

Senate Government Operations May 8, 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.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

May 8, 1991Hearing Room "B" 3:00 p.m. Tapes 85 - 86

MEMBERS PRESENT:Sen. Glenn Otto, Chair Sen. Jane Cease, Vice-Chair  
Sen. Jim Bunn Sen. Ron Grensky Sen. Tricia Smith Sen. Dick Springer

MEMBERS EXCUSED:Sen. John Kitzhaber

STAFF PRESENT: Gail Ryder, Senior Committee Administrator Joan Green, Committee Assistant Julie Muñiz, Committee Assistant

MEASURES CONSIDERED: SB 858 - Relating to certain elected state officials' salaries; declaring an emergency, Public Hearing/Work Session SB 1151 - Relating to legislative officials, Work Session SB 1018 - Relating to electrician licensing; declaring an emergency, Work Session SB 307 - Relating to counties, Work Session

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TAPE 85, SIDE A

007 CHAIR OTTO: Called the meeting to order at 3:15 p.m.

PUBLIC HEARING

SB 858 RELATING TO CERTAIN ELECTED STATE OFFICIALS' SALARIES; DECLARING AN EMERGENCY

Witnesses:Grattan Kerans, Oregon State Senator, District 20

008 GRATTAN KERANS, OREGON STATE SENATOR, DISTRICT 20: SB 858 is an attempt to crystalize the thinking of people throughout the state regarding what the legislature is doing in reaction to Ballot Measure 5. It calls for a symbolic contribution from all of the people listed in the bill, but has substance. Talks about the \$2.9 billion dollars for biennium of 95- 97 to continue the services of state government. It's an incomprehensible figure to people we represent unless they are directly impacted by a program or service. Every legislator in the building that doesn't understands the consequences of not finding replacement revenue. Somebody said this bill reminded them of old saw about a ham and egg breakfast, in that the hen was involved, but the pig was committed. SB 858 says we will be committed and make a sacrifice in terms people at home understand. The suggestion was made to take it out of legislator's pay. My solution to that is to take it out of the highest paid state officials, as well as the elected officials. This is a bi-partisan approach with everyone being committed to finding a solution. I heartily recommend the bill and hope action will be taken on it soon.

072 OTTO: Requests Sen. Kerans review the bill.

074 KERANS: Reviews the bill, section by section. Feels the emergency clause is necessitated by the circumstances.

091 GRENSKY: I'm still not sure what your objective is. Could you please clarify?

097 KERANS: The \$300,000+ is substantial, but beyond that it is a symbolic issue. Understanding that perception is reality in politics, our constituents are not going to believe we are serious unless they perceive we are.

118 GRENSKY: Do you think these people are currently overpaid?

120 KERANS: No.

121 GRENSKY: Why not do symboliSmand substance and ask state employees to take a pay cut as well? Why not go further and show the people we are serious about doing something, and not just a symbolism, that won't accomplish anything in real dollars?

125 KERANS: We are doing a lot of substantial work in furloughing people that aren't going to be working after June 30, 1991. I'm making a substantial and symbolic gesture about those people who are identified in the public mind with that responsibility. Public employees don't have that responsibility to carry out the duties of their department. We are budgeting on the assumption that we will hire as many public employees with the resources available. I think you pay reasonable a salary to those you hire and discharge public servants who don't have the

responsibility for coming up with replacement revenue.

150 GRENSKY: I don't understand the distinction between someone who's elected and someone that's employed by the State of Oregon. We both get our paycheck out of the General Fund, the taxpayers pay all of our salaries. One of the options that's open to us is not only giving pink slips to employees but also reducing their salaries. Why is it ok for us to take a 10% pay cut because we were elected? Why stop short there and how will Oregonians appreciate the distinction if there is one?

163 KERANS: There is a distinction. In the recession that began in the early 80s, public employees accepted a temporary paycut. We have a law that says in 5 years state budgets will be reduced by 45%. I don't think, given that the bulk of our resources go to salaries and resource programs, that we can say to state employees your going take a pay cut in order to finance Ballot Measure 5. Those are completely different things.

181 GRENSKY: Why not? The people of the state passed Ballot Measure 5, not us. Why can't they experience this just as much as those who were elected?

