

JOINT COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON CAPITAL CONSTRUCTION

February 22, 2019
12:00pm

HR E

MEMBERS PRESENT:

Sen. Fred Girod, Co-Chair
Sen. Peter Courtney
Sen. Betsy Johnson
Sen. Chuck Thomsen

Rep. Paul Holvey, Co-Chair
Rep. Tina Kotek
Rep. Mike McLane
Rep. Nancy Nathanson
Rep. Greg Smith

MEMBER(S) EXCUSED:

Sen. Elizabeth Steiner Hayward

STAFF PRESENT:

Ken Rocco, Legislative Fiscal Officer
Amanda Beitel, Legislative Fiscal Office
John Borden, Legislative Fiscal Office
Paul Siebert, Legislative Fiscal Office
Eric Sorenson, Committee Assistant

EXHIBITS:

Exhibits from this meeting are available [here](#)

MEASURES/ISSUES:

SB 5542 - Bond Authorization
SB 5543 - Lottery Allocation
HB 5046 - Budget Reconciliation
HB 2975 - Programs Change
Public Employees Retirement System - Legislative Review of System Financing

00:00:03 [Meeting Called to Order](#)
00:00:04 Co- Chair Holvey, Presiding
00:00:07 EXHIBIT 1: Agenda

00:00:17 [SB 5542 - Bond Authorization](#)
00:00:24 Amanda Beitel, Legislative Fiscal Office

00:00:27 EXHIBIT 2: SB 5542 Bond Authorization - LFO Recommendation
00:00:28 EXHIBIT 3: SB 5542 -5 Amendment

00:03:52 **SB 5542 - Bond Authorization - Work Session**
00:04:07 Ms. Beitel
00:04:12 MOTION: Sen. Girod moves -5 amendment to SB 5542
00:04:27 Rep. Kotek
00:04:41 Ms. Beitel
00:05:20 Co-Chair Holvey
00:05:30 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:05:37 MOTION: Sen. Gomberg moves SB 5542, as amended, to the Full Committee with a Do Pass recommendation
00:05:53 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:06:39 **SB 5543 - Lottery Allocation**
00:06:56 Ms. Beitel
00:07:00 EXHIBIT 4: SB 5543 Lottery Allocation - LFO Recommendation
00:07:01 EXHIBIT 5: SB 5543 -1 Amendment
00:07:23 Co-Chair Holvey

00:07:50 **SB 5543 - Lottery Allocation - Work Session**
00:07:57 Ms. Beitel
00:08:05 MOTION: Sen. Girod moves -1 amendment to SB 5542
00:08:16 Co-Chair Holvey
00:08:37 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:08:43 MOTION: Sen. Gomberg moves SB 5543, as amended, to the Full Committee with a Do Pass recommendation
00:09:04 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:09:10 Co-Chair Holvey

00:09:38 **HB 5046 - Budget Reconciliation**

00:09:46 Paul Siebert, Deputy Legislative Fiscal Officer

00:09:48 EXHIBIT 6: HB 5046 Budget Reconciliation - LFO Recommendation

00:09:49 EXHIBIT 7: HB 5046 Budget Reconciliation -3 Amendment LFO Summary

00:09:50 EXHIBIT 8: HB 5046 Budget Reconciliation - Preliminary Budget Report

00:10:01 EXHIBIT 9: HB 5046 -3 Amendment

00:11:08 Sen. Johnson

00:11:15 Mr. Siebert

00:11:22 Co-Chair Holvey

00:11:27 **HB 5046 - Budget Reconciliation - Work Session**

00:11:32 Mr. Siebert

00:11:40 MOTION: Sen. Girod moves -3 amendment to HB 5046

00:11:49 Co-Chair Holvey

00:11:54 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:11:59 MOTION: Sen. Gomberg moves HB 5046, as amended, to the Full Committee with a Do Pass recommendation

00:12:09 Co-Chair Holvey

00:12:19 Rep. Kotek

00:12:46 John Borden, Legislative Fiscal Office

00:13:50 Co-Chair Holvey

00:15:00 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

00:15:39 **HB 2975 - Relating to state financial administration (2017-19 Program Change)**

00:15:47 Ken Rocco, Legislative Fiscal Officer

00:16:02 EXHIBIT 10: HB 2975 LFO Recommendation

00:16:02 EXHIBIT 11: HB 2975 Preliminary Fiscal Impact Statement

00:16:03 EXHIBIT 12: HB 2975 Preliminary SMS

00:16:04 EXHIBIT 13: HB 2975 -1 Amendment

00:17:09 Co-Chair Holvey

00:17:13 **HB 2975 - Relating to state financial administration (2017-19 Program Change) - Work Session**

00:17:22 Mr. Rocco

00:17:26 MOTION: Sen. Girod moves -1 amendment to HB 2975
00:17:32 Co-Chair Holvey
00:17:42 VOTE: 8-0-2
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson
EXC: Sen. Steiner Hayward; Rep. Smith
MOTION CARRIES
00:17:45 MOTION: Sen. Girod moves HB 2975, as amended, to the Full Committee with a Do Pass recommendation
00:17:56 Co-Chair Holvey
00:18:04 VOTE: 8-0-2
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane, Nathanson
EXC: Sen. Steiner Hayward; Rep. Smith
MOTION CARRIES
00:18:12 Co-Chair Holvey

