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The great TAX SHIFT

Corporations are paying less and less in state taxes, leaving workers to pick up the slack.

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In today's Oregon, the only thing more regular than rain is government budget-cutting. The price of state college tuition is up. The number of state troopers is down. The Oregon Health Plan is down to bare bones. And public school classrooms are getting more crowded — Oregon now has the second-largest class sizes in America.

Meanwhile, little noticed by Oregon residents, the state is collecting less tax revenue than it used to from its biggest corporations, and it's even giving tax money back to businesses and individuals in the form of a "kicker." Could there be a connection?

Based on the current estimate, the state will give a tax credit next year of \$205 million to corporations and a tax refund of \$461 million to individuals — even as the state's public schools face a \$160 million shortfall, and human services face a \$172 million hole.

That outrages some in the union

movement, like Tom Chamberlain, president of the Oregon AFL-CIO. The state labor federation has filed several ballot initiatives that would eliminate the corporate kicker, at least.

Now it appears there's a chance the Legislature may itself act to get rid of the corporate kicker.

Oregon is the only state in the nation with a kicker law. The way it works, a state economist makes revenue projections for a two-year period, and the Legislature approves spending based on that prediction. If revenues end up being more than 2 percent above projections, the state refunds the tax money collected. Two-thirds of the corporate kicker money goes to companies headquartered outside Oregon.

The Legislature meets every two years in odd-numbered years, but may call a special session this April to deal with the budget crisis.

Chamberlain is hopeful that legislators will refer a ballot measure to voters in November that would turn the kicker into a rainy-day fund.

But it's raining already. Schools in Multnomah County, for example, are facing a \$100 million shortfall this fall.

And the kicker is only the beginning of the story.

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Crisis for education workers

Workers from the Multnomah Educational Service District were joined by community supporters at an informational picket line March 9 in front of the MESD Administration Building off 116th and Airport Way in Portland. AFSCME Local 1995 represents about 400 classified employees — a large portion of them are educational assistants that provide classroom instruction to special-needs students in all Multnomah County school districts. They have been working without a contract since last July. The union declared impasse Feb. 14 and a mandatory 30-day "cooling off" period expires March 17, at which time the union could give a 10-day notice to strike. A mediation session is scheduled for March 23. A key issue in the talks is a demand by MESD to re-define "full-time employee" so that workers have to pay more for their health insurance. "My take-home pay is \$17,500 a year," said Bill Radford, a 13-year education assistant. "What's being proposed would increase my insurance co-pay from \$520 to \$990 a year. Family coverage would cost even more." Another rally is planned at 6 p.m. Tuesday, March 21, the same time MESD's board of directors meets.

Four months ahead of schedule

City unions, Portland reach tentative 4-year agreement

The District Council of Trade Unions (DCTU) has reached a tentative agreement with the City of Portland on a new four-year contract — four months before the current contract expires.

The DCTU is an umbrella organization of seven unions that bargains jointly with the city. The unions are American Federation of State, County and Municipal Employees Local 189, Electrical Workers Local 48, Laborers Municipal Employees Local 483, Machinists Local 1005, Operating Engineers Local 701, Painters District Council 5 and Plumbers and Fitters Local 290.

Each of the unions has presented the tentative proposal to their executive boards for review. Some 1,800 city employees will vote on the pact at separate union meetings to be held later this month. Ballots will be counted jointly on March 31.

Fire Fighters Local 43, the Portland Police Association and the Bureau of Emergency Communications (Portland metro 9-1-1 operators who are also members of Local 189) bargain separate contracts under different timelines.

DCTU and city officials have been meeting informally for several weeks preparing for what many assumed would be difficult bargaining. Instead, the two sides were able to reach agreement during the informal meeting stage.

That's a 180-degree turn from previous bargaining. In 2001, city employees embarked on a brief (four-hours-in-the-middle-of-the-night) strike four months after their old contract had expired. Health insurance was at the heart of that dispute.

In 2004, the contract was extended for two years, which got it to this point.

Labor's top issue in 2006 again was affordable health insurance. For nearly a decade, a reserve fund (built up in the early '90s when insurance premiums were flat) has paid for the portion of employees premiums that exceeded a negotiated cap.

"We've been living off that reserve for more than eight years," said Richard Beetle, business manager of Laborers Local 483, which represents 585 city employees. "Everyone knew the subsidy could-

n't continue."

With the reserve fund nearly depleted and future costs of health insurance unpredictable, the sides expressed their concerns and expectations during the informal meetings. At a meeting in late February, the city presented DCTU with a proposal: A four-year contract — beginning July 1 and running through June 30, 2010 — with the city paying 95 percent of the health insurance premium costs for medical, dental and vision insurance for either City Core or Kaiser coverage; annual cost-of-living (COLA) raises based on the area Consumer Price Index, with a guaranteed 2 percent minimum and a maximum of 5 percent, regardless of the CPI numbers; all Public Employees Retirement System language in the contract would be updated to reflect current language in Oregon law, some of which was changed by the 2003 Legislature and subsequent court cases. All other language in the contract would remain the same.

The actual dollar amount that employees pay for their health in-

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