

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

May 17, 1991Hearing Room D 8:30 a.m.Tapes 138 - 139

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

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

MEASURES CONSIDERED: HB 2846 - Work Session HB 3574 - Work Session HB 3096 - Work Session HB 2807 - Work Session HB 3322 - Work Session HB 3548 - Work Session HB 2252 - Work Session

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TAPE 138, SIDE A

006 CHAIR DERFLER: Opens the hearing at 8:30 a.m.

WORK SESSION, HB 2856 (Exhibit A and B)

Witnesses: Jack Kalinoski, Associated General Contractors

CHAIR DERFLER: Opens work session on HB 2856.

DOZLER: Describes the proposed -2 amendments, Exhibit A.

050 JACK KALINOSKI, Associated General Contractors: Discusses the hand printed, proposed amendments from the Superintendent of Public Instruction and the Department of Transportation, Exhibit B.

069 CHAIR DERFLER: In light of the need for construction workers' training programs, would it be a problem if we would insert 20 cents instead of 15?

KALINOSKI: No I don't think so, because the fringe benefits range between four to five dollars an hour.

077 REP. MANNIX: I gather that the people who are footing the bill are willing to pay the bill.

KALINOSKI: Yes.

MOTION: REP. MANNIX: Moves to adopt the -2 amendments to HB 2856.

-There being no objections, the amendments are adopted.

MOTION: REP. MANNIX: Moves the hand engrossed changes (Exhibit A) adding to line 7 and after line 17.

-The committee has no objections to the above motion.

092 MOTION: REP. EDMUNSON: Moves to amend the bill the provide for 20 cents per hour.

097 REP. JOHNSON: I need assurance that this applies to the subcontractors also and that they be required to pay this.

KALINOSKI: I feel confident about this.

-Chair Derfler, Rep. Johnson and Mr. Kalinoski discuss the payment mechanics of the proposed 15 or 20 cents per hour.

160 REP. MANNIX: Right now the money under the federal Davis Bacon Act has to be paid either to the worker as a fringe benefit or it could be paid into a training trust fund, so they have to pay the money out. This bill says that there will be a training trust fund to definitely put the money into.

171 REP. DOMINY: Refers to line 7 of the -2 amendments. Wouldn't it be more appropriate to have the fund approved by Bureau of Labor and Industries instead of the Superintendent of Public Instruction?

KALINOSKI: The money is anticipated to be used for financing vocational education costs in high schools and community colleges. The division of vocational education is located with the Superintendent of Public Instruction. Either way is fine with me, I just want some elected official to be overseeing the trust and making sure that the trust is functioning properly.

-The committee has no objections to Rep. Edmunson's motion.

212 MOTION: REP. DOMINY: Moves to delete "Superintendent of Public Instruction" and insert "Commissioner of the Bureau of Labor and Industry."

239 REP. EDMUNSON: Discusses the role of the Superintendent of Public Instruction with regard this bill.

KALINOSKI: I don't believe that the Superintendent of Public Instruction gets involved in apprenticeship programs at all. They do get involved with the vocational education programs.

256 REP. WATT: Are we trying to establish apprenticeship programs that are funded to non- labor union individuals?

KALINOSKI: We are trying to establish a fund to raise enough money to train people to be construction industry workers.

-Rep. Watt and Mr. Kalinoski discuss the trust fund and BOLI's role in administering it.

313 REP. MANNIX: Are there other trust funds out there right now?

KALINOSKI: Yes, they are craft-specific trust fund.

REP. MANNIX: What government entity supervises those?

KALINOSKI: The funding for the apprenticeship programs is generally handled through the Bureau of Labor and Industry.

-The committee has no objections to Rep. Dominy's motion.

330 MOTION: REP. JOHNSON: Moves to add the following language at the end of line 7 on the -2 amendments: "Such 20 cent payments shall be fringe

benefits as described in ORS 279.348."

REP. JOHNSON: The amendment clarifies that the employer has to pay the 20 cents in addition to the prevailing wage.

-The committee has no objections to the above motion.

371 MOTION: REP. MANNIX: Moves HB 2856, as amended, to the House floor with

a "do pass" recommendation.

VOTE: The motion carries 5-2.

