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Kulongoski report takes aim at state employees' compensation

The governor's recommendations have no binding effect on the incoming governor

By DON LOVING

SALEM — Gov. Ted Kulongoski and his Reset Cabinet issued an updated “budget framework” document Dec. 1 that they will pitch to the 2011 Oregon Legislature. And while Kulongoski took great pains to say the state’s budget issues could not be resolved on the backs of public workers, the Reset report goes into great detail in its effort to cut back on state employee compensation.

“He’s certainly got some interesting ideas for a guy who used to be a labor lawyer,” said Oregon AFSCME Executive Director Ken Allen, in reaction to the recommendations.

It should be noted that, as a lame-duck administration, Kulongoski’s committee will have no official “juice”

when the 2011 Legislature is gaveled to order on Feb. 1. Democrat John Kitzhaber will again be seated in the governor’s chair, and Kitzhaber is in no way bound by anything Kulongoski and the Reset Cabinet (a hand-picked team of Kulongoski advisers) are proposing. However, there will likely be some interest by at least some lawmakers to the Reset Cabinet’s proposals, which include the following:

- Eliminating the state’s 6 percent employee pick-up on PERS (Public Employees Retirement System) and the Individual Account Program that money is funneled into.
- Creating a lower-quality, lower-cost health insurance plan for state employees and having them pay for a portion of the premiums.
- Viewing state employees from a “total compensation” perspective and restricting growth in compensation to no more than 3 percent per year under any circumstance.
- Requiring 10 years of service in PERS, not merely vesting (five years),

to qualify for retirement cost-of-living adjustments (COLAs) in the future.

- Limiting COLAs for all PERS retirees — including current retirees — to the first \$2,000 per month of a retiree’s benefit.
- Looking at privatizing state services where possible.

Kulongoski and his Reset Cabinet contend that Oregon will suffer through a “decade of deficits” unless the Legislature takes action to drastically cut the state budget. Legislators face a \$3.5 billion budget hole for the 2011-2013 biennium. If all of Kulongoski’s proposals were enacted, there would still be a \$1.3 billion deficit.

The current governor says he’s trying to help create a “roadmap” for the incoming governor. Whether Kitzhaber, long noted for his independent streak, wants to follow a map drawn up by Kulongoski remains to be seen.

Public employee unions will certainly urge Kitzhaber to forge a different path.

“We don’t find much value in a re-



Gov. Ted Kulongoski (left) makes a point during his Dec. 1 Reset Cabinet press briefing. To Kulongoski’s left are Chief-of-Staff Tim Nesbitt and state budget administrator George Naughton. Nesbitt is a former president of the Oregon AFL-CIO and officer of the Service Employees International Union.

port provided by folks not responsible for negotiating or legislating the changes they suggest,” said Allen. “In fact, I don’t think it’s particularly responsible for him (Kulongoski) to issue this kind of report when he’s not going to be around to work on it.”

Arthur Towers, political director for Service Employees International Union Local 503, told the Salem

Statesman-Journal that the Reset Report “proposes exactly the wrong thing for our state’s economy — an across-the-board approach that doesn’t set any priorities.

“We’re really looking forward to working with the incoming governor, who has fresh ideas for balancing the

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Construction workers build holiday cheer at kids' hospital

Union construction workers are building more than just a new hospital wing in Portland. The various tradesmen and women working on the new Children’s Hospital at Legacy Emanuel built holiday decorations using material from their respective crafts, i.e., conduit, plywood, ductwork, electrical tape, and more. The decorations — Rudolph, Santa and his sleigh, snowmen, a jack-in-the-box, and misfit toys — are set up on the third floor of the new structure and within perfect eyesight of patients at the adjacent Children’s Hospital. “The kids have been watching us through the window, so we thought, ‘In the spirit of the holiday season, let’s do something for them,’” said Phil Dobbin, project superintendent for general contractor Hoffman Construction. “The guys really got creative. It’s drawn a lot of attention and the kids really enjoy it.” Construction crews met up with the children Dec. 15 for a group photo and to vote for their best display. The photo was put inside a Christmas card and given to every worker on the project.

Resources available for long-term unemployed

By DON MCINTOSH
Associate Editor

These are hard times. Long-term joblessness and underemployment have brought real hardship to many working people. Local unions are getting calls from members seeking work, and maybe a helping hand. Help is there, but resources are stretched.

In the Portland area, unions refer hardship cases to Labor’s Community Service Agency (LCSA), an arm of the Northwest Oregon Labor Council. LCSA, funded in part by United Way of the Columbia-Willamette and local unions, tells union members what benefits and assistance are available to them. It also has a program of its own known as Helping Hands. Helping Hands gives one-time help, like paying

past-due rent or utility bills, to members who are referred by union reps. LCSA Executive Director Vickie Burns says Helping Hands is able to help about 20 families a month, but she’s hearing 10 to 15 requests for assistance every day.

So Burns refers callers to the Carpenters Food Bank, and to the 2-1-1 call center. The union-led Carpenters Food Bank distributes food boxes the third Friday every month at the Carpenters Local 247 building on North Lombard Street in Portland. And 2-1-1, sponsored by United Way of the Columbia-Willamette, is a consolidated call center and clearinghouse that’s meant to “eliminate the maze.” It connects people to the resources they need: every-

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