

Labor's 'jobs-and-justice' agenda made progress as Oregon Legislature adjourns

By **DON McINTOSH**
Associate Editor

SALEM — Despite a tough economy, organized labor made progress on a jobs-and-justice agenda in the 2009 session of the Oregon Legislature, which ended June 29.

The increase in the minimum corporate income tax and a new top personal income tax bracket will bring in \$733 million in the next couple years, relieving pressure to cut school and public safety budgets. Under the previous corporate minimum, some of Oregon's biggest corporations paid just \$10 a year in income tax if their books showed they didn't turn a profit, even if they did hundreds of millions of dollars of business. The new minimum will be \$150 a year for corporations grossing under \$500,000 a year, rising to \$100,000 for companies grossing over \$100 million. And a new top bracket of 9 percent means tax will go up 2 percent on income over \$125,000 for single filers and \$250,000 for joint filers.

"I've been in this since 1989 and I've seen slowly but surely a tax shift away from the rich and powerful, business and corporations," said Oregon AFL-CIO President Tom Chamberlain. "Where at one time it was almost 50-50, it's now almost entirely on the back of the middle class. So the tax fairness piece, recession or not, it's just the right thing to do."

Lawmakers also passed the Worker Freedom Act, a labor law reform that the Oregon AFL-CIO judged its top priority. The bill, SB 519, gives workers the right to refuse to attend employer-led anti-union meetings. Business groups lobbied hard against the scaled-back bill, but it passed the House 34-24 on June 19, after earlier passing the Senate. The bill was opposed in the House by all Republicans and one Democrat, Suzanne VanOrman of Hood River.

Labor also backed new laws to clean up the initiative system, reform health care, and help the unemployed.

Initiative reforms contained in HB 2005 require ballot measure campaigns to turn in their signatures every 30 days. The previous practice was to turn in signatures all at once on or near the filing deadline, but critics of initiative abuse said that doesn't give officials enough time to look for forgery or fraud before a measure must be certified for the ballot. HB 2005 also says signatures won't be counted if they were gathered by a circulator who is found to have violated laws related to signature-gathering if they turn a blind eye when their employees are knowingly breaking the law. The bill was backed by Oregon Secretary of State Kate Brown, who fulfilled a 2008 campaign pledge to build on reforms passed by the 2007 Legislature.

More uninsured Oregonians — children and low-income adults — will be covered by the Oregon Health Plan, thanks to HB 2116, which levies a 1 percent tax on insurance companies, plus a tax of around 3 percent on hospitals.

Those revenues then get federal matching funds. Also passed was HB 2009, the latest increment in a now four-year-old process to develop a program of comprehensive health coverage; the bill consolidates state health governance bodies into one agency, and mandates that a proposal for an insurance buying clearinghouse be developed for the 2011 Legislature to consider.

Jobs are always a big part of labor's agenda in Salem, and in the next several years, many building trades union members will have continued employment thanks to increased state spending. A \$1.3 billion bond issue will fund new construction on state university campuses, state hospitals, and phase one of a new prison at Junction City. That capital construction package followed earlier passage of \$700 million for highway construction and maintenance, and \$100 million in "Connect Oregon" improvements to ports, airports, and railroad facilities. The highway spending is funded partly by a 2-cent-a-gallon increase in the gas tax expected to take effect in 2010.

Things will be a little easier for the unemployed: Lawmakers voted not to tax the first \$2,400 of unemployment benefits, and they approved a slightly more generous benefit formula. And a new law sponsored by State Reps. Brad Witt and Chip Shields allows workers whose hours are cut 20 to 40 percent to collect a partial unemployment benefit under the state's Work Share program.

HB 2815, authored by State Rep. (and Carpenters business agent) Paul Holvey, creates a multi-agency task force to go after contractors that operate unlicensed, pay workers under the table, fail to pay workers compensation insurance, and commit other abuses. Up to now, these violations have been dealt with by separate agencies that haven't shared information.

HB 2420, passed early in the session, changed workers' compensation rules so that firefighters no longer have to prove that their work was the cause if they are diagnosed with any of 12 cancers that are linked to that profession.

