

Bargaining at the Legislature

Legislative jousting over how to allocate too few dollars for too many programs is having more effect on state employees than possible layoffs. This overriding concern of the 61st Legislature is also having a significant impact on negotiations for a new state contract.

Besides appropriating funds for all state programs and agency budgets, the legislature must approve the amount the State will pay its employees.

"It is important that state employees understand this legislative side of negotiations," said Thomas Gallagher, OPEU Executive Director. "They must make legislators, as well as the State's negotiators, realize that state employees are going to fight for what they deserve and that they will not accept a sub-par contract."

OPEU Government Relations Director Chuck Mendenhall points out that state employees need to know how they are perceived in the political process if they are going to have an impact. "While state employees are the people who run the agencies and feel a direct impact from any agency budget cuts, they are viewed as a special interest in terms of their contractual demands."

In short, state employees have a very large stake in the political battles that will be fought over the 1981-83 budget.

"The real issue for this legislature is going to be which agencies and special interests will be forced to undergo a disproportionate amount of belt tightening to support those agencies and special interests who are not," said Mendenhall. "The arguments over these budgetary matters are going to be heated."

This scenario in which state employees find themselves, was brought to a head when Governor Atiyeh put responsibility for budget cutting directly in the legislature's lap. He introduced a budget for the 1981-83 biennium that is nearly \$250,000 out of balance and is

up the difference by increasing taxes.

Oregon law requires that the State's budget be in balance.

Lately, there has been some

sentiment to introduce new tax measures. Senate president Fred Heard (D-Klamath Falls) said on April 22, "I think we are going to have to

pursue new revenues." He said that he would begin meeting with individual senators to determine their stances on tax increases.

But Heard's comments were seen primarily as a test of public sentiment. Most legislators, at least publicly, remain firmly against any major new tax measures. This sentiment is based on a widely-held belief, among legislators, that political fall-out from being held responsible for raising taxes could be disastrous in any future election.

Faced with a deficit budget and little or no support for new taxes, the Joint Ways and Means Committee is cutting 10 percent from each item in the Governor's budget. Included in the cuts are property tax relief, basic school support, higher education, human resources and all agency budgets.

However, this is not the only area where legislators are looking to save money. Some have suggested that state employees take a reduction in pay and benefits. These lawmakers have said the only alternative may be layoffs.

"Such proposals are nothing more than a tax on state employees," Gallagher said. "They are highly unjust."

"In the November elections and in special elections since then, American's have made it clear that they want less government—not just at the federal level, but in Oregon as well," he added. "State government was built program by program. It must be left to the people of the State and their legislators to analyze programs and decide where cuts are going to be made."

Gallagher added, "If the legislature decides that more revenues are needed to fund programs that the people are demanding, then those revenues should be raised equally. State employees will not stand still for measures that say they will be forced to decide who will be laid-off if they don't fund programs from their own pockets."

State Proposes Pay Cut in First Year of Contract

The State has put a pay package on the table that, if accepted as is, would mean a net wage loss of 1.5 percent in the first year of a new contract and only a net wage increase of 2.85 percent during the entire two-year life of the proposed contract.

"When the Labor Relations Division offers this kind of a pay proposal, it must become obvious even to the most casual observer that the State has no concern for the personal welfare of its employees," said Thomas Gallagher, OPEU Executive Director. "This proposal was put together by a bunch of bureaucrats who are trying to look good for the legislature at the expense of state employees."

The proposal the State offered on April 24 would give employees a 4.5 percent wage increase in the first year of a new contract, followed by a 4.35 percent wage increase in the second year of a new contract.

However, this proposal would result in a substantial pay cut for state employees, because the State would take back its contribution to the Public Employees Retirement System (PERS).

Under the current contract, the State contributes the equivalent of six percent of each employee's net pay to PERS. The State's take back strategy, in this instance (which is the equivalent to approximately eight percent of after-tax wages),

appears to be to delete this portion of the current contract by simply not mentioning it in their proposal.

If each employee were to pay for their retirement program at present levels, their loss—in before-tax income—would be 1.5 percent in the first year of the contract. If this figure is computed in spendable, or after-tax income, state employees would suffer a 3.5 percent wage loss.

Besides drawing the ire of leadership and staff over their wage increases for all state employees, the State's proposals for selective salary adjustments were termed "ridiculous."

The State is proposing that all selective salary adjustments and reclassifications that exceed a total cost of \$2 million for the biennium, will be deducted from the proposed across-the-board increases.

"The State's proposal in this area is only about two-thirds of what we normally receive," said Eleanor Meyers, OPEU Personnel and Classification Analyst. "That approximately \$3 million was only enough to keep many groups from falling significantly behind in the first year of the current contract."

"This time, State employees must have much more, because there are over 50 classifications that are significantly behind in pay scales relative to other public and private sector employees in similar positions."

State Complaint Against OPEU Called 'Face-Saving' Measure

On April 24, the State filed an Unfair Labor Practice (ULP) complaint that OPEU Executive Director Thomas Gallagher characterized as strictly a face-saving device.

The central allegation of the four-page complaint is that OPEU refused to bargain in good faith by prematurely declaring an impasse and requesting the assistance of a mediator.

Unlike federal statutes, Oregon law does not require that negotiations be at impasse before parties can enter into mediation. Instead, the Oregon Collective Bargaining Act allows either party to put the negotiations into mediation if, after a reasonable amount of time, an agreement has not been reached.

"It is difficult to find any reasonable evidence as to why the State would file this complaint," Gallagher said. "I can only presume they felt a face-

saving measure was needed once they realized they should not have walked out of mediation."

"I feel very comfortable that we have proceeded (with negotiations and mediation) in conformity with the requirements of the Oregon Collective Bargaining Act," said Alice Dale, chief spokesperson for OPEU's central bargaining team. "We were very explicit when we informed the State that we were invoking our right to move negotiations into mediation. At no point did we maintain that negotiations were at impasse."

Outside parties contacted by The Oregon Public Employee generally concurred that the State's case appears very weak. But they said that the Employment Relations Board (ERB) would probably hear the complaint because it involves such large parties.

The State attempted to gain public

sentiment and widespread press coverage for their position by issuing a press release on their ULP through the Governor's office.

One of the major points raised in the release was a portion of the State's complaint that said, "Despite knowledge of the financial crisis being experienced by the State, OPEU's salary demands of April 9 totalled more than 35 percent and were offered on a 'take it or leave it basis' without the spirit of compromise."

"This statement must be viewed as simple grandstanding by the State," said Gallagher. "Our salary proposal calls for a 13.5 percent wage increase in the first year of the contract and cost of living adjustments linked to the consumer price index in the second year of the contract. I see no way this could possibly compute to be 35 percent."

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