

HOUSE COMMITTEE LABOR

April 5, 1991 Hearing Room D 8:30 a.m. Tapes 89 - 91
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

VISITING MEMBER: Rep. Marie Bell STAFF PRESENT: Victoria Dozler,
Committee Administrator Johanna Klarin, Committee Assistant Holly
Blanchard, Transcriber MEASURES CONSIDERED: SAIF- Annual Report SB -
99 Public Hearing HB - 2849 Public Hearing HB - 3113 Public Hearing
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.

TAPE 89, SIDE A

003 CHAIR DERFLER: Opens the meeting at 8:30 a.m. as a subcommittee.
SAIF - ANNUAL REPORT 011 STANTON LONG, PRESIDENT, SAIF CORPORATION
(EXHIBITS A & B): Presents the SAIF Annual Report to the committee.

-SAIF's financial situation improved from 1989 to 1990.

-These financial statements are estimates of unknown future quantities
that include future liabilities and income.

-Provides historical background with regard to SAIF's financial
situation.

-Since 1989 there have been fewer claims.

-These estimates indicate that SAIF s financial situation is improving.

-We are in a better financial situation than ever before. .

-We have made adequate provisions for future liabilities. 133 CHAIR
DERFLER: How does SAIF arrive at that?

LONG: By following the guidance provided in statutes-as part of the
state, our method is specified.

-Discusses the issue of discounting. Higher reserves mean higher premium
rates. -We moved our discounting rates up to reflect current existing
conditions in the economy which have not been changed since. -Describes
how SAIP develops its loss reserve figures and estimate of future
liabilities.

-Refers to Exhibit A, page 3, actuarial study by James Berquist.

PUBLIC HEARING, SB 99 237 CHAIR DERFLER: Opens public hearing on SB 99.
VICTORIA DOZLER, COMMITTEE ADMINISTRATOR (EXHIBIT C): Describes SB 99
and refers to the proposed amendments.

259 CHUCK YOUNG, DIRECTOR, COMMISSION FOR THE BLIND: Testifies in
support of SB 99. It allows us to participate in the program.

CHAIR DERFLER: How many people would benefft? YOUNG: Potentially about

75 people but probably closer to 30 people.

CHAIR DERFLER: Do these people have more than average medical problems?

YOUNG: That has never been proven or determined. That perception exists but cannot be documented in evidence. 290 CAROLYN SMITH, EXECUTIVE DEPARTMENT: Our concern is that only those people who need this coverage are going to take it and hence impact the system.

300 DOZLER: Thought from previous testimony, part of the rationale for this was to encourage people to work?

305 YOUNG: This would provide an incentive for independent' self-owned business people to be able to participate in a group insurance policy. This will make it more attractive for these individuals to go to work and leave the benefits of social security disability insurance.

324 REP. JOHNSON: Are we talking only about a health insurance plan?
325 SMITH: Yes, that's right. 326 REP. JOHNSON: Don't people buy health insurance plans in case they might get siclc? 327 SMITH: That's true to an extent but our documentation on self-paid groups indicates those people already have other coverage but buy into our plan to supplement their medical coverage. They are buying additional coverage because they have more medical problems and need beyond what they already have. 335 REP. JOHNSON: This is not cost-effective to add another group. Are these private businesses ' and not government entities? 350 YOUNG: No. The language will ensure that no other group of blind individuals could be construed as being considered for this. Refers to language, "having been established by the Commission for the Blind". 365 REP. JOHNSON: What does "established by the Blind Commission" mean? 370 YOUNG: We finance the organization. 375 REP. JOHNSON: Then is getting financing through your Commission the key to participating in this? 380 YOUNG: I have never considered that. 385 REP. JOHNSON: This could open the door to a lot of new groups wanting to participate in this program. 395 YOUNG: The groups are already established and defined by statute. TAPE 90, SIDE A

WORK SESSION, SB 99

011 MOTION: REP. DOMINY moves to adopt the proposed amendments to SB 99. There being no objection, the amendments are adopted.

020 MOTION: REP. DOMINY moves SB 99, as amended, to the House floor with a "do pass" recommendation. VOTE: The motion carries 6 0. EXCUSED: Rep. Repine CARRIER: Rep. Dominy PUBLIC HEARING - HB 2849 057 LIBBY HENRY, EUGENE WATER AND ELECTRIC BOARD (EWEB) (EXHIBIT D): Testifies in support of HB 2849.