00:18:43 Public Employees Retirement System - Legislative Review of System Financing
00:18:54 Mr. Borden
00:19:24 EXHIBIT 14: PERS Presentation - Liabilities and Assets
00:19:25 EXHIBIT 15: PERS - 2017 Actuarial Valuation
00:19:26 EXHIBIT 16: PERS - NASRA Brief
00:19:26 EXHIBIT 17: LFO - Pension Summary UAL (2017)
00:19:27 EXHIBIT 18: LFO - PERS Side Accounts
00:19:28 EXHIBIT 19: LFO - State Agency Pension Obligation Bonding
00:19:28 EXHIBIT 20: LFO - State POB Capacity (2016)
00:22:31 Sen. Johnson
00:23:11 Co-Chair Holvey
00:23:30 Sen. Johnson
00:24:47 Kevin Olineck, Executive Director, Public Employees Retirement System
00:25:33 Rep. Kotek
00:25:43 Sen. Johnson
00:26:40 Mr. Olineck
00:27:38 Sen. Johnson
00:28:05 Mr. Olineck
00:28:54 Co-Chair Holvey
00:29:19 Rep. Kotek
00:29:38 Mr. Olineck
00:34:16 Sen. Johnson
00:34:47 Mr. Olineck
00:40:23 Co-Chair Holvey
00:40:36 Mr. Olineck
00:43:43 Co-Chair Girod
00:44:56 Mr. Olineck

00:47:31 Co-Chair Girod
00:48:29 Sen. Johnson
00:48:48 Mr. Olineck
00:50:49 Rep. McLane
00:51:59 Mr. Olineck
00:54:06 Rep. McLane
00:54:12 Mr. Olineck
00:54:31 Rep. McLane
00:55:05 Mr. Olineck
00:58:20 Co-Chair Holvey
00:58:29 Mr. Borden
00:59:23 Rep. McLane
01:01:01 Mr. Borden
01:01:24 Co-Chair Girod
01:02:30 Sen. Johnson
01:02:56 Mr. Olineck
01:03:31 Sen. Johnson
01:03:56 Co-Chair Holvey
01:04:36 Mr. Olineck
01:09:03 Mr. Olineck
01:13:11 Rep. Smith
01:13:56 Co-Chair Girod
01:14:04 Mr. Olineck
01:14:45 Rep. Smith
01:15:24 Mr. Olineck
01:16:01 Co-Chair Holvey
01:16:02 Mr. Borden
01:16:57 Rep. McLane
01:17:08 Mr. Olineck
01:23:37 Sen. Johnson
01:23:48 Mr. Olineck
01:23:51 Sen. Johnson
01:24:26 Co-Chair Holvey
01:24:48 Mr. Olineck
01:26:07 Sen. Johnson
01:26:28 Mr. Borden
01:28:10 Co-Chair Holvey
01:28:19 Mr. Olineck
01:29:13 Rep. Nathanson
01:30:38 Mr. Olineck
01:31:07 Sen. Johnson
01:32:00 Mr. Olineck
01:33:38 Sen. Johnson
01:34:35 Mr. Olineck

01:35:10 Co-Chair Holvey
01:36:09 Mr. Olineck
01:39:02 Rep. Smith
01:39:22 Mr. Olineck
01:40:40 Rep. Smith
01:41:13 Mr. Olineck
01:41:33 Rep. Smith
01:41:55 Mr. Olineck
01:43:46 Mr. Borden
01:44:38 Co-Chair Holvey
01:45:32 Mr. Olineck
01:46:38 Co-Chair Holvey
01:47:05 Mr. Olineck
01:47:58 Sen. Courtney
01:48:02 Mr. Olineck
01:49:45 Sen. Courtney
01:49:58 Rep. Smith
01:50:20 Meeting went into Recess
01:50:45 Meeting Reconvened

01:50:46 **HB 2975 - Relating to state financial administration (2017-19 Program Change) -
Work Session**

01:50:49 Co-Chair Holvey
01:51:03 Mr. Borden
01:51:53 MOTION: Sen. Girod moves -1 amendment to HB 2975
01:51:54 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane,
Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

01:52:02 MOTION: Sen. Girod moves HB 2975, as amended, to the Full Committee with a
do pass recommendation

01:52:26 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane,
Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

01:52:47 Co-Chair Holvey requests to suspend the rules so that Rep. Smith can vote on SB
5542, SB 5543, and HB 5046

01:52:49 VOTE: 9-0-1
AYES: Sens. Courtney, Girod, Johnson, Thomsen; Reps. Holvey, Kotek, McLane,
Nathanson, Smith
EXC: Sen. Steiner Hayward
MOTION CARRIES

01:53:02 Rep. Smith votes aye on SB 5542, SB 5543, and HB 5046 and declared potential conflict of interest

01:54:58 **Meeting Adjourned**

Additional Exhibits:

EXHIBIT 21: PERS - Agency Response to Member Questions - UAL for State Agencies

EXHIBIT 22: PERS - Agency Response to Member Questions - Board Review of Methods and Assumptions

EXHIBIT 23: PERS - Agency Response to Member Questions - Employer Rate Projection Tool

EXHIBIT 24: PERS - Agency Response to Member Questions - Projected Benefit Payments Stochastic Modeling