



NORTHWEST LABOR PRESS

INSIDE

OR Legislature	3
Union meetings	6
Local Motion	8
Classified ads	11

VOLUME 116, NUMBER 11

PORTLAND, OREGON

MAY 15, 2015

SALES JOB

Obama stumps for a new super-sized NAFTA

By Don McIntosh
Associate Editor

Visiting Portland May 7-8, President Barack Obama spent the evening taking cash from the 1 percent, and the morning selling a trade deal written by the Fortune 500.

At both events, union leaders were the outsiders—joining hundreds of protesters ringing a \$500-per-ticket Democratic Party fundraiser at downtown Portland's Sentinel Hotel (\$5,000 for a photo with the president, \$10,000 to attend a 'meet and greet,' and \$33,400 to get recognition as a co-chair), and demonstrating outside an invitation-only speech at Nike World Headquarters in unincorporated Washington County. On trade policy, organized labor is used to that outsider status, having been



A child holds a protest sign as police in riot gear stand guard outside Nike World Headquarters May 8, where President Barack Obama was stumping for his top-secret trade agreement.

Photo courtesy of Oregon Fair Trade Campaign

Turn to Page 11

Oregon Supreme Court strikes down PERS pension cuts

A contract is a contract, the court says in a unanimous decision

By Don McIntosh
Associate Editor

SALEM—Just as public sector union leaders predicted two years ago, the Oregon Supreme Court struck down parts of two laws that would have cut public employee retiree benefits more than \$4 billion. The court ruled April 30 that it was unconstitutional to reduce cost-of-living (COLA) increases to public employee retirement benefits—once those benefits were already earned. In a unanimous 87-page legal decision, the court said the COLA cuts passed in 2013 violate the Oregon Constitution's ban on laws that impair the obligation of contracts.

"Those [COLA] provisions have remained largely unchanged for 40 years," wrote Chief Justice Tom Balmer. "They were part of the compensation that public employees—many of whom are now retired—were promised in exchange for the work that they already have performed."

The decision affects more than 332,000 current and former public employees in Oregon's Public Employees Retirement System (PERS)—including teachers, firefighters and other state, county and local public workers.

The PERS COLA was cut twice in 2013—first in the regular legislative session, and again even more in a special session called by then-Governor John Kitzhaber. The second law limited the COLA to 1.25 percent a year on the first \$60,000 of the retirement benefit and 0.15 percent on benefits above that. Under the Supreme Court

ruling, the Legislature may reduce the COLAs applied to benefits earned AFTER the laws were passed—just not to benefits that were promised before then. The Court also upheld the part of the legislation which eliminated income tax offset payments to retirees who live out of state.

Still, the biggest financial impact was from the cuts to already-earned benefits.

Retired Oregon School Employees Association (OSEA) member Everice Moro was the lead plaintiff in the lawsuit. In the 30 years she worked as an educational assistant at Estacada School District, Moro contributed 6 percent of her salary to PERS. Now she receives a PERS pension of less than \$19,000 a year.

"I never feel like I should apologize to anyone for receiving that money, because I earned it," Moro said. "We took wage cuts and cuts in hours, and I never got more than a 2 percent (annual) raise in 30 years."

The COLA cuts would have cost Moro almost \$69,000 over her projected lifespan.

"This isn't just about me or about public employees; it's about keeping the promises we make," Moro said.

Plaintiffs attorney Hartman called the COLA-cut reversal a vindication.

"When you win \$4 billion, I'd call that a pretty substantial victory," Hartman said.

Retired Portland Water Bureau warehouse worker Michael Arken said he's pleased with the Court's decision, but he's still sore at lawmakers for the COLA cuts on future benefits. A former union steward with AF-

Turn to Page 4

Former Oregon AFL-CIO president Ed Whelan dies, 89

Ed Whelan, president of the Oregon AFL-CIO from 1965 to 1973, died May 7 after battling lung cancer. He was 89.

Whelan's accomplishments were numerous over his 55-year career. He was a World War II and Korean War veteran, a firefighter, a local union officer, a state union council president and lobbyist, an executive officer of the Multnomah County Labor Council, a state legislator, president of the Oregon AFL-CIO, the first executive director of the Oregon Department of Economic Development, a PGE executive, and a small business entrepreneur.

Whelan was born in Portland on Jan. 11, 1926. He grew up in North Portland and graduated

from Roosevelt High School. He served in the Army Air Corps and military reserves, where he achieved the rank of major.

He attended the University of Portland before joining the Portland Fire Bureau. He was active in the Fire Fighters Union, serving as secretary of Local 43 and as president of the Oregon State Fire Fighters Council.

He headed the Multnomah County Labor Council from 1957 to 1965. While at the helm of the labor council, he also served in the Oregon Legislature. He was elected as a Democratic state representative in 1958, and served through the

Turn to Page 9

