

# Rapidly expanding disabled worker programs act as a wedge for privatization

**Critics say an Oregon program to help disabled workers has run amok, threatening public and private-sector union jobs while neglecting the truly disabled**

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Associate Editor

On Oct. 9, the largest solar array in the Pacific Northwest will have its grand opening — atop a brand-new 114,000-square-foot industrial building at Northeast 148th and Marine Drive in Portland. The giant manufacturing facility, which will be used in part to make solar energy components, belongs to a tax-exempt non-profit organization, the Portland Habilitation Center (PHC).

It could make PHC a formidable competitor in the fast-growing solar market. Not only does PHC pay no state or federal corporate income tax, but its new building was paid for in part by the Energy Trust of Oregon (which gets its money from a 3 percent charge on PGE and Pacificorp electric bills) and by private investors who get a tax credit for their investment. And if school districts or state, county, or municipal governments in Oregon want to buy solar equipment, they would have to buy from PHC instead of from a private company like Machinist Union-represented Solarworld in Vancouver.

That's because PHC is considered a "Qualified Rehabilitation Facility," under Oregon's 1977 Products of Disabled Individuals Law. Under the law, public agencies in the state are required to buy prod-

ucts and services from QRFs before they can seek competitive bids from private companies. In providing the products or services, QRFs are supposed to employ disabled individuals. And a "disabled individual," according to that law, is someone "who, because of the nature of disabilities, is not able to participate fully in competitive employment, and for whom specialized employment opportunities must be provided."

But the experience of PHC at Portland Public Schools — and revelations from a related class-action lawsuit — raise serious doubts about how disabled its employees are. And that prompted one state representative, Clatskanie Democrat Brad Witt, to push for closer oversight of the growing QRF program.

PHC was already Oregon's largest QRF in October 2001 when PHC managers wrote to then-Portland Public Schools superintendent Jim Scherzinger suggesting the school district could save millions and help relieve its budget crunch by replacing district custodians with PHC janitors.

But a couple things were curious about the bid PHC put forward in the spring of 2002. First, PHC's proposal said that with an equal number of disabled workers, it would be able to clean the schools twice as often as the districts' non-disabled workers (and they'd be paid one-third less than the district employees.) In other words, PHC's disabled workers could outcompete the district's non-disabled workers.

Second, since PHC couldn't expect overnight to find hundreds more disabled individuals to employ, it said it would have to "phase in" disabled workers

over time. That meant that it was going to be out of compliance with state regulations, which require that at least 75 percent of a QRF's contracted work hours be performed by the disabled.

To long-time trial attorney Charlie Williamson of the Kell, Alterman, & Runstein law firm, those two facts alone were a tipoff that something wasn't right.

Williamson, who was elected president of the Oregon State Bar Association the same year, agreed in 2002 to represent the district's fired custodians in a class action lawsuit against PHC.

"We believe PHC hires people who are not disabled within the meaning of the law, but classifies them as disabled and thereby gets government contracts that are not open to public bidding," Williamson told the Labor Press. "We believe they are cheating."

The fired custodians may have had hunches, but as their attorney, Williamson had the power to depose witnesses and compel testimony. And a lot of information came out in deposition.

For example, by PHC's own admission, eight months into the contract with PPS, only 25 percent of PHC's workers there were classified as disabled. In its report to the State of Oregon for fiscal year 2002-2003, PHC estimated 64.32 percent of its labor hours organization-wide were disabled workers — well below the 75 percent legal requirement. PHC met the requirement in subsequent years.

Williamson hired disability expert Scott Stipe to review the personnel files of 70 workers PHC said were disabled. Stipe concluded 56 of them were

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## Change to Win holds second national confab

The Change to Win labor federation will hold its second biennial convention Sept. 25 in Chicago.

Nearly 1,000 delegates, allies and guests representing the seven Change to Win unions will meet to launch a program the federation has been working on since its founding two years ago.

The seven unions, which include Service Employees International Union, United Food and Commercial Workers, Teamsters, Laborers, UNITE-HERE, the United Farm Workers and the Brotherhood of Carpenters and Joiners, represent some six million workers.

Union leaders say they have developed and funded an industry-wide strategic organizing program that focuses on jobs and industries of the future and that will "lift up all workers."

The Change to Win strategic plan calls for:

- **Uniting at the Workplace:**

The Change to Win Strategic Organizing Center is uniting workers to have a voice on the job in workplaces in a range of industries critical to the national economy.

- **Uniting our Resources:** The CtW Investment group is organizing workers' capital into a voice for corporate accountability and retirement security.

- **Uniting in our Communities:**

Change to Win is building state and local organizations to change the discourse about workers' right to organize and hold elected leaders accountable to an agenda that will allow working people to achieve the American Dream.

"The American Dream is the most powerful and universal expression of the hopes and aspirations of working families in the United States," said Anna Burger, executive secretary-treasurer of CtW. "The dream is about recognition for hard work and personal responsibility. It is the shared value that defines our country, and encompasses faith in ourselves and our future."

Major events at the convention will be a presidential candidates' forum. All of the Democratic nominees are scheduled to appear. It is not yet clear whether the organization will endorse a candidate in the 2008 primary election.

Change to Win also will hold an Immigrant Worker Rights Town Hall on Monday, Sept. 24.

Workers who were detained during workplace raids will offer testimony of their experiences.

Elected officials, religious leaders and community allies will discuss how the Change to Win labor federation can help keep families and communities safe, protect the rights of all workers, and respect the dignity of all people.

Carpenters, Electricians, Laborers, Glaziers, Sheetmetal Workers, Floorcoverers, Bricklayers, Cement Masons, Roofers, Asbestos Workers, Family, Millwrights, Painters, Elevators, Plasterers

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