184 KERANS: I think we had a lot to do with Ballot Measure 5; it's a judgement on the elected officials of this state as a slap in the face, a failure to respond to the cry for property tax relief. State workers don't have the ability to make the difference in the question, we do. Our job now is to pay state employees a responsible wage and pay that to the few employees we can afford to hire. I don't think we can get people to work for 50% or 60% less than what they are getting now, plus the ravages of inflation during that time. That's not really a source of income at this time. Presently we have mechanisms that will decrease state budgets by 45- 50%. There's not enough to do it out of public employees salaries, we can only do it by shrinking services. We're going to get the outcome if we don't get replacement revenue. Public employees will have been shrunk by 30-40%. That's how you're going to get that saving.

219 OTTO: Most public employees are covered by collective bargaining agreements.

222 KERANS: They signed an agreement as to rate of pay. They understand there's a rate of pay that goes to those we have the resources to pay. That's where we start losing public employees. If we follow that course it takes us to a 50-60% pay cut for public employees, as opposed to shrinking services back to the core and losing public employees in that sense.

235 GRENSKY: I think your argument is correct that if you underpay people they will not continue to work for you. I have the same problem with this bill. The last thing we need is incompetent leaders, and that if there is a slap in the face it's because we've had too many of them in Oregon too long. Now you want to cut their pay by another 10%. You just testified those state employees would leave if you cut their pay. For some reason you think people will keep running for office even though you're taking 10% out of their pay and they're not over paid. How much abuse are they suppose to take? I think your incorrect to say Ballot Measure 5 is just a slap in the face of those who are elected in government. A survey of people in my district showed that they wanted cuts in government waste -- salaries and benefits to state employees. We have a responsibility there. By the same token we owe it to the people of this state to cut state employees salaries or at least freeze them which we do have the option to do. We can save \$66 million by freezing scheduled pay increases.

270 KERANS: The \$66 million will represent less than 10% of the process that we're looking for anyway. But we don't have that bill. Instead we're going to shrink services and constituents concerned about wastes are going to find very core services until we get replacement revenue.

#### WORK SESSION

290 MOTION: SEN. SPRINGER MOVED SB 858 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

300 BUNN: I think the bill is heading in the right direction but should be expanded to include all general fund salaries. Without that we only have part of the solution.

309 VOTE: MOTION FAILED, 3-3. EXCUSED: SEN. KITZHABER. (VOTING NO: SEN. BUNN, SEN. CEASE, SEN. GRENSKY).

#### WORK SESSION

SB 1151 RELATING TO LEGISLATIVE OFFICIALS

Witnesses: Gratten Kerans, Oregon State Senator, District 20; Kathleen Beaufait, Legislative Counsel

319 GRATTEN KERANS, OREGON STATE SENATOR, DISTRICT 20: Reviews the -3 amendments, Exhibit C. The intent on lines 16-18 is to exclude the relationship with that lobbyist, but they are covered by the terms of the bill with all other lobbyists.

382 SMITH: If your married to the lobbyist it's alright, but there will be no dating, is that right?

385 KERANS: Before you get married you're committed to the limitation even if you decide to have a trial marriage and cohabit. But if you're related by marriage you fall under this.

392 CEASE: Considering the fact that some of us supported SB 708, would you want to make the wording as restrictive as "by blood or by marriage" or do you want to mess around with that?

403 KERANS: I don't want to mess around with that.

408 CEASE: If friends shared a principle residence, they would have to be careful with their home bookkeeping.

417 KERANS: That is correct. They would have to be certain they had met the letter and spirit of the law.

431 RYDER: Distributed the -1 amendments, Exhibit B. They are replaced by the -3. Also, there is a memorandum that responds to the question whether this bill would impact campaign contributions which it does, Exhibit A.

440 KERANS: In fact it doesn't. Chapter 171 says the gift, as defined by statute, does not include campaign contributions. Ms. Beaufait went over that this morning.

463 CEASE: That's post-dating the memorandum.

464 KERANS: I don't have a copy of that memorandum in front of me.

492 OTTO: What did Kathleen relate to you?

TAPE 86, SIDE A

029 RYDER: Reviews memorandum.

040 KERANS: Reviews government ethics statute ORS 244.020 (9) defining gifts. "Gifts does not mean a) campaign contributions as described in ORS chapter 260, or b) gifts from relatives". With the change to the word gift we have now narrowed the bill and excluded the question when it encompassed anything of value.

