

...Lawmakers cut PERS ... again

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itive. All but three Republican legislators voted against the bill, because they didn't think the cuts went far enough. Democrats, all of whom were endorsed by public employee unions, led the charge and provided the votes. Even Democrats who come out of the labor movement voted for SB 1049. Tiffany Mitchell is a public employee herself and just won office last November with the help of her union, SEIU Local 503. State Rep. Rob Nosse, a union rep at Oregon Nurses Association, voted for it even though it meant cutting his own members' compensation.

State Sen. Michael Dembrow — a public employee and long-time former officer in American Federation of Teachers-Oregon — also voted for it, even though it cuts his own compensation.

In an email to constituents, Dembrow explained why he and other Democrats voted for it. Employer contributions to PERS have risen steadily because Oregon is working to reduce the funding shortfall created by the 2008 financial crash. Those increases have pinched public budgets. Democrats wanted more revenue, but a three-fifths supermajority vote requirement made that challenging. Lawmakers got over that

three-fifths hump earlier this year in a vote to increase K-12 funding by raising taxes on big corporations by a billion dollars a year.

But Dembrow explained it was a package deal: "In order to get the necessary votes, to get Senate Republicans back into the building (they used their constitutional ability to deny a quorum), and to get business to stand down, there was an implicit understanding that we would follow school funding with PERS reform in short order, and that the changes to PERS would need to include contributions from current public sector employees."

What SB 1049 does

The bill is meant to lessen the burden the PERS system is placing on public budgets.

Allow a longer catch-up period The bill gives public employers more time to restore the investment value that was lost in the 2008 crash. It changes that "amortization period" from 20 to 22 years starting in 2020. This generates two-thirds of the bill's savings.

Divert public worker compensation Current retirees won't be affected, but beginning July 1, 2021, public sector employers will "redirect" part of the 6 percent of salary that's now being contributed to public employees' 401(k)-

style retirement savings plan — to reduce PERS' unfunded liability. Employees with annual salaries under \$30,000 won't be affected. For those above that, the reduction will depend on which PERS tier they're in. More senior employees who are in the more generous PERS Tiers 1 & 2 will see a redirect of 2.5 percent of salary. Tier 3 employees will see a redirect of 0.75 percent. The diversion will continue until PERS is 90 percent funded, which is projected to take 10 to 15 years. [Currently the PERS system is considered around 80 percent funded.] If employees want to keep 6 percent of salary going into their retirement savings accounts, they can opt to put their future salary increases into the fund. This provision of SB 1049 accounts for about 20 percent of the savings.

Welcome retirees back Starting January 2020, restrictions on retired public employees going back to work will be eliminated. They just won't accrue new pension benefits if they return; instead, whatever the employer would otherwise have paid into their retirement will go to shore up PERS.

Cap PERS benefits Effective 2021 the earnings that generate PERS benefits will be capped at \$195,000. The change will only affect top-paid government executives, coaches, and doctors.

Transfer public funds \$100 million in unanticipated General Fund revenue will go to reduce the unfunded liability, and 80 percent of annual revenues from a new lottery sports betting program will go to incentivize public employers to make additional payments.

How they voted

It was Democrats who provided the votes to divert public employee compensation into pension reserves.

SENATE: Passed 16 to 12

Aye: 13 Democrats, 3 Republicans

Lee Beyer (D-Springfield)
Ginny Burdick (D-Portland)
Michael Dembrow (D-Portland)
Lew Frederick (D-Portland)
Fred Girod (R-Stayton)
Bill Hansell (R-Athena)
Mark Hass (D-Beaverton)
Betsy Johnson (D-Scappoose)
Tim Knopp (R-Bend)
James Manning Jr (D-NW Eugene)
Laurie Monnes Anderson (D-Gresham)
Floyd Prozanski (D-Eugene)
Chuck Riley (D-Hillsboro)
Arnie Roblan (D-Coos Bay)
Elizabeth Steiner Hayward (D-NW Portland/Beaverton)
President Peter Courtney (D-Salem)

Nay: 5 Democrats, 7 Republicans

Herman Baertschiger Jr (R-Grants Pass)
Cliff Bentz (R-Ontario)
Brian Boquist (R-Dallas)
Shemia Fagan (D-Portland)
Sara Gelsler (D-Corvallis)
Jeff Golden (D-Ashland)
Dallas Heard (R-Roseburg)
Dennis Linthicum (R-Klamath Falls)
Kathleen Taylor (D-Milwaukie)
Kim Thatcher (R-Keizer)
Chuck Thomsen (R-Hood River)
Rob Wagner (D-Lake Oswego)

Excused: Alan Olsen (R-Canby)
Jackie Winters (R-Salem)