060 BETH ELDRIDGE, HUMAN RESOURCES MANAGER, EWEB: Testifies in favor of HB 284 9 which allows another work schedule option for Oregon employees not members of unions.

087 STEPHEN WEST, CROSS CONNECTION INSPECTOR, EWEB: Testifies in favor of HB 2849 introduced at the request of EWEB employees. The bill would allow us to work 9hour days and have a half day off each week or a full day off every other week. Notes 9hour days are being used at other utility groups in Oregon. Employees say these schedules enhance their quality of life and provide a variety of personal benefits. The 10-hour day option could be a safety problem for some employees and is less desirable.

135 REP. DOMINY: Please give an example where unions have negotiated these kinds of hoursover 40 hours in a seven-day work period?

156 ELDRIDGE: Public employees use this schedule. The City of Portland's Water Bureau, the Keizer Water District, Wolf Creek and the U.S. Forest Service use this schedule.

158 REP. DOMINY: If an employee took a week's vacation which happened to be the first week, would he have to make up four hours on Friday, or be docked four hours from his next week's pay?

161 ELDRIDGE: When vacation or a holiday occurs during the week, the employees have four options to manage their schedules. Explains the available options.

188 REP. DOMINY: Have concerns about flexibility in negotiating employee work schedules. 192 ELDRIDGE: An amendment will be introduced to ease your concerns. The 4/10's are at the request of the employees and their work schedules are designed by them.

207 REP. EDMUNSON: This bill deals with a new concept of a work month. Talks about the Friday carry-over as comp time.

263 WEST: We are defining this as a 40-hour work week. 278 EDMUNSON: That's a legal fiction. Ending the week on Friday at noon doesn't mean that Monday then begins on Friday afternoon. It's still Friday.

285 ELDRIDGE: We don't have the option to offer comp time in lieu of overtime. 292 EDMUNSON: Maybe that should be offered to accommodate the policy of a 40-hour work week and the needs of the workers. 302 REP. WATT: Could we broaden this out a bit so we don't have to go into the specifics? 350 HENRY: My delegates are concerned about broadening this bill. This would concern only four municipal utilities. I don't know if flex time is a real option for us. . 359 REP. MANNIX: The issue is whether EWEB is willing to pay overtime pay for employees who worlc more than 40 hours per week. Why can't you facilitate a flexible 40-hour work weelc?

395 ELDRIDGE: The way the law currently defines a work week makes it possible for an employee to redefine his work week.

417 REP. MANNIX: Then an employer could have 10 different work weeks to juggle, if the employees request it? 424 ELDRIDGE: That situation exists now because we need to keep operations going 24 hours a day, seven days a week. We try to keep overtime costs to a minimum.

TAPE 89, SIDE B 007 REP. JOHNSON: From the employer's viewpoint, wouldn't it be easier to have employees use a four or five day work week? 034 HENRY: Offers a suggestion from the Bureau of Labor concerning language that would go into the "exceptions" section of ORS 279.342 and add a new subsection (7). The utility would have some discretion in scheduling people but only if the employees ask for it. This would only occur for the four municipal utilities. 048 REP. JOHNSON: If this is a good idea it shouldn't be limited to a specific group of people but rather to other situations as well. Suggests the language to read 40 hours in any one seven consecutive day period, or 40 hours in any one 168 consecutive hour period.

063 HENRY: Would that come down to flex time? 065 REP. JOHNSON: This

would allow flexibility of hours as long as they don't exceed 40 hours in one 168 consecutive hour period. 078 HENRY: We limited the bill so it would be more passable.

085 CHAIR DERFLER: Concerned that people who aren't in unions don't usually have the ability to negotiate these types of inclusions. 096 REP. DOMINY: Don't have a problem with the seven-day period work week, however, do have a problem with splitting the week at noon. That's splitting hairs and playing a game. How about four 9's and a 4 in a seven-day work period? 112 HENRY: We have variable schedules and this is not feasible to all our employees. 120 REP. DOMINY: Agree with flex time but this goes beyond it because it would be over 40 hours in a week. 135 REPRESENTATIVE MARIE BELL, DISTRICT 41: Testifies in support of HB 2849. This is good for families. This is a social issue that concerns the parents and the children. Let's not let this become a bargaining issue or a union issue. -Parents need to participate in the school system. This would impact the quality of the school system.

-Describes personal experience with a child with a learning disability.
-Flexibility helps parents, family, children and schools.

214 REP. MANNIX: The problem is the bill's proponents are turning it into a collective bargaining issue. This is a pure and simple flex time bill.

