OREGON STATE employee news

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Correspondence

To the Editor:

The Supreme Court of Oregon has recently ruled that employee contributions to PERS are not state funds and therefore not subject to the restrictions imposed on state funds. It would appear to be obvious then that these funds belong to the employees who contributed them.

This being the case, public employees should be working for the long-overdue reform of PERS in the following areas:

(1) The Retirement Board which oversees the operation should be selected by, and responsible to the members of PERS, not political appointees or "the public." Those serving on the board should be selected from among the membership.

(2) This new board should then reject the present one-man control of the retirement fund and hire competent professional investment management which can think in terms of increasing the capital entrusted to it rather than earning interest at a rate lower than that paid by banks.

(3) The membership and contribution rules of PERS should be revised to allow both voluntary membership and variable contribution rates.

(4) The payment procedure upon retirement should be revised to allow a lump sum withdrawal option at the discretion of the retired member. It is neither appropriate nor desirable for PERS, the state or any other group to tell any person how he must use the money he has spent 30 years of his life accumulating.

We would like to discuss implementing these or other reforms with other interested members of PERS. It is our feeling that OSEA, as the major spokesman for state employees, should undertake this task. In the event that OSEA either is unwilling or unable to do this, we are quite willing to go directly to the Legislature with our requests.

George Burgess
Loyd Henion
Salem Chapter 1

(Editor's Note: The PERS was overhauled and retirement benefits improved by the 1967 Legislature as a result of legislation drafted by OSEA and supported by OSEA, the Oregon Education Association and the Oregon School Employees Association. While the system is not perfect, neither is it as bad as you make it appear. For instance:

(1) The Retirement Board is composed of five members, two of whom are selected from the public and three from the PERS. Since more than half of the total PERS fund is made up of public money, it seems reasonable that the public should be represented. There have been no "political" appointments to the board. It is and has been composed of reasonable, hard-working, responsible citizens who have done an excellent job of investing PERS funds in view of the statutory limitations.

(2) There is not now nor has there ever been a "one-man control" of the fund. Prior to 1967, the board had statutory responsibility for investing funds. The 1967 law gave the Investment Council the authority to invest the "variable annuity" portion of the fund in common stocks. No matter which body is doing the investing, investment of the fund is tightly controlled by law.

(3) To allow voluntary membership and variable contribution rates would damage or even wreck the system. Neither is permitted by law.

(4) The four options available to the individual member upon retirement are set by law.

OSEA is governed by its membership through a system of delegates acting upon resolutions at its annual General Council. If you want OSEA to act upon your suggestions, you must submit them in a resolution through your chapter. That's the way OSEA's system works.

Any citizen of the state, of course, has the right to contact his legislator about a problem.)

To the Editor:

On behalf of the members and officers of the Utah State Employees Association, we sincerely express our appreciation to Executive Secretary Thomas C. Enright for coming to our recent Leadership Conference and discussing collective bargaining with our Membership Council Representatives. Needless to say, his address was the highlight of our conference.

You will be interested in knowning that our people have voted to increase their dues from $1 to $2 a month. We are grateful to Tom Enright for his comments that helped them to realize the additional financial responsibility that must be assumed at this time.

In addition, we took action on everal other important resolutions, one of which was to remove the "no strike" clause from our constitution. Our people voted overwhelmingly to leave this provision within our constitution.

Richard Kinnersley
Manager, USEA

From the . . . Executive Secretary

The new U. S. Secretary of Labor, George P. Schultz, is more of a listener than a talker. When he has something he wants to say, his delivery is both scholarly and clear, as befits a former Dean of the Industrial Relations School of the University of Chicago.

This was one of the impressions received by this writer and John Doyle, executive secretary of the Michigan State Employees Association and current president of the national Assembly of Governmental Employees, and Sam Hanson, AGE executive director, when we met with Secretary Schultz in Washington, D. C. recently.

Seated around a fireplace in one of the secretary's offices, we discussed with him for almost an hour the views of the independent public employee associations on collective bargaining, federal-local relations and developments under the federal Fair Labor Standards Act, and on-the-job training programs under the Manpower Development and Training Act.

Secretary Schultz expressed concern and a desire to furnish federal leadership in the conflict area of public employee labor relations. His remarks, however, indicated that the federal government is not presently considering intervening in local government relations, as some of the so-called experts in the field have been predicting it will.

Two years ago, OSEA made application for a grant to retrain replaced state employees under the provisions of the MDT Act.. No funds have been forthcoming, ostensibly because of program reductions resulting from the Vietnam war. Recently an AFL-CIO union received a $1.2 million grant for training programs in state hospitals in the midwest. Asked about this, Secretary Schultz referred us to former Oregon Department of Employment Commissioner J. N. "Nick" Peet, a Schultz appointee who will be working in the training area, and with whom the secretary seems much impressed.

The value of a visit of the kind described is hard to assess. The leaders of associations federated in AGE feel it is important that national leaders and opinion makers be made aware of the validity of the independent employee associations and their views on employee representation matters. It can be hoped that in the future there will be more consultation with the independents before federal decisions affecting employees in state and local government are made.