055 CEASE: It may have to do with the question of contribution in ORS 260 .005.

057 KERANS: I can't explain that. Ms. Beaufait and I looked at it this morning. Only she can answer that question.

066 RYDER: She is on her way.

068 GRENSKY: This seems pointed at some particular lobbyist. Is there something that would prohibit a group of lobbyists getting together and buying dinner or whatever for a particular legislator they're interested in?

072 KERANS: It's lobbyist to lobbyist. You get no more than \$15 for each during the quarter.

075 GRENSKY: So if they wanted, they could get as many lobbyists as they could, to chip their money together. You testified earlier that you didn't think the legislature could be bought. Do you think that limiting the amount is going to accomplish that, or are we just showing them that thy have to be bought for less?

081 KERANS: The former not the latter. We are just saying the expenditures that have been made in the past on legislators have come to an end.

088 GRENSKY: You don't want campaign contributions affected, is that correct?

090 KERANS: That is correct. Those are under different statutes.

093 GRENSKY: I'm wondering if that perception will be changed if you don't affect the campaign contribution aspect of it.

100 KERANS: Sen. Springer has a piece of legislation which addresses that question.

110 GRENSKY: I want to be sure you understand they don't go together.

112 KERANS: You can have one without the other or you can pass both.

114 GRENSKY: Are we really accomplishing anything if this is all you get? All you're doing is showing the public that now the lobby will have to give even more in campaigns because they can't give it in the form here.

118 KERANS: The former not the latter. We're doing something.

120 BUNN: Does the same apply to executive officials?

124 KERANS: No.

126 BUNN: So we can go to McDonald's, but the Secretary of State can go to Sizzler.

127 KERANS: That's correct.

128 BUNN: Is that because we're easier to buy, or is there some reason this shouldn't be consistent?

129 KERANS: The law has always addressed legislators and their relationship to lobbyists and never the executive or administrators. The decision was made to exclude those people when this was drafted.

135 BUNN: Would you accept as a friendly amendment an effort to include state-wide officials?

136 KERANS: Yes. If you can find a way to get it in there under the relating clause.

141 SPRINGER: Will that mean that whoever it is that goes back to New York every now and then and has that big machine that signs all those state bonds can't go to any Broadway shows?

144 BUNN: It would also mean that somebody who went to Taiwan with a group won't be enjoying some of those benefits they might have been enjoying in the past.

148 SPRINGER: Good amendment. Can we adopt that conceptually and move this bill today?

149 MOTION: SEN. BUNN MOVED AS A FRIENDLY AMENDMENT TO SB 1151 THAT THE BILL BE EXPANDED TO INCLUDE STATEWIDE OFFICIALS

164 KERANS: The question went to campaign contributions and your memorandum (Exhibit A). Under our conversation they would be excluded. Could you explain that?

175 KATHLEEN BEAUFIT, LEGISLATIVE COUNSEL: The initial draft includes "anything of value". That would include campaign contributions. I changed the wording to "gift" which is defined in ORS not to include campaign contributions or gifts from relatives.

196 KERANS: That would settle that question. But now I have a problem because I wanted to include travel, etc. and other things of value. Would it work to say for purposes of this statute these items do not include campaign contribution as defined in ORS chapter 260?

207 BEAUFIT: If I can get a picture of exactly what you want in and what you want out I can work on the wording.

211 KERANS: What I'm seeking is a method of excluding campaign contributions from this coverage so they remain covered under the elections law, and we cover here what we need to cover under the ethics law.

224 GRENSKY: Can't you just exclude ORS citations relating to campaign contributions?

227 BEAUFIT: That sounds like it would have been much easier.

230 GRENSKY: Can we do that now conceptually?

232 BEAUFIT: I need to make a few word changes.

234 KERANS: That wording would be my preference.

245 OTTO: Kathleen could you draft that language for us?

248 BEAUFIT: We could do that tomorrow morning.

250 BUNN: A lobbyist could not reimburse a legislator for traveling to a conference, for example?

255 BEAUFIT: If you revert to the language "anything of value," that is correct.

256 BUNN: If we pulled one of "legislative officials, their household, and lobbyist" out or if we added two of them, would it negate the relating clause as long as we leave "legislative official" in?