240 BELL: We need to separate this from the bargaining issues, and keep this an employee/employer agreement. 244 HENRY: We would like to look at the comp time issue and return to the committee with some language.

260 MARIA KELTNER, ASSOCIATION OF OREGON COUNTIES AND LEAGUE OF OREGON CITIES: We would support anything that would allow employees and employers in these categories to come together and make agreements for a more flexible work schedule. 273 REP. DOMINY: Do you get requests for flex time that is more than 10-hour days and 40-hour work weeks? 290 KELTNER: They are requests for hours other than 4 1/2's or 5/8's. Examples have all dealt with less hours on one day and more hours on another day-however, there are many combinations. 302 IRV FLETCHER, PRESIDENT, AFL-CIO (EXHIBIT E:): Testifies in opposition to HB 2849. Has a problem with anything in excess of 40 hours per week that does not carry a premium. 323 CHAIR DERFLER: If your employees would want this kind of arrangement would you negotiate this? FLETCHER: Yes. But I haven't seen that evidence from testimony given. 352 REP. JOHNSON: Refers to EXHIBIT E. HB 2849 would change the overtime law to work one 44-hour week and one 36-hour week. 407 FLETCHER: Think HB 2849 passed with this amendment would repeal the current overtime law. TAPE 90, SIDE B

008 MARY BOTKIN, AFSCME: We do a lot of bargaining for flexible hours. However, in most of our contracts, when an employee exceeds the 40-hour work week, the employee doesn't receive a cash reimbursement. Instead, the employee receives comp time calculated at time and a half. That way the employer gets something and the employee gets something.

028 CHAIR DERFLER: Thought the testimony was to accommodate the employees? 030 BOTKIN: That may be, but I'm clarifying some confusion about what our contracts call for and how employees are treated under them and what they get.

035 CHAIR DERFLER: Think employers want an 8-hour day, 40 hour week but this would accommodate the employees with a program they'd like to

have. 040 BOTKIN: I agree with Rep. Bell about the societal change with parents working. We have never negotiated anything over 40 hours a week without time and a half compensation.

065 CHAIR DERFLER: Would you negotiate it if the employees wanted it so?

069 BOTKIN: If we had a majority of our membership for this, we would be obligated to bargainit's their contract. We enforce the contract and the employees live by it. 079 REP. DOMINY: Level playing fields with unions would mean compensating with comp time? 082 BOTKIN: Yes. The real issue is comp time which gives the employer and the employee the flexibility of satisfying the requirements of the law and not bankrupting our employers.

089 CHAIR DERFLER: What is the benefit for the employers?

091 BOTKIN: They get a more productive employee work force because issues facing working families have been addressed.

108 FLETCHER: For the record, the president of the Lane County Labor Council is also opposed to HB 2849.

119 CHAIR DERFLER: Closes public hearing and opens work session on SB 99. WORK SESSION - REOPENED - SB 99

121 REP. JOHNSON: Asks for unanimous consent to allow Representative Repine to vote. 122 VOTE: Representative Repine votes "Aye" in favor of SB 99.

123 PUBLIC HEARING. HB 3113 128 REPRESENTATIVE KEVIN MANNIX, DISTRICT 32 (EXHIBIT F): Testifies in support of HB 3113 which is simply a flex time measure. This bill does not do away with the comp time provisions in the law. Notes HB 3113, which relates to private employment, would limit the number of hours in one day an employee can work to 12 hours. Employees who work over 40 hours in one week would receive overtime at not less than one and one-half times the regular rate - of pay. This bill says flex time is O.K. but it leaves overtime and comp time alone. 182 MARILYN COFFEL, BUREAU OF LABOR & INDUSTRIES: Describes the current governing statutes concerning hours of work limitations. HB 3113 would allow flex time in the private sector.

204 REP. DOMINY: Would this affect any negotiated contracts? 218 COFFEL: There are situations where negotiated agreements override.

231 IRV FLETCHER, AFL-CIO (EXHIBIT G): Testifies in opposition to HB 3113. I have not been able to consider Representative Mannix's proposed amendments which could alter our position on the bill. Concerned about a 12-hour work day which could be hazardous for some occupations.

256 COFFEL: Currently, there is no legal limit to the number of hours an employee can work in one day. There is a 13-hour per day limitation in the manufacturing industry and other specific industries. 284REP. MANNIX: This would put a limitation in the law that is not there.

