


LOCAL Voice



The Truth about Taxes

By Karen Font-Williams

The media focuses on

government spending and waste. However, readers rarely find an informative description of the services tax dollars buy or how our state government distributes the tax revenues it receives. Ralph Groener, our lobbyist at Council 75, has written an article that summarizes how drastically Oregon tax distribution changed after 1990, and how we, both voting citizens and legislators, have dug ourselves ever deeper into a hole by mandating costly programs without increasing revenue. For the full text of Ralph's article, check out the Council 75 website: <http://www.oregonafscme.com/main.html>.

Ralph reminds us that Oregon is the most dependent state on a single tax--the income, a volatile tax that makes our tax structure particularly unstable. Indeed Oregon's income tax is the nation's second highest but did you know we rank forty-seventh in overall taxation compared to income. Income tax revenue funds three primary areas: education (53 percent), human services (25 percent), and public safety (17 percent), with 5 percent left over to fund everything else, including natural resource agencies.

Commentators and government watchdogs pay little attention to the cumulative effects of citizen-passed initiatives on the state

budget. We, the people, passed initiatives since 1990 (Measures 5, 11, 50, 88) that cost the state \$4.3 billion in the 2001-03 biennium. While the state had to pay 33 percent more to fund initiatives than in the previous biennium, revenue only increased by 13 percent. Measure 5 shifted school funding responsibility from local governments to the state and cost schools and local governments \$2 billion per year in lost property taxes.

For at least the last two biennial cycles, Oregon gave back more in tax expenditures (tax breaks) than it collected in revenue. If tax breaks had been held to a constant percentage of total taxes levied between 1999 and 2001, we would have \$1.4 billion in additional tax revenue this biennium.

Tim Nesbitt, President of the Oregon AFL-CIO, also makes this point in his report, *A Primer on Tax Breaks in Oregon* (www.oraficio.unions-america.com). He researched the costs and benefits of Oregon's 350 tax breaks and found that the cost to the state in lost revenue has been \$25.2 billion in the 2001 to 2003 biennium. Tax breaks on property and income taxes comprise 99.8 percent of all revenue lost to tax breaks, and he suggests our legislators look to these for some savings.

Nesbitt stresses that many tax breaks are beneficial to society, and he categorizes tax breaks by purpose (for example, job creation, protect environment, affordable housing). However, 174 of the 350 tax breaks do not significantly benefit Oregonians by creating jobs or the benefit only the wealthy.

Business tax breaks (\$9.2 billion in 2001-2003) should reward us with jobs. Nesbitt calculates, based on current Oregon employment, that on average each job costs the state \$2,714 in lost tax revenue.

Nesbitt recommends that legislators hold tax breaks to certain standards. Tax breaks for businesses should require the business to produce the promised jobs (living wage jobs with health care, by the way). Oregon can help itself by disconnecting from the federal tax code as many tax breaks were never explicitly authorized by Oregon lawmakers and may have little if any benefit to Oregon companies. (House Bill 2186, doing just that, was signed by the Speaker of the House on May 22.) Nesbitt also recommends that Oregon establish a moratorium on all new tax breaks (unless they can be offset by the repeal of a less compelling tax break of equal or greater cost), reduce all tax breaks by a common percentage, and establish a minimum revenue recovery rate.



Bargaining Update – May 29, 2003

By William Brown and Doug Drake, Co-Chairs, AFSCME 3336 Bargaining Team

Contract bargaining takes place at two different bargaining tables, central and local. Central table is where we negotiate salaries, benefits, and contract language that is common to all AFSCME state locals. Central table takes place in Salem and includes ten AFSCME state locals, Department of Administrative Services (DAS), and representatives from management at the AFSCME-represented

state agencies. Local table is for negotiating contract language that is specific to our local and DEQ. Local table bargaining includes DAS, DEQ, and AFSCME.

Local table - Our local table bargaining team members are William Brown, Larry Calkins, Doug Drake, Eileen O'Connell (AFSCME Council 75 Representative), Denise Roth, and Issa Simpson. We have been meeting with the local table management team, which consists of Mary Abrams, Kevin Dull (DAS), Dawn Jansen, Mike Llewellyn, Gale Miller, and Kerri Nelson.

We have reached a number of tentative agreements (TAs). Probably the most significant is the agreement on Article 20, Lay-offs. Management signed off on the Union's proposal to do away with full- and part-time lists. Now members will not be treated differently when they opt to work part-time. Members will also have an additional option of bumping into either part- or full-time positions before facing a lateral transfer, demotion or lay-off. After much discussion with our members, it was determined that the membership did not want to change the geographic areas.

