

Democrats who voted for pension reform face angry unions

Some see vote as 'a betrayal'

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SALEM — Last week, 31 Democrats voted to cut into benefits promised to public employees in what was likely their toughest vote of the 2019 legislative session, if not their careers. It prompted 17 to file public explanations for why they voted.

In a political environment where public employee unions give generously to many Democrats' campaigns, cutting into pensions is a line rarely crossed.

Public employee unions have long been considered as the puppet masters of the Capitol, where Democrats reign supreme.

They fund Democrats' campaigns, and are increasingly getting their own members elected. Unions have schools where they groom potential candidates, and oftentimes politicians have to fill out a policy scorecard before securing union money for their race.

Rarely do they see Democrats veer from a union policy agenda like they did last week.

Because of that power, lawmakers and lobbyists were reluctant to speak publicly. The Oregon Capital Bureau allowed them to talk on background.

"It's the holy grail," one veteran lobbyist said of voting to cut benefits. "It's like a Republican voting to increase taxes."

Senate Bill 1049 was introduced in May by state Senate President Peter Courtney, D-Salem, and House Speaker Tina Kotek, D-Portland, after a ballooning unfunded liability on the state's pension plan mounted pressure.

The pressure on leadership to pass pension reform increased in May when the Senate passed the Student Success Act, a large education package including \$1 billion a year in new business taxes.

Democrats only passed it with the deciding vote of Sen. Betsy Johnson, D-Scappoose, who said if pension reform didn't follow, she would lead an effort to refer the education tax package to the ballot, where she would work to sink it.

The education package is one of the crown jewels for Democrats, including Gov. Kate Brown. With its passage, it was clear to Democrats pension reform was a must.

Too big to ignore

Several lawmakers told the Capital Bureau the pension deficit was just too big

to ignore. In his vote explanation, Rep. Marty Wilde, D-Eugene, said not cutting into benefits would lead to public employees being laid off in the coming years. It's a tough choice, but a necessary one, he wrote.

Voting explanations are voluntary statements lawmakers submit to the Legislature for the public record, and are sometimes used on controversial votes, though 17 explanations stands out.

"The bill includes systemwide cost savings that will protect critical services and ensure long-term stability in our retirement system," wrote Rep. Teresa Alonso Leon, D-Woodburn, in her vote explanation. "I believe it will help head off corporate efforts to make even deeper cuts to employee benefits."

Republicans have been clamoring for reform to the Public Employees Retirement System, but said Courtney and Kotek's plan didn't go far enough. Plus, they have no interest in making anything easier for Democrats, who have dominated the session with their supermajority in both chambers.

SB 1049 nearly died until Kotek got two Democrats to change their votes at the last minute.

After Kotek called a recess, Rep. Andrea Salinas, D-Lake Oswego, joined longtime Portland Rep. Mitch Greenlick in changing her vote at Kotek's request.

In 2018, public employee unions spent \$4.8 million on candidates seeking legislative seats, according to the Institute on Money in Politics. Trade unions chipped in another \$2.4 million.

Immediately, and as expected, the unions voiced their fury about the pension vote.

Rumors started circulating that unions could fund candidates to challenge some politically weaker Democrats who supported the bill. Stronger politicians might see their ambitions of statewide office evaporate.

"We're taking it really, really serious," said Joe Baessler, the political director for Oregon's chapter of the American Federation of State, County and Municipal Employees. "It was a big blow."

The unions made clear to lawmakers how they should vote — some more "strident" than others, one lawmaker said. But Baessler said the rumors that they threatened to fund challengers to force lawmakers into voting with the unions was untrue.

"We didn't try and use political threats to stop them," he said. "Maybe we should have, but we didn't." Baessler said he knew how several would vote, but there were five or six Democrats who kept their intentions private.

Baessler said some union-

backed representatives who assured unions they wouldn't support benefit cuts went back on their word.

Not all did.