297 REP. JOHNSON: How is "one week" defined in the dash 1 amendments? 317 COFFEL: It is defined by a seven-day period but don't have the statutory language with me. 320 REP. JOHNSON: Is it O.K. for an employer, such as EWEB, to start a work week at noon on Friday?

324 COFFEL: Think it's at the employer's discretion as to when a work week begins. 329CHAIR DERFLER: Recesses the meeting at 10: 20 a.m.

333 PAUL TIFFANY, WAGE AND HOUR DIVISION, BUREAU OF LABOR & INDUSTRIES:
A work week, in federal and state rules, is defined as seven
consecutive days established by an employer. Once defined it cannot be
changed except for legitimate reasons such as an accounting need or
change of a fiscal year.

349 CHAIR DERFLER: Could they start the work week at noon on Friday?
370 TIFFANY: Yes.

WORK SESSION. HB 311 3

MOTION: REP. MANNIX moves to modify the dash 1 amendments as follows:
Delete lines 5 through 24 instead of lines 4 through 24.

There being no objection, it is so moved. MOTION: REP. MANNIX moves to
adopt- the dash 1 amendments as modified.

TAPE 91, SIDE A 005 TIFFANY: Interprets HB 3113-1, Section 2 (1) to
be that an employee could agree to work any number of hours, up to 12,
in any day so long as the hours would not exceed 40 in one work week.

MOTION: REP. MANNIX moves to change the dash 1 amendments to include the
phrase after "work" on line 5, "on a flexible time schedule of". .

060 REP. JOHNSON: Need to define what a .flex time. schedule is.
Concerned that the hours between 8-12 will be overtime hours.

078 TIFFANY: The eight-hour provision in ORS 653.261 was created to
set a maximum work day not to be less than eight hours. 086 REP.

JOHNSON: What is the existing law as to the requirements for overtime
pay? Thought it was 8 hours/40-hour work week. 093 TIFFANY:

Generally, for federal and state existing law, there is no daily
requirement in the private sector. Describes the groups with specific
limitations. 110 REP. MANNIX: There are a lot of misconceptions about
having to pay overtime after eight hours. Reads a package of amendments.

MOTION: REP. MANNIX modifies the motion to say after "work" on line 5,
insert "on a flexible time schedule of", and on line 6, after the second
word "day" insert ., without the application of overtime or compensatory
time requirements." On line 7, after the word "paid" insert "or
compensatory time shall be provided". On line 8, after the word

"overtime insert "or compensatory time", and on line 10, after the word
"pay" insert "or compensatory time". Insert the definition: "A flexible
time schedule is a schedule of work which differs from the traditional
eight hours per day, five days per week." 143 REP. DOMINY: Is there
currently language in the law that allows comp time beyond 40 hours?

153 TIFFANY: Comp time is usually available in the public sector
only. 161 REP. MANNIX: Maybe we should insert language about

compensatory time for the sake of consistency? 164 TIFFANY: We need
to clearly indicate that it is applicable only in cases where it's
legal. 167 REP. MANNIX: Why not leave comp time out of the bill and

say, "without the application of overtime requirements"? Will change the
proposed amendments to use this phrase and take out references to
compensatory time. The only changes will be: Line 5 insert, "on a
flexible time overtime requirements" and add to the bill the definition,
"A flexible time schedule is a schedule of work which differs from the
traditional eight hours per day, five days per week". 185 REP. DOMINY:
Want to see the final version before we vote on this.

196 DOZLER: We have not received a fiscal impact analysis on this. 208
REP. JOHNSON: Suggests a change to the amendments. On line 6, delete the
", " after the second word "day".

There being no objection to the amendments, they are adopted.

225 The committee discusses HB 2876. 281 CHAIR DERFLER: Adjourns
the meeting at 11:05 a.m.

Submitted by,

Revised by,

Holly Blanchard
Committee Administrator

Victoria Dozler Transcriber

EXHIBIT LOG: A - Statement of Actuarial Opinion Re SAIF Corporation,
Stanton Long, SAIF Corporation, 3 pages B - Statement of Assets and
Liabilities, Stanton Long, SAIF Corporation, 11 pages C - Proposed
Amendments, SB 99-1, dated 3/25/91, Committee Staff, 1 page D - Written
testimony, Libby Henry, EWEB, HB 2849, 4 pages E - Written testimony, Irv
Fletcher, Oregon AFL CIO, HB 2849, 1 page F - Proposed Amendments, HB
3113-1, dated 4/14/91, Committee Staff, 1 page G - Written testimony, Irv
Fletcher, Oregon AFL-CIO, HB 3113, 1 page