Investment of PERS Funds in Stock Ruled Legal

The Oregon Supreme Court has ruled that investment of money from the Public Employee Retirement System fund in common stocks is constitutional.

It also held that a 1967 law creating an Investment Council and giving it authority to invest up to 10 per cent of the PERS fund is legal.

As a result of the opinion, the Investment Council met on Mar. 4 and discussed procedures and policies for making investments.

The first step, required by law, is for the council to employ an investment counseling firm to handle the investments. It is expected that it will take between three and four months before the firm or firms are chosen and contracts negotiated.

In the meantime, the PERS Board will be developing forms and establishing policies for employees who choose to have a certain portion of their contributions to PERS invested in equities.

The forms will be distributed through state agencies. It is anticipated that they will be available for distribution late this summer, with employees completing and returning them during the fall months.

The effective date of the first contributions will be Jan. 1, 1970.

Members of the Investment Council are State Treasurer Robert W. Straub, Max M. Manchester, W. P. Stalnaker, Howell Appling Jr., and Don Ellis.

The Supreme Court ruling reversed a decision by Marion County Circuit Court Judge Val D. Sloper. He had ruled that investment of state trust funds in common stock was unconstitutional.

Judge Sloper's ruling was based on a constitutional provision prohibiting the state from having an interest in the stock of any company.

The Supreme Court said, however, that the state has no direct interest in the trust funds and therefore investment from those funds in stocks does not violate the constitution.

Straub said he was pleased with the decision.

"It will permit a better job of investing," he said, adding that "higher earnings will help offset the increasing cost of living for our public employees during their years of retirement."

Straub said the law "lets us invest in anything a prudent man would––in real estate if we want."

The suit was filed by Charles A. Sprague, publisher of the Oregon Statesman, and Fred H. Paulus.

OSEA entered the suit as amicus curiae (friend of the court).

OSEA-UO Sign Contract Governing Overtime, Vacations, Merit Pay

OSEA's collective bargaining contract defining the basic work week and work day, and governing such working conditions as overtime, vacation scheduling and merit pay raises has been signed by the University of Oregon.

It was negotiated by staff member John M. Schoonover and signed by Charles E. Johnson, acting president, on Feb. 24.

The work week is defined as beginning at 12:01 a.m. Monday and ending Sunday midnight. It does not apply to the Heating Plant, however, where the work week is established as 12:01 a.m. Sunday to Saturday midnight.

The work day is defined as eight consecutive working hours in a 24-hour period. Exceptions may be made by the employer at the request of an employee.

"Any department currently scheduling employees or positions on a split-shift basis has until July 1, 1969, to comply with this (work day) provision," the contract says.

Until then, no employee will be scheduled to work a split-shift unless he requests such a shift.

Overtime is defined as "time worked in excess of the scheduled work day or work week.' Regarding overtime, the school agreed to:

(1) Avoid or reduce to a minimum either scheduled or unscheduled overtime.

(2) Distribute overtime among employees as equitably as possible, giving first consideration to those employees currently assigned to the unit involved.

(3) Give advance notice of not less than four hours to employees scheduled to work overtime.

(4) Record all overtime on attendance records.

(5) Pay cash for overtime work.

The contract says vacations shall be scheduled at a time mutually acceptable to the employer and employee.

"If two or more employees request the same vacation period and the matter cannot be resolved by agreement of the parties concerned, seniority with the University of Oregon shall be the determining factor," it says.

If an employee is to be denied an annual merit pay increase, the contract says he will be notified, in writing, at least 15 days prior to his anniversary date. The notice will include the reasons for the denial.

The contract calls for the school to publish and post term work schedules.

LEGISLATIVE JOURNEY HB 232, Gov. McCall's bill on government reorganization, which includes major revision of the state's personnel system, began its journey through the Legislature Mar. 3 in this hearing before the Senate Constitutional Revision and Government Reorganization Committee. Committee members pictured are Sens. Betty Roberts (D-Portland), Glen Stadler (D-Eugene), chairman, C. R. Hoyt (R-Corvallis) and R. E. Schedeen (D-Gresham).

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Long Legislative Journey Begun By Bill to Revise Personnel System

One of the bills which would drastically revise Oregon's personnel system began its long journey through the 1969 Legislature Mar. 3 at a hearing before a Senate committee.

SB 232 is Gov. Tom McCall's executive department reorganization bill which includes revision of the personnel system.

Edward G. Westerdahl, McCall's executive assistant, outlined the bill to the Constitutional Revision and Governmental Reorganization Committee headed by Sen. Glen M. Stadler (D-Eugene).

Another bill, SB 54, which also proposes revision of the state's personnel system, is before the Senate State and Federal Affairs Committee. It has not yet been heard.

Both bills would split the functions of the present Civil Service Commission.

Sen. Stadler set another hearing of SB 232 for Mar. 10, at which time OSEA representatives will testify on the bill. They will also introduce amendments which will include "employee protection" portions of SB 54.

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