EXCUSED: Rep. Edmunson and Repine. [Rep. Edmunson will vote AYE later during the hearing.]

CARRIER: Rep. Johnson

WORK SESSION, HB 3574 (Exhibit C)

CHAIR DERFLER: Opens work session on HB 3574.

401 DOZLER: Describes the bill and the proposed amendments, Exhibit C.

MOTION: REP. MANNIX: Moves to adopt the -1 amendments as modified by the Committee Counsel.

-There being no objections, the amendments are adopted.

427 MOTION: REP. MANNIX: Moves HB 3574, as amended, to the House floor with a "do pass" recommendation.

VOTE: The motion carries 5-2.

EXCUSED: Rep. Edmunson and Repine. [Rep. Edmunson will vote AYE later during the meeting.]

CARRIER: Rep. Watt.

TAPE 139, SIDE A

WORK SESSION, HB 3096 (Exhibit D)

Witnesses: Gary Weeks, Department of Insurance and Finance Joil Southwell, Vocational Rehabilitation Division

CHAIR DERFLER: Opens work session on HB 3096.

015 DOZLER: The proposed amendments would replace the original bill. She outlines the effects of the -1 amendments (Exhibit D).

MOTION: REP. MANNIX: Moves to adopt the -1 amendments.

-There being no objections, the amendments are adopted.

030 GARY WEEKS, Director, Department of Insurance and Finance: Introduces Joil Southwell, Administrator, Vocational Rehabilitation Division.

WEEKS: Discusses the proposed pilot program for the 1991-1993 biennium. The fund would be dedicated specifically to Oregon workers who were injured while employed by an Oregon employer and have injuries of permanent nature preventing them from returning to regular employment. We have a very carefully constructed interagency agreement.

075 REP. MANNIX: Do you have a problem if we add a phrase on page 2 of the -1 amendments where we say "services provided under this section" the phrase "and to insure that there is no duplication of vocational services provided to injured workers."

WEEKS: We don't have a problem with that.

SOUTHWELL: That has been taken into consideration when the amendments were drafted jointly by both of our staffs.

REP. MANNIX: Revised his suggestion to read.. "that there is no inappropriate duplication."

SOUTHWELL: As a part of a rehabilitation process we do investigate the prior resources for those persons coming in so that we utilize all resources to avoid duplication.

MOTION: REP. MANNIX: Moves to amend the -1 amendments by adding the following language on page 2, line 1: ..."and to insure that no inappropriate duplication of vocational services provided to injured workers."

-The committee has no objections to the above motion.

108 MOTION: REP. MANNIX: Moves HB 3096, as amended, to the Committee on Ways and Means with a "do pass" recommendation.

VOTE: The motion carries 5-2.

EXCUSED: Rep. Edmunson and Repine. [Rep. Edmunson will vote AYE later during the meeting.]

WORK SESSION, HB 2807 (Exhibit E)

CHAIR DERFLER: Opens work session on HB 2807.

135 DOZLER: Describes the proposed -1 amendments (Exhibit C).

150 MOTION: REP. DOMINY: Moves to adopt the hand engrossed -1 amendments.

-There being no objections, the amendments are adopted.

MOTION: REP. DOMINY: Moves to remove the referral to the Committee on Ways

and Means.

-The committee has no objections to the above motion.

REP. DOMINY: It is important that we at least get into the statutes that it is the state's policy to work towards apprenticeship programs. This would move us into that direction.

MOTION: REP. DOMINY: Moves to refer HB 2807, as amended, to the House floor with a "do pass" recommendation and remove the subsequent referral to the Committee on Ways and Means.

VOTE: The motion carries 5-2.

EXCUSED: Rep. Edmunson and Repine [Rep. Edmunson will vote AYE later during the meeting].

CARRIER: Rep. Dominy

WORK SESSION, HB 3322 (Exhibit F)

Witnesses: Art James, Executive Department Tim Josi, State Representative, District

CHAIR DERFLER: Opens work session on HB 3322.

DOZLER: Describes the 3322 -1 amendments which would limit a dislocated timber worker to no more than 10 civil service reference points, Exhibit F. The estimated \$20,000 fiscal impact would require a referral to the Committee on Ways and Means.