Five Democrats in the Senate and seven in the House voted against the bill — a vote in favor of the unions. Most got fairly modest labor dollars — around \$20,000 or less — but a couple got significant labor money for their campaigns last year. Rep. Paul Evans, D-Monmouth, got \$253,455 and Rep. Rachel Prusak, D-West Linn, got nearly \$500,000. Both were in tight races, and Prusak unseated incumbent Republican lawmaker Julie Parrish.

In her vote explanation, Prusak said she liked some parts of the bill, but as a

people's retirement,' if you realize the only effective way you can do that is by taking a vote that might look bad right now, but actually preserves that retirement benefit for those members, that to me was the end moment and the greater good."

Baessler said public unions are under pressure to listen to their members most closely as a result of a U.S. Supreme Court ruling making it easier for public employees to opt out of certain union dues.

And the message from public employees is clear, he said. They are "livid."

Unions could challenge the benefit rollback in court, but they also expect to assess their political support of some legislators.



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Rep. Tiffany Mitchell, D-Astoria

whole it went against her values as a working-class person.

Freshman Rep. Tiffany Mitchell, D-Astoria, got several hundred thousand dollars from labor, including \$138,000 from Service Employees International Union, 35,000 from AFSCME, nearly \$34,000 from the Oregon Education Association and \$13,000 from nurses.

"It's always difficult when you believe in something so much, and I am still to this day a huge supporter of labor," said Mitchell, who quit her job as a state worker to serve in the House. "I understand this moment for them and their members, but at the end of the day, I like to think that when you look at the facts, and you realize, 'I promised to protect these

One potential target is Rep. Rob Nosse. Although he supported the benefits rollback, the Portland Democrat is considered one of the most liberal lawmakers in the state.

Baessler said some union members, though not necessarily AFSCME members, are serious about revoking support for Nosse, but AFSCME so far hasn't taken a stance.

Several lawmakers said they don't believe unions would act against Democrats.

"They will bark," one said. "They will not bite."

Another argued that the unions just paid to get them elected. That would mean unions would have to spend more to back a challenger in a primary and then promote in the general election someone new to the office.

"That representative is dumb," Baessler said of the logic.

Baessler reiterated that it isn't up to him or Stacy Chamberlain, the union's executive director, on whether to challenge a lawmaker the union previously backed.

"It's not my far-left progressives that are really mad," Baessler said. "It's my rank-and-file, moderate folks who are the most mad."

Baessler said his union would decide in September what course to take.

"If there's a quality candidate that we trust, then we might endorse them," he said, saying they could potentially prop someone up from the union training grounds like Emerge Oregon or the Oregon Labor Candidate School.

Rep. Carla Piluso, D-Gresham, was a founding member of the police union in Gresham and later became Gresham's police chief. She voted for the pension reforms, which she said was "a difficult decision" with her union background and support base.

"There's no doubt in my mind when it comes for re-election that there will be some negative stuff," she said.

As to who will attack her over her vote, Piluso mused: "I wonder. I don't know if that's going to be from unions or just how others will try to take over the seat, whether it's a Democrat or a Republican."

Brown hasn't signed the bill yet, but is expected to by Tuesday, the last day she can.

'A betrayal'

Karl Koenig, president of the Oregon State Firefighters Council, said the bill amounts to a "betrayal" after Brown said she wouldn't cut pension benefits on the campaign trail. Firefighters gave Brown \$116,150 in 2018, according to the Institute on Money in Politics.

"I'm not interested in cutting firefighter retirements or salaries right now," Brown told The Oregonian in October 2018, weeks before she won the election.

"She's been on TV, she said it to me directly," Koenig said.

"She's been a long go-to for the firefighters as far as political advocacy forever, her entire career up until this point," Koenig said of Brown.

The firefighters' council, Koenig said, is focused on five priorities: wages, hours, working conditions, retirement security and safety.

"We support those who support us," Koenig said. "So regardless of a letter after their name, if you sign on to be a supporter of the firefighters in those five areas, then we usually can work out some sort of advocacy, endorsement and that sort of thing."

"I would disagree with the underlying characterization," Brown said in response Thursday. "I've been really clear on the campaign trail and all along that I think it's critically important that we ensure the financial stability of the system, and part of that was ensuring that public employees have more skin in the game."

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