

# Amend this!

WILL PUBLIC EMPLOYEES REMEMBER 2017 WHEN THEY VOTE IN 2018?

**A**s the Oregon Legislature wound down last week, I called a good friend of 20-plus years, Bob Livingston, a lobbyist and president of the Oregon State Firefighters Council. While we were often at odds during the PERS (Public Employees Retirement System) reform fight in 2003, we've maintained a strong trusting relationship over the years.

Bob was the only public sector union lobbyist to show up at my Senate retirement party after the 2003 session. There's not a smarter resource on public sector collective bargaining and PERS in the capitol. Bob described the various maneuvers that resulted in Senate Bill 1067 and *sine die*. Workers be wary!

The 2017 Legislature ended like a scene out of *Monty Python and the Holy Grail*. Remember the limbless Black Knight taunting his rival, who relents and calls it a draw? That's Senate Republican leader Ted Ferrioli and his "No!" party getting their collective asses kicked by Speaker Tina Kotek and Gov. Kate Brown.

After getting snookered on a transportation package and the health care provider tax that saved Oregon's poor, Republicans took one last shot at the so-called "cost containment" package, Senate Bill 1067, that ended the session.

SB 1067 made major changes to public employee health plans, PERS, and public sector collective bargaining rights. For example, to achieve \$175 million in savings in our \$20 billion biennial state budget, the bill would adversely affect health insurance co-pays and deductibles where a married couple who work for separate government entities — like a teacher married to a state worker — who both have coverage through their employer. The bill also limits big hospital and specialists' reimbursement rates to double the Medicare rate, and creates a state hiring freeze.

Of course, Republicans screamed SB 1067 didn't go far enough. Their targets for savings were clearly workers' health care benefits and the PERS unfunded actuarial liability (UAL). Anti-public employee Rep. Julie Parrish tried to insert an amendment to SB 1067 that would force teachers and state workers into the Oregon Health Plan and put them on Medicaid. That amendment failed in the joint Ways and Means committee, thank god.

Then a last-ditch effort by the Headless Black Knight when the bill hit the Senate floor for a vote; Republicans made a procedural motion to send the bill back to Ways and Means to adopt the mysterious -30A amendments. "-30A" refers to the number of amendments submitted to SB 1067, and this was the last one standing.

If you thought the takeaways listed above were bad, the -30A amendments are the nuclear option. The amendments lower pension rates for Tier 1 and Tier 2, reduce individual accounts to pay down the UAL, cuts the assumed rate of return by half, and lowers employer rates by 3.3 percent. The amendments also proposed severe restrictions on public employees' collective bargaining rights by changing previous "mandatory" subjects of bargaining to "permissive" (employer is not required to bargain).

But the cruelest amendment of all denies survivor benefits to a PERS benefi-

ciary when the worker dies. The benefit would be used to pay down the PERS UAL instead of going to the family! Thank god the Republican motion to adopt the -30A amendments failed. And don't forget when voting in 2018 what the Republicans proposed and the Democrats defeated in 2017!

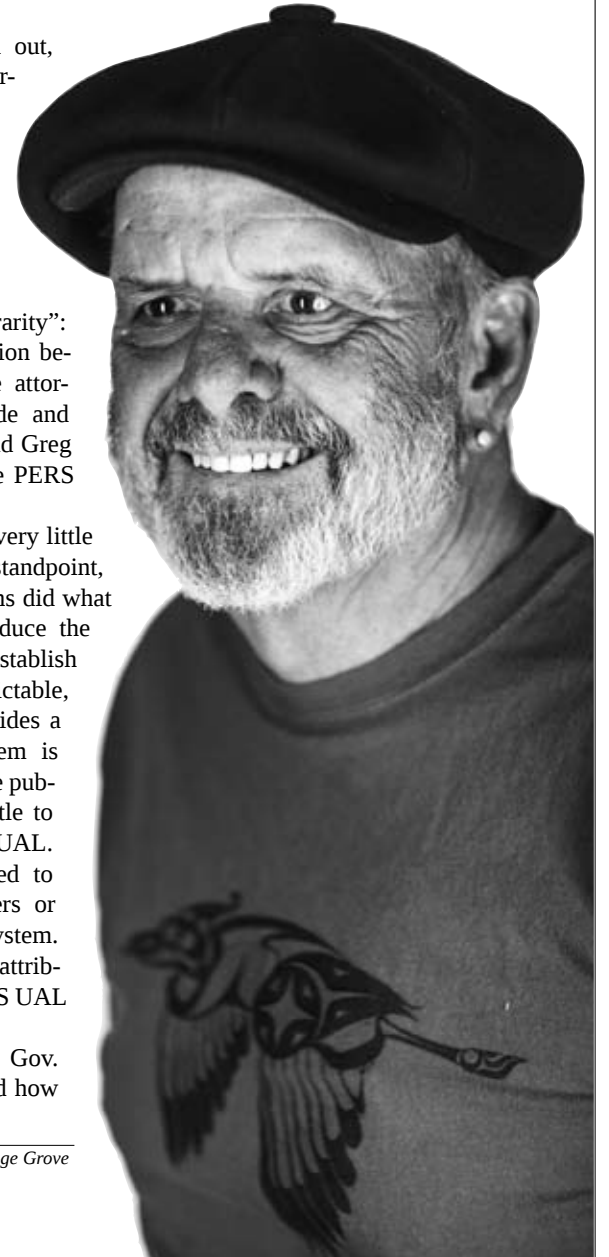
As firefighter Bob pointed out, Senate Republicans and the corporate business lobby clearly provided erroneous and inaccurate information regarding health insurance and PERS cost-savings throughout the SB 1067 negotiations and all 30 of its amended versions.

Finally, Bob described a "rarity": He witnessed a joint presentation before Ways and Means by the attorneys from the employers' side and the workers' side, Bill Gary and Greg Hartman, who have waged the PERS war for over 20 years.

Both testified that there is very little that can be done from a legal standpoint, and that the 2003 PERS reforms did what they were intended to do: reduce the benefit levels of members and establish a new system that is more predictable, less complicated but still provides a reasonable benefit. That system is now the majority system for the public workforce and has very little to do with the current UAL. That liability can be attributed to mainly retired Tier 1 members or people who have left the system. Seventy percent of the UAL is attributed to those retirees: The PERS UAL is truly a "legacy" problem.

Next time, we'll discuss Gov. Brown's legislative session and how she fared. Stay tuned...

*Former state Sen. Tony Corcoran of Cottage Grove is a retired state employee.*



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