revised fiscal note which reduces the cost considerably (Exhibit E).

266 Rep. Mannix and Ms. Wilson discuss the appropriate date to be filled in. They settle on May 1, 1991.

281 REP. DERFLER: This obviously has to have a subsequent referral. If the Ways and Means Committee doesn't act upon this bill, what would happen?

WILSON: We would need to seek advise whether we need to take away those benefits.

293 REP. MANNIX: Am I right that the local government folks are not objecting to this because of the limiting language of the amendments?

WILSON: They can respond to that.

WORK SESSION, HB 2240

301 REP. MANNIX: Opens work session on HB 2240.

302 MOTION: REP. DOMINY: Moves that the committee adopt the -1 amendments with the May 1, 1991 date.

The committee has no objections to the motion.

308 MOTION: REP. DOMINY: Moves that HB 2240, as amended, be referred to the Committee on Ways and Means with a "do pass" recommendation.

313 DOZLER: HB 2240 has a subsequent referral to the Committee on Ways and Means so we are not adding that referral.

322 CHAIR DERFLER: I suppose we are going to have to do this. It is really unfortunate. We have offered this benefit to a few people for a short time and all of the sudden we have to pull the rug under them. It should not have been offered to start with. This is a very expensive error.

330 VOTE: The motion carries 6-0.

EXCUSED: Rep. Johnson.

PUBLIC HEARING, HB 2527 (Exhibit F)

Witnesses:Leroy Churchill, Association of Engineering Employees Donald Brown Tom Greenwood

REP. MANNIX: Opens public hearing on HB 2527.

339 DOZLER: Summarizes the bill.

366 LEROY CHURCHILL, Association of Engineering Employees: He testifies in support of HB 252 7. He withdraws his earlier objection to the 8% interest.

-We would like to buy back four years military time.

395 REP. DERFLER: This would ask you to pay only the employee's portion.

CHURCHILL: I fully support employer/employee portions.

401 REP. MANNIX: I believe that is in the language of the amendment.

403 REP. DOMINY: What is the major difference between the amendment and the bill?

406 DOZLER: Outlines the changes: The time served in the armed forces is for active duty. The percentage of interest calculated would be 8% per annum. The time would be changed from 1955 to January 1, 1950. The contribution the employee made would be appropriately distributed to the employee and employer accounts. The contribution would be made in a lump sum.

436 REP. DOMINY: Is there any reason for an emergency clause?

CHURCHILL: That would be helpful.

446 CHAIR DERFLER: Why would you want to go from two years to four years?

CHURCHILL: Simply that they have served that amount of time and would like to buy it back.

TAPE 67, SIDE A

006 REP. WATT: How many people are we talking about here?

CHURCHILL: I have talked only to ten people.

013 SHERYL WILSON: We have no problems with the amendments. With regard to the emergency clause, it would compress the time that the individuals would have to take advantage of this. We need some lead time to get information out.

-With regard to four years versus two years, I am concerned about the impact on the trust.

040 DONALD BROWN, Teacher: Testifies in support of the bill (Exhibit F).

053 TOM GREENWOOD, Fire Fighter, City of Portland: Testifies in support of the bill. The two years is satisfactory to me.

WORK SESSION, HB 2527

068 REP. MANNIX: Opens work session on HB 2527.

069 MOTION: REP. REPINE: Moves that the committee adopt the -2 amendments to HB 2527.

The committee has no objections to the above motion.

072 MOTION: REP. REPINE: Moves that HB 2527, as amended, be referred to the

House floor with a "do pass" recommendation.

VOTE: The motion carries 6-0.

EXCUSED: Rep. Johnson.

CARRIER: Rep. Ron Cease and alternative carrier Rep. Repine.

PUBLIC HEARING, HB 2643

Witnesses: Joseph Thalhofner, Senior Judge. Bob Andrews, PERS

091 REP. MANNIX: Opens public hearing on HB 2643.

095 DOZLER: Summarizes the bill.

102 JOSEPH J. THALHOFER, Senior Judge: Testifies in support of HB 2643.

DOZLER: Describes the proposed amendments: The time served be changed to reflect the time served as a judge.

-The rate of interest be 8% instead of 7.5%.

-The computation for the buy back time be exclusive of any cost of living or ad hoc adjustments.

120 THALHOFER: I don't understand the last part.

DOZLER: The computation would be exclusive of cost of living adjustments.

THALHOFER: Needless to say that I am in favor of this bill since it affects me for 12 years.

148 REP. MANNIX: You are pointing out that regular PERS people have some provisions about buy back whereas the judges have none.

165 BOB ANDREWS, PERS: The change that we are suggesting on line 6 is to eliminate any possible conflicts.

-Fiscal impact would not change.

-We can administer this.

WORK SESSION, HB 2643

192 REP. MANNIX: Opens work session on HB 2643.

193 MOTION: REP. EDMUNSON: Moves that the committee adopts the -1 amendments to HB 2643.

The committee has no objections to the above motion.

196 MOTION: REP. EDMUNSON: Moves that HB 2643, as amended, be referred to the House floor with a "do pass" recommendation.

VOTE: The motion carries 4-0.

EXCUSED: Representatives Derfler, Watt and Johnson.

CARRIER: Representative Beverly Clarno and alternative Rep. Repine.

218 REP. MANNIX: Adjourns the meeting at 10:45 a.m.

Submitted by: Reviewed by:

Johanna Klarin Victoria Dozler Assistant Administrator

EXHIBIT LOG:

- A - Testimony on HB 2474 - Bobby Mink - 2 pages.
- B - Testimony on HB 2474 - Bobby Mink - 2 pages.
- C - Testimony on HB 2474 - Gary Stewart - 1 page.
- D - Testimony on HB 2474 - Dexter Henderson - 2 pages.
- E - Testimony on HB 2240 - Sheryl Wilson - 2 pages.
- F - Testimony on HB 2527 - Donald Brown - 1 page.