

## With State of Oregon

# Public employees' 'shared sacrifice' lead to tentative deal

SALEM — After eight months of bargaining — and one week after management had declared impasse — Oregon's two largest public employee unions reached a tentative agreement on new two-year contracts with the Department of Administrative Services (DAS).

The settlements with the Service Employees International Union (SEIU) and the American Federation of State, County and Municipal Employees (AFSCME), which together represent 21,500 workers, will trim \$32 million from current contract costs through a combination of pay freezes and unpaid furlough days. When applied to the entire workforce in all of the state's executive branch agencies, the savings to the state totals \$71.5 million.

If ratified, the new contracts will take effect Sept. 1 and extend until the end of the state's two-year budget period on June 30, 2011. The previous contracts expired June 30, but were extended through Aug. 31, 2009, to allow union members to vote on the new proposals.

"The Legislature, state negotiators, and both AFSCME and SEIU approached this round of labor contract negotiations with the goal of reaching the targeted savings as laid out in the Legislature's budget," said Steve Sander, a training analyst and program coordinator at the Oregon Liquor Control Commission who is vice president of AFSCME Local 2505. "We tried to be creative, flexible and fair in attaining the desired savings without carrying the entire economic burden on the backs of the state workers."

DAS had initially demanded 24 furlough days and a total freeze on all employee cost of living and step increases. On June 5 it declared an impasse in bargaining with SEIU. That declaration was withdrawn a week

later due to potential back pay liability issues regarding an unfair labor practice complaint SEIU had filed earlier in the talks.

Bargaining resumed and had been ongoing until July 22, when DAS again declared impasse.

After impasse is declared, each party has seven days to submit to a mediator its final offer. That is followed by a 30-day "cooling-off" period, after which the employer can implement its final offer and workers can strike.

That clock was ticking until July 28, when tentative deals were announced.

Ken Allen, executive director of AFSCME Oregon Council 75, said a key to the accord was the "unprecedented" cooperation between his union and SEIU, which has not historically always been the case. "By working hand-in-hand with SEIU, by talking to each other throughout the process and, in the end, finishing with concurrent mediation, the state was not able to play one of us off the other," Allen said.

The contracts call for freezing step increases on wages for 12 months, starting Sept. 1, 2009. Step increases of 4.75 percent will resume in the second year of the pact. In December 2007, DAS and the public employee

unions reached a "special agreement" that added an extra (10th) step to the top of every salary range, to be effective June 30, 2009. Also on that date, workers at the lowest step in their salary range were to move up to the next step. That special agreement came after Gov. Ted Kulongoski gave unexpected pay raises of between 11 and 24 percent to managers and agency heads in October.

The new tentative agreement essentially delays the start date for the extra step an additional year.

State workers sacrificed all cost-of-living increases over the life of the agreement and will take an average of 12 unpaid furlough days, ranging from 10 days for the lowest-paid workers to 12 and 14 days for higher-paid workers. The furloughs include 10 statewide closure days for all state offices except 24-hour institutions. The first of these closure days will be Oct. 16, 2009.

The state will continue to provide family-covered health insurance for its employees, agreeing to pick up the first 5 percent of any premium increases each year. If premium hikes are between five and 10 percent, the Public Employees Benefit Board will pick up those additional costs from its reserves.

Members of each union also negotiated new contract language on a number of non-economic issues. AFSCME is still bargaining at "local tables," where agency-specific issues are resolved. However, the union is recommending that its DAS members ratify the contract.

SEIU bargaining delegates will meet Aug. 15 in Portland to discuss the DAS agreement and determine whether to recommend it to the membership, which will vote on the contract by mail ballot in the ensuing three weeks.

"This is a much-needed and greatly appreciated contribution to the goal of sustaining services for Oregonians," Kulongoski said. "It represents the spirit of shared sacrifice and mutual effort that will get us through these hard times. I am very proud of our unions and their members for doing their part in this difficult budget environment."

The settlements with SEIU and AFSCME are expected to serve as a model for settlements with other state unions and will extend to the state's 7,400 unrepresented and management employees as well. When applied to all of the state's executive branch agencies, the savings will total approximately \$71.5 million for the 2009-11 biennium, Kulongoski said.

Those savings do not include the Oregon University System (OUS), which is negotiating separately with faculty and classified employees.

SEIU still is in mediated bargaining on behalf of some 4,500 classified employees at OUS. The sides are wrangling over furlough days and step increases.


The health insurance and cost-of-living provisions in the DAS agreement will apply to all OUS employees.

According to Local 503 spokesman Ed Hershey, OUS wants 24 furlough days over the biennium and a 2-year freeze on step increases for wages. The union is seeking to maintain the current maximum of six furlough days and is proposing no freezes on step increases.

Local 503 is holding a statewide Day of Action on Friday, Aug. 7, to call on OUS management for a fair contract that doesn't ask its employees to sacrifice more than other state employees.

AFSCME has two large Department of Corrections groups in mediated bargaining. The union's corrections security unit represents about 2,000 officers at institutions statewide, while the security plus unit represents another 1,800 state prison workers. Both units have mediation sessions scheduled later this month.

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