

...Lawmakers punt on labor-backed 'Buy American' bill

(From Page 1)

thor and state representative Jules Bailey (D-Portland) explains it, the state has a large existing fund that loans money for small-scale energy efficiency projects, but the 4 percent interest rate has discouraged financially strapped schools from borrowing. The Cool Schools bill directs \$1.3 million in unspent lottery dollars, \$16 million in one-time federal money, and money from a public purpose charge on PGE and Pacific Power electric bills, to pay the interest on the loans. That will incentivize school districts to undertake the energy efficiency projects, Bailey said: They wouldn't need to come up with the principal, or pay the interest, and hopefully the utility bill savings will be enough to repay the loans. While the bill specifies that the work will be subject to the requirement to pay prevailing wage, it didn't include local-hire requirements and other labor standards that were proposed. Work is supposed to begin on several schools this summer.

2) Linear fill and removal. It may not sound very interesting, but HB 2700 was considered a top priority "jobs bill" for the Oregon AFL-CIO and building trades unions. The bill would let developers of linear construction projects like gas, water, and electric transmission lines get a condi-

tional permit from the state before obtaining permission from landowners. In the past, they could spend much time getting landowner permission, only to have state agencies tell them the route was unacceptable for one or another reason. Sierra Club and Riverkeepers opposed the bill, saying it would fast-track liquid natural gas pipeline projects, which they oppose. The bill failed to pass in two previous legislative sessions, but passed this time, backed by most Republicans and about half of Democrats.

3) Scaling back tax giveaways. Under the current income tax system, it's said that for every dollar collected, another dollar slips away in deductions and credits. In an era when politicians are hesitant to raise taxes on anyone for any purpose, scaling back such tax breaks is a way to increase revenue. That's become easier to do under a 2009 law which mandates that most state income tax credits expire every six years unless reauthorized. State lawmakers scrutinize a third of the tax credits every two years to see if they're living up to promises that they produce jobs and other benefits. This year, lawmakers reduced and reformed the tax credits, including a film industry payroll subsidy and the Business Energy Tax Credit, which became controversial in recent years as its fiscal impact mush-

roomed. But those savings were more than eliminated by two other tax changes lawmakers approved. At the beginning of the session, they voted to allow businesses to apply "bonus depreciation" features of the Bush tax breaks to their state tax bill. And at the very end of the session, they voted to match with state income tax credits a federal New Markets Tax Credit that benefits business and real estate investors.

4) Reversing the drift toward too many managers. HB 2020, which passed almost unanimously, was an idea from the ranks of state employees represented by Service Employees International Union (SEIU) Local 503. They observed that state managers often seem to be spared when layoffs take place; a study by SEIU found 1 manager for every 5.7 workers, higher than other state governments. The new law directs legislative budget writers, beginning in 2013, to set an employee-to-manager ratio of 11-to-1 whenever possible in state agencies with at least 100 employees, or explain why, if they think another ratio is better.

Other labor-backed bills were stalled:

- Unionists lobbied once again to legislate "Buy American" requirements for state purchasing, without success. A "Buy Oregon" bill did pass

(HB 3000) but the Oregon AFL-CIO was neutral on it, because it allows state purchasers to give preference to Oregon-made goods and services — if the cost is not more than 10 percent more than out-of-state goods and services — but it doesn't require state purchasers to give the preference.

- The Oregon State Building and Construction Trades Council pushed for a law requiring companies to pay prevailing wage on construction projects that get the state's Enterprise Zone property tax abatements. The bill, HB 2586, was referred to the House Business and Labor committee, but didn't get a hearing.

- Oregon Working Families Party, a union-supported minor political party, worked on a proposal to withdraw state money from big out-of-state banks and loan it, through community banks, to Oregon farms and businesses. In its first incarnation, the idea was to form a state bank along the lines of the Bank of North Dakota. State Treasurer Ted Wheeler got on board, and the idea was reborn as a plan to form an "Economic Development Finance Authority," which would pool a set of economic development funds currently managed by entities like Credit Suisse and place them in community banks for use in "participatory lending." OWFP cultivated support from farmers, commu-

nity bankers, and business owners, and had bipartisan support for the bill, HB 2519. It passed House and Senate committees with only one no vote, but failed to get a vote in the Joint Ways and Means Committee. "We felt like the bill was in play 'til the very end," said OWFP organizer Steve Hughes. As a result, Hughes said, backers are in a strong position to take up the bill again in the next legislative session.

- Bakers Union member Robin Zimmerman spearheaded a bill to allow workers to take two weeks unpaid bereavement leave after the death of a family member. The bill, SB 506, passed the Senate but failed to get a hearing in the House Business and Labor committee.

For Oregon AFSCME Council 75, success this year meant "dodging bullets" all session long — avoiding major budget cuts to agencies like Corrections that employ their members, and staving off numerous proposals aimed at reducing retirement benefits.

As AFSCME political director Joe Baessler put it, "Little things passed, but big things got watered down so that they weren't as scary or as good." With the House split, it was hard to pass game-changing legislation. "We'll do it next time," was a frequent refrain among lawmakers of both parties in the 2011 session, Baessler said.

This Legislature will convene once again for a one-month session in February 2012.

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