HOUSE: Passed 31 to 29

Aye: 31 Democrats

Teresa Alonso Leon (D-Woodburn)
Janelle Bynum (D-Clackamas)
Julie Fahey (D-Eugene)
David Gombert (D-Lincoln City)
Mitch Greenlick (D-Portland)
Ken Helm (D-Beaverton)
Paul Holvey (D-Eugene)
Alissa Keny-Guyer (D-Portland)
Tina Kotek (D-Portland)
John Lively (D-Springfield)
Pam Marsh (D-Ashland)
Caddy McKeown (D-Coos Bay)
Susan McLain (D-Hillsboro)
Mark Meek (D-Gladstone)
Tiffany Mitchell (D-Astoria)
Nancy Nathanson (D-Eugene)
Courtney Neron (D-Aloha)
Rob Nosse (D-Portland)
Carla Piluso (D-Gresham)
Karin Power (D-Milwaukie)
Dan Rayfield (D-Corvallis)
Jeff Reardon (D-Happy Valley)
Andrea Salinas (D-Lake Oswego)
Tawna Sanchez (D-Portland)
Sheri Schouten (D-Beaverton)
Barbara Smith Warner (D-Portland)
Janeen Sollman (D-Hillsboro)
Marty Wilde (D-Eugene)
Anna Williams (D-Hood River)
Jennifer Williamson (D-Portland)
Brad Witt (D-Clatskanie)

Nay: All 22 Republicans, plus these 7 Democrats

Jeff Barker (D-Aloha)
Brian Clem (D-Salem)
Margaret Doherty (D-Tigard)
Paul Evans (D-Monmouth)
Chris Gorsek (D-Troutdale)
Diego Hernandez (D-Portland)
Rachel Prusak (D-Tualatin / West Linn)

... Union report: Men are paid more than women at Fred Meyer

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down mainly to one thing: which pay schedule employees get assigned to by management.

Local 555's contracts contain two pay schedules. Schedule A is for grocery checkers, courtesy clerks, and workers in produce, wine, regular grocery, freight, and the cold wall (dairy and prepackaged deli meats). Schedule B includes the deli and bakery departments, and cheese and coffee kiosks. The thing is: Workers don't choose which of those two schedules they're placed in. They fill out a job application for a general grocery category, and then get hired and assigned by managers to jobs in one of the two pay schedules. That's the biggest source of the gender disparity — because the average wage is \$17.22 for Schedule A and \$13.69 for

Schedule B. That's a \$3.53 difference.

Guess which schedule most female grocery applicants are assigned to? At Fred Meyer, Local 555 number crunchers found that women were *twice* as likely as men to be hired into the lower-paying Schedule B jobs. In fact, the two schedules are mirror images of each other: Two-thirds of Schedule B workers are women, while two-thirds of Schedule A workers are men.

Local 555 found that age appeared to be a factor as well — the gender wage gap expands dramatically for older women. Among journey-level grocery workers, the average woman over 60 makes \$2.25 an hour less than the average man over 60, Local 555 found.

Men are also more likely to be given opportunities for promotion. Local 555 found that men

under 30 were twice as likely to be made foreman as women under 30.

There's even anecdotal reason to think that newly hired men may be given more hours and therefore progress more rapidly to journeyman pay, and that male employees end up getting paid above the contract minimum more often than women. UFCW hasn't crunched the data to make those arguments yet; it wanted to start with just the most clearcut case — grocery journeyworkers. The information requested from Fred Meyer included data for about 10,000 employees in all departments in Oregon and Southwest Washington; Portland metro area grocery journeyworkers make up about a quarter of that total.

These gendered pay disparities can add up over time: That \$1.31-an-hour difference would

total \$122,000 over a 45-year career, Local 555 estimated.

In its campaign around gender pay equity, Local 555 isn't actually accusing grocery managers of overt gender discrimination. It's quite possible that the disparate pay results are simply the result of many unconscious choices.

But it *is* asking Fred Meyer and other grocery employers to do something about it.

Local 555 is proposing in contract bargaining that employers raise wages in Schedule B to make progress toward parity with Schedule A, arguing that the two schedules draw from the same set of applicants, and the difference between the work done in the two sets of jobs is minimal.

"Time's up, Fred Meyer: fix the gap," is the campaign's slogan.

The starkly different A and B pay schedules have been in Local 555 contracts going back as far as anyone can remember, and it's not clear why they originated.

The contracts are part of a set of multi-employer pattern agreements that includes other grocery employers like Safeway. Local 555 hasn't analyzed similar data for other companies, but union leaders think they would find similar patterns if they did.

The Local 555 bargaining team is proposing wage increases for *all* members in its multi-employer contract negotiation, but if employers agree to raise wages even more for Schedule B, that would disproportionately lift up female employees who've been placed in jobs where they're earning \$1.33-an-hour less on average. Employers have given no indication that they're interested in working to eliminate that gap.