REP. DOMINY: How come there is such an increase in the fiscal impact statement compared to the \$5,000 in April.

204 ART JAMES, Executive Department: There are two different fiscal impact statements 1) from the Employment Division and 2) from the Executive Department. The \$5,000 figure is the cost that the Employment Division estimates for certifying those individuals and the \$20,000 is the revamp of the state personnel system to accomplish the points.

REP. MANNIX: Aren't we sending a false message to the displaced timber workers?

JAMES: The realities during the next two to five years is that there are not going to be a great deal of state jobs open for recruitment.

212 TIM JOSI, State Representative, District 3: Presents background information as to how this idea was spawned. Discusses discrimination against timber workers.

245 REP. MANNIX: How about displaced electronics industry workers and

other displaced worker groups? I get nervous when we start talking about preference points on civil service exams.

REP. JOSI: We have the major business in Oregon in trouble because of environmental constraints.

REP. MANNIX: Suggests a two-year sunset.

REP. JOSI: That would be very appropriate.

273 REP. DOMINY: How about just having a system of preferential hiring and do away with the point system? Would that meet the goals we are after?

REP. JOSI: There should be a mechanism in place.

REP. DOMINY: We could have a preferential hiring system by rule and hence there would not be a cost involved.

298 ART JAMES: Discusses current preferences for civil service employment which do not necessarily have a point system associated to them.

REP. DOMINY: Are you saying that there is a way to do this through the department without having a cost involved.

JAMES: Somebody would have to certify these people as being defined as disabled timber workers. There would still have to be a cost.

350 REP. JOHNSON: Prefers a 5 point preference in the civil service exam. I pay gladly \$30,000 to get a couple of displaced timber workers a job they would no otherwise get.

REP. WATT: We would minimize the role of the veterans by starting to give out preference points to dislocated timber workers. Could we do this another way?

378 REP. JOSI: If we place a sunset, we don't place them in the same category with the veterans.

417 MOTION: REP. MANNIX: Moves to amend the bill by changing the preference time from 15 to 2 years and by adding a sunset clause as of July 1, 1993.

-The committee has no objections to the above motion.

434 DOZLER: Reiterates the -1 amendments.

TAPE 138, SIDE B

012 MOTION: REP. MANNIX: Moves to adopt the -1 amendments to HB 3322.

-There being no objections, the amendments are adopted.

MOTION: REP. MANNIX: Moves to add a referral to the Committee on Ways and Means.

REP. JOHNSON: Strongly opposes the motion.

VOTE: The motion carries 4-2.

AYE: Rep. Mannix, Repine, Watt and Derfler.

NAY: Rep. Dominy and Johnson.

EXCUSED: Rep. Edmunson.

036 MOTION: REP. DOMINY: Moves to refer HB 3322, as amended, to the Committee on Ways and Means with a "do pass" recommendation.

VOTE: The motion carries 7-0.

WORK SESSION, HB 3548

Witnesses:Rick Levine, Office of Community College Services Steve Minnich, Adult and Family Services Ted Hughes, representing Bill Early

081 DOZLER: Describes the bill and the conceptual amendments concerning the usage of the JTPA funds.

REP. WATT: Discusses a letter of opposition from the Oregon Community Colleges Association with Mr. Rick Levine.

124 STEVE MINNICH, Adult and Family Services: Discusses the figures on the letter. Those figures are the entitlement figures that are available to any persons who are participating in a welfare program, whether it is America Works or our program. Day care is available to anyone who is in America Works program or in our program.

REP. WATT: Based on that letter, is there opposition to this bill from the Community Colleges Association?

LEVINE: Yes.

167 TED HUGHES: I am going to provide you with some figures from our point if these misrepresentations continue.

REP. MANNIX: I am willing to give you a chance to see if this works.

MOTION: REP. MANNIX: Moves to amend line 6 on the bill to delete "the Job Training Partnership Act" and on page 2, delete lines 7,8 and 9.

REP. MANNIX: This would result that the bill does not link up with the federal Job Training Partnership Act funds.

-The committee has no objections to the above changes.