A proposal aimed at reining in privatization passed both chambers. HB 2867 requires that before local and state governments can contract out work currently performed in-house, they have to do a cost-benefit analysis to show that the move would save money, and if it only saves money by cutting wages and

benefits of the workers doing the job, then the contracting out is not allowed.

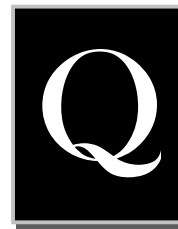
Another new law will cause the automatic "sunset" of tax breaks. Portland Democratic Rep. Michael Dembrow (who is also a community college faculty union leader), thinks this may prove one of the most important laws of the session: It means tax credits and tax deductions will have to be re-approved every six years. Up to now, tax breaks, once approved, tend to stay on the books forever, whether or not they deliver the promised jobs or other benefits. Reining in tax breaks has required a three-fifths "supermajority" of legislators. But under the new law, tax breaks will end after six years unless a majority votes to continue them.

Labor had its share of disappointments too. One union-backed bill, HB 2699 would have required payment of the prevailing wage on construction projects of \$5 million or more that get enterprise zone property tax subsidies: It passed the House 38-21, but was opposed by city and county elected leaders and failed to find a majority in the Senate. Bob Shiprack, president of the Oregon State Building and Construction Trades Council, said he hopes to reintroduce that proposal in future sessions, including the planned February 2010 special session.

Another bill that faltered in the Senate was HB 2831, a grab-bag of union-supported reforms to the state's public employee collective bargaining law — including a ban on permanent striker replacements in the public sector. It passed the House on a party-line vote, but didn't get a vote in the Senate because only 14 of the needed 16 Democrats supported it.

Chamberlain said the Oregon AFL-CIO was very disappointed that lawmakers didn't heed calls for more accountability in the Business Energy Tax Credit, which gives out millions of dollars to makers and installers of solar and wind projects, but with no requirements about the jobs created.

By contrast, Rep. Jules Bailey agreed with an AFL-CIO suggestion to add a wage requirement to his HB 2626, which pools funds so that homeowners can get low-interest long-term loans to pay for energy efficiency improvements, which can then be paid back on utility bills. Under HB 2626, the workers doing the retrofits will make 180 percent of the Oregon minimum wage.



Quest
Investment
Management, Inc.

• **Serving Multi-Employer Trusts for Over Twenty Years**

Greg Sherwood **Adrian Hamilton**
Monte Johnson **Doug Goebel**
Garth Nisbet **Pat Worley**
Cam Johnson

One SW Columbia St., Suite 1100, Portland, OR 97258
503-221-0158
www.QuestInvestment.com

THE UNION PLUS® MORTGAGE PROGRAM
Provided Exclusively by Chase Home Finance



When it comes to mortgages, we're taking a stand for Union members.

Chase is backing union members with the Union Plus® Mortgage Program — a home purchase and refinancing program exclusively for union members, their parents and children.

- **FREE Mortgage Assistance Benefit**
If you are unemployed or disabled.
- **A wide variety of mortgages**
Choose from fixed rate, adjustable-rate, and low- or no-closing costs options.
- **Special Lending**
First-time homebuyer and less-than-perfect credit programs.
- **Savings on closing costs**
Member-only savings on new purchases and refinance.

It all adds up to more home-buying power.
Contact your local Union Plus Mortgage Specialist
Call Bob Krueger at: 503-490-0459



Union Plus is a registered trademark of Union Privilege. Eligibility for mortgage assistance begins one year after closing on a Union Plus Mortgage through Chase Home Finance. This offer may not be combined with any other promotional offer or rebate, is not transferable, and is available to bona fide members of participating unions. For down payments of less than 20%, mortgage insurance (MI) is required and MI charges apply. All loans are subject to credit and property approval. Program terms and conditions are subject to change without notice. Not all products are available in all states or for all loan amounts. Other restrictions and limitations apply. ©2008 JP Morgan Chase & Co. All Rights Reserved. P-UP 104 2A-7604



Residential
Light Commercial
Sales • Service • Installation
Licensed • Bonded • Insured
CCB# 186589

The Union Solution

To your Heating & Cooling Needs

Furnace, Air Conditioning
Heat Pump, Venting, and
Indoor Air Quality

503-288-5397
Fax: 503-287-0786