

Guest Opinion

By Tim Nesbitt

Two perspectives on PERS: From the kitchen table and from the bargaining table



Soon after former Gov. John Kitzhaber finalized legislation in 2013 that came to be known as the “grand bargain,” he commented, more wearily than triumphantly, that he was “done” with overhauling the Oregon Public Employees Retirement System (PERS). Two years later, the Oregon Supreme Court invalidated most of Kitzhaber’s pension reforms, and it is now painfully clear that PERS is not done with us.

By “us” I mean all Oregonians, those in our schools and those who rely on public services to lead productive lives — all of us. But public employees and their unions are in a uniquely difficult place among us now that the PERS problem looms as an obstacle to improving public services and a threat to their personal financial futures.

So let’s try to understand this problem from two perspectives — from the kitchen table and the bargaining table.

At our kitchen tables, PERS represents an enormous opportunity cost. Projected increases to keep the PERS pension plan solvent will consume all of the revenue dividends from an expanding economy that could otherwise go to improve our schools, keep health care affordable and expand our public infrastructure. Doing nothing to address PERS’ claims on future budgets will not only perpetuate fiscal crises, it will erode confidence in government when, in the midst of a growing economy, our elected leaders are forced to reduce services.

At public employee bargaining tables, PERS represents an unfair claim on their futures. At most, those now working are responsible for less than a third of the unpaid bills in the pension system. The remaining legacy costs are the greater problem. To shift these costs to the payrolls of current workers is un-

justified, especially if it forces them to accept substandard retirement benefits in the future.

How do we square these conflicting realities? We can start by recognizing that doing nothing does not leave us in status quo. Instead, it will invite a cascade of adverse impacts — from shorter school years and larger class sizes to salary freezes and staffing reductions at all levels of government. To avoid that future, we have to act on PERS reform and, yes, on tax reform.

We can make a strong case for increased tax support from business, but we also need to tie proposals for more revenue to doing more for our people. Tax reform that chases a growing PERS deficit will fail to meet that goal and fail to pass muster with the voters.

I have outlined approaches to PERS reform that take cues from what a number of private sector unions did to recapitalize their pension funds following the 2008 recession. These approaches can maintain adequate retirement benefits in the future and need not affect any employee’s paycheck. (I offered an overview of these ideas in the Jan. 27 Portland Business Journal).

If we want to be done with PERS, we will have to find new ways to put the system on a sound financial footing, connect that effort to securing increased tax support from the business community and take charge of shaping a future that will otherwise set back our hopes for a better Oregon.

Tim Nesbitt, a former executive director of the SEIU Oregon State Council, served as Oregon AFL-CIO president from 1999-2005 and as deputy and chief of staff to Gov. Ted Kulongoski from 2006-2011. He now works on the PERS issue as a political consultant for the Oregon Business Council, but did not receive compensation for this column.



WHO’S THAT SHAKING THE GOVERNOR’S HAND? Iowa Gov. Terry Branstad signed legislation Feb. 17 that ends all meaningful collective bargaining rights for public employees. The private signing ceremony was closed to the press but not to Drew Klein, above. Klein is state director of the anti-union group Americans for Prosperity, funded by the billionaire Koch brothers.

...Unions attacked

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checks. Finally, public employees will be required to re-certify that they want to be in a union with each new contract, and to continue to be union-represented, an outright majority of workers in a bargaining unit would have to vote for the union, not just a majority of those who show up to vote.

In case there was any doubt as to who inspired the union-killing legislation, on Feb. 13, Scott Walker delivered a pep talk to 29 Iowa Senate Republicans in a 10-minute Skype conference call.

The bill exempted police and firefighters from some of the changes, but many of them showed up in uniform and rallied alongside the hundreds of protesters who flooded the Capitol rotunda in a show of opposition. More than 1,100 people registered to speak in opposition to the bill, while only about two dozen registered in support.

On Feb. 16 the bill passed the Iowa House 53 to 47 and the Iowa Senate 29-21. Not a single Democrat voted in favor, though six Republicans voted against it. Iowa Gov. Terry Branstad (R) signed it into law the very next day, and the law takes effect im-

mediately.

The signing took place in a private ceremony, closed to the press, but open to the head of Iowa chapter of a group that lobbied for the bill — Americans for Prosperity, funded by the billionaire Koch brothers.

Having all-but-destroyed public employee union rights that have been in place since 1974, Gov. Branstad isn’t planning to stick around: He’s President Donald Trump’s nominee for ambassador to China.

AFSCME, which represents 40,000 Iowa public employees, has filed a lawsuit seeking to stop the law.

‘Right-to-work’ defeated in New Hampshire

This year’s rising tide of “right-to-work” laws stopped when it reached New Hampshire. Kentucky and Missouri passed the anti-union laws, which bar any requirement to pay union dues. But the effort failed in New Hampshire for the second time in two years. It passed the Senate, but failed 200-177 in the state’s massive House of Representatives. Every Democrat voted against it, and so did 32 Republicans. Republican Gov. Chris Sununu had declared the legislation a priority.

Open Forum

To the Editor:

President Trump’s executive orders on immigration are just wrong.

The Northwest Oregon Labor Council believes all people deserve dignity and respect. The executive orders of the Trump Administration have caused fear and hardship for immigrants and refugees in Oregon and throughout the United States with no consideration of humanitarian concerns.

Based on the wording of the executive order, a criminal could include someone who is

charged with, but not actually convicted of, a crime and is therefore subject to being deported under the new enforcement priorities.

As Governor Brown said during a recent press conference, “President Trump’s order does not reflect values enshrined in the U.S. Constitution or the principles we stand for as Oregonians.”

President Trump’s divisive and intolerant policies have caused widespread chaos and confusion to the immigrant, refugee communities and all

working people and families.

The Northwest Oregon Labor Council embraces Oregon’s diverse communities and, therefore, we support the position taken by the City of Portland, Multnomah County, and the governor to provide safe harbor to those attempting to build a better life for themselves and their family here in Oregon.

**Executive Secretary-Treasurer
Bob Tackett on behalf of the
NW Oregon Labor Council
Executive Board
Portland**

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