236 REP. DOMINY: Discusses his opposition to this bill. We cannot assure that the private sector is always better. We have a system that works in Oregon, probably the best in U.S. This does not indicate that these people will get anything better. The participants will lose training. People from my district will not be served.

273 MOTION: REP. MANNIX: Moves HB 3548, as amended, to the Committee on Ways and Means with a "do pass" recommendation.

VOTE: The motion carries 5-2.

AYE: Rep. Johnson, Mannix, Repine, Watt and Derfler.

NAY: Rep. Dominy and Edmunson.

289 MOTION: REP. WATT: Moves to suspend the rules that absent members can vote on the bills hear previously.

-The committee has no objections to the above motion.

295 REP. EDMUNSON: Votes AYE on the following bills: HB 2856, HB 3574, HB 309 6 and HB 2807.

325 CHAIR DERFLER: Recesses the meeting.

WORK SESSION, HB 2252 (Exhibit G)

Witnesses:Pamela Mattson, Employment Division

330 DOZLER: Describes the bill and the proposed -6 amendments, Exhibit G.

343 PAMELA MATTSON, Administrator, Employment Division: Discusses the blank on line 12, page 3 of the -6 amendment. If the committee is comfortable with leaving the blank to be filled by the committee on Ways and Means that would be a nice way to approach.

CHAIR DERFLER: We want very strict measurements as to how this money is going to be spent. We want it to be used as a last resort.

MATTSON: I believe these amendments reflect the way the committee would like the administration of this fund to be handled.

408 REP. JOHNSON: Suggests that the committee fill the blank on page 3 of the amendments.

TAPE 139,SIDE B

010 REP. REPINE: The fund should conceptually be changed from \$12 million to \$8.5 million, on top of the \$22 million.

020 DOZLER: It is my understanding that you would like to adopt the original bill which contains within it the funding that would allow \$3.5 million to go to AFS and also allow the Employment Division backfill that in their budget. The original bill does not contain the \$7.5 million JOBS component that has been discussed at earlier hearings. The new amendments would reflect the committee's decision to leave the \$3.5 million within the Employment Division yet take the \$3.5 million out of what was originally proposed to be the \$12 million dislocated worker training benefit fund. That would leave \$8.5 million in the dislocated worker benefit fund.

035 MOTION: REP. REPINE: Moves the above explanation by the committee counsel; the adoption of the -6 amendments.

041 REP. JOHNSON: Where is the \$12 million that we are changing?

REP. REPINE: In the -6 amendments.

DOZLER: Explains the tax rate schedules which generate that amount of money.

056 CHAIR DERFLER: Explains the diversion with regard to the tax rate.



MATTSON: Explains the full diversion package and where the funds would be directed:

-\$18 million base restoration. -\$3.5 million for enhancement package for the Employment Division. -\$8.5 million diversion providing fund from which additional unemployment benefits could be provided for those dislocated workers who met the qualifications in the spirit of the -6 amendments.

111 DOZLER: Explains the amendments further.

REP. MANNIX: Describes the discussions that have lead to this compromise.

REP. JOHNSON: I was not party to those discussions.

VOTE: The motion carries 4-3.

AYE: Rep. Dominy, Edmunson, Mannix and Repine.

NAY: Rep. Johnson, Watt and Derfler.

180 MOTION: REP. REPINE: Moves HB 2252, as amended, to the Committee on Ways and Means with a "do pass" recommendation.

VOTE: The motion carries 6-1.

NAY: Rep. Johnson.

CARRIER: Rep. Repine

182 CHAIR DERFLER: Adjourns the meeting at 10:30 a.m.

Submitted by:      Reviewed by:

Johanna Klarin      Victoria Dozler Assistant      Administrator

EXHIBIT LOG:

- A      -      Amendments to HB 2856 - Committee Staff - 1 page.
- B      -      Amendments to HB 2856 - Jack Kalinoski - 1 page.
- C      -      Amendments to HB 3574 - Committee Staff - 2 pages.
- D      -      Amendments to HB 3096 - Committee Staff - 2 pages.
- E      -      Amendments to HB 2807 - Committee Staff - 1 page.
- F      -      Amendments to HB 3322 - Committee Staff - 1 page.
- G      -      Amendments to HB 2252 - Committee Staff - 3 pages.