260 KERANS: He's trying to add state-wide elected officials.

262 BEAUFIT: I think that is a problem. It will relate to legislative officials and not to other public officials.

264 BUNN: Is it possible to amend the relating clause?

265 BEAUFIT: Gail probably has a better idea how the desk stands on that this session.

267 RYDER: There is a ruling in the House. It would be a question on whether the House would accept it.

270 BUNN: If we amended the relating clause to remove "legislative" than it would be appropriate for dealing with legislative or state-wide officials?

273 BEAUFAIT: Yes.

274 OTTO: What kind of instruction do you want to give Kathleen?

276 SMITH: Do you want motions or instruction?

280 OTTO: We can do this by consensus. We want to give Kathleen some instructions.

281 SMITH: It seems reasonable to change language as suggested by Sen. Kerans, to somehow note this does not apply to campaign contributions, plus (11).

292 BUNN: If we want to get to the problem maybe we should leave the bill as it is and ban campaign contributions from lobbyists.

300 SMITH: I believe we already have a bill that's passed out of committee and is in Revenue dealing with campaign contributions. I don't know how many more we need to do.

306 BUNN: I would like to see the bill deal with state-wide officials as well as legislative. I would like to amend the relating clause to include state-wide officials.

316 RYDER: Why don't we have two sets of amendments drafted, one that doesn't change the relating clause and one that does.

322 BEAUFAIT: I can do that.

323 CEASE: I'm still concerned about the "related by blood or by marriage" in section 11 -- could this apply to shares a principle residence with the lobbyist? Just another consideration when we get it back.

324 NO ACTION TAKEN ON SEN. BUNN'S MOTION

WORK SESSION

SB 1018 RELATING TO ELECTRICIAN LICENSING; DECLARING AN EMERGENCY

343 RYDER: You asked for this bill to be held before going to the floor so the committee might consider removing the emergency clause from it.

345 MOTION: SEN. BUNN MOVED TO RECONSIDER SB 1018 FOR PURPOSES OF EMERGENCY CLAUSE.

346 VOTE: MOTION CARRIED, 6-0. EXCUSED: SEN. KITZHABER.

350 MOTION: SEN. BUNN MOVED TO REPASS SB 1018 AS AMENDED.

352 VOTE: MOTION CARRIED, 6-0. EXCUSED: SEN. KITZHABER.

WORK SESSION

SB 307 RELATING TO COUNTIES

Witnesses: Jerry Justice, Clackamas County

360 MOTION: SEN. BUNN MOVED TO REMOVE SB 307 FROM THE TABLE

370 VOTE: MOTION CARRIED, 5-1. EXCUSED: SEN. KITZHABER. (VOTING NO: SEN. GRENSKY.)

401 DENNIS MULVIHILL, WASHINGTON COUNTY: My colleague from Clackamas County

will talk about why you have a civil service statute and how that applies to counties.

420 JERRY JUSTICE, CLACKAMAS COUNTY: In 1959, there was a policy change to no longer operate a state merit system including county employees. The state adopted a provision for state civil service requirements to apply to all counties with a population of 300,000 or over, Multnomah County being the only affected county at that time. It's very contorted, and depending which legal counsel you talk to, you'll be told different things about whether you need to go to a vote to change the ordinance. The safest thing appears to be to raise this ceiling. The amendments would set aside chapter 241, allow those jurisdictions that have had independence to continue this independence, with regard only to their code for hiring.

TAPE 85, SIDE B

033 SPRINGER: Can we hold this bill for a while? I have a meeting Tuesday morning with the counties and President Kitzhaber. After that meeting I will be prepared to respond to what the counties need regarding solid waste and land use.

043 BUNN: I'm happy to move the bill, but I think I can count well enough to understand.

045 CEASE: Is it Clackamas and Washington Counties that you have meetings with?

046 SPRINGER: Those two counties are critical players. I wouldn't object to bringing it up May 15.

048 Meeting adjourned at 4:17 p.m.

Submitted  
By:

Reviewed By:

Julie Muñiz  
Green  
Assistant  
istant

Joan

Ass

EXHIBIT LOG

A - Memo, Beaufait, 1 pg. B - SB 1151-1 amendments, Staff, 1 pg. C - SB 1151-3 amendments, Staff, 1 pg.