Other items we have tentatively agreed to include tightening some Article 12 language concerning personnel records (pre-dismissal notices in Article 12 and access to managers' working files and Human Resource files in Article 15) and changes to the Performance Management (formerly Appraisals) article to bring it up to date with recent changes. Finally, we approved management's changes to Article 39 (Lead Worker) which is now less ambiguous and allows for assignments of 40 hours, not just 5 days a week.

We have a number of items yet to discuss including changes to the health and safety language, career development, hardship leave, emergency response, holiday time-off usage, and one selective salary increase. Though a number of salaries need

adjustments, given the economic climate and state budget crisis, the bargaining team decided to pursue just one; the custodial position at the Vehicle Inspection Program. The lowest paid position at DEQ.

Management has rejected our proposed changes to Article 10, Limited Duration Appointments (LDs). We proposed that these members be entitled to seniority and layoff rights after 2 years at DEQ. We also proposed that if a LD employee is in a LD position that becomes permanent, that employee would become permanent without reapplying for the position. Due to economic conditions and changes in funding for DEQ, there has been increased use of LD status employees. They now comprise 20 percent of the represented employees at DEQ. They are being used to fill permanent positions and to perform the same work as permanent employees--but not treated the same as permanent employees in terms of seniority or layoff. We are asking management to recognize these changes in conditions and to give the LD employees these rights.

Article 22, Health and Safety, is another article where management may be resistant to revising. Our local has introduced several proposals incorporating standards and practices for a safe workplace. This would make the contract a tool that could be used by management and employees.

Central Table - Remember that the central table is where we focus on money issues. The Union has proposed 3 percent wage increases for the next 2 years, no out-of-pocket increase in health care, a secondary statewide recall list, and language allowing for the Union to have a person on leave to work for the Union without loss of benefits.

In contrast, the State (DAS) has offered to freeze wages and salary step increases for 2 years, employees paying out-of-pocket health care increases, and the lessening of our PERS language regarding the State's 6 percent pickup of the employee contribution.

PERS - Since the PERS issue is soon to be in the courts, it doesn't seem likely we will be discussing it any more. To keep up to date on legislation and legal actions about PERS, check the AFSCME website at <http://www.afscme-alert.org/> or sign up for e-alerts by writing Don Loving at the AFSCME Council 75 office at dloving@afscmecn75.com.

Wages - It is also clear that a wage increase is a tough sell right now. Regardless, AFSCME is committed to fighting hard for step increases. In addition, your Union countered with a number of time-off options. We put a shorter workweek (37.5 hours), increasing the vacation accrual rate (parity with managers), and the day after Thanksgiving as an additional holiday.

We understand that the state is facing an economic crisis. However, our members also understand budgets on a personal level. Two years ago, we heard from support staff about the difficulty of providing the basic care of food, shelter, and care for their families on support staff wages. We know that professional and technical staff continues to make less than their colleagues. We have already seen a tremendous loss of skills and institutional knowledge as the state has acted to fix PERS. The Legislature, Governor, DAS, and DEQ need to understand that they have a critical management role in ensuring the State of Oregon retains a qualified workforce. This cannot be done without providing a package of salaries and benefits that is adequate to attract and retain those employees.

Health care - At central table we negotiate the dollars that the employer will provide for health care and whether there will be out-of-pocket expenses. The news is that costs are less than expected (only a 9 percent increase). For more information about the specifics of the health care plan options for next biennium, visit the PEBB site at <http://pebb.das.state.or.us/newsindex.htm>).

The Governor recently indicated there is money available to avoid out-of-pocket health care costs. That message has yet to make it to the DAS negotiating team. We will see if they bring good news the next time we meet.

Flexible Spending Accounts are one way that we can address out of pocket expenses for health care. PEBB is seriously looking at this for 2004 but still needs to hear from members. You can contact PEBB at the following email address to ask for flexible spending accounts for medical expenses or to make other comments or suggestions about health care plans: inquiries.pebb@state.or.us. You should also send a copy of your email to Diane Lovell, our AFSCME representative on the PEBB Board, at lovell@afscmecn75.com.

What happens next? - Because we are so far apart on issues of salaries and benefits, we expect that negotiations will go beyond the June 30 expiration. This is not unusual, and it is expected that we will reach an agreement for a temporary extension at our central table bargaining session on June 13.

What can you do to help? - The easy agreements have been reached. We need your help. Our power and ability to negotiate does not come from the representatives at the bargaining table--it comes from our membership. Stay informed: contact Doug Drake if you would like to receive email alerts. Get involved: contact Karen Font-Williams to find out how you can help. We will need to show that all of our members support us if we are to reach agreement on the remaining issues of wages, benefits, hardship leave, emergency response, limited duration appointments, and health and safety. Karen will be the contact person for actions to show management that we have support from our members. Also, you should contact members of the bargaining team if you have questions or concerns. **We need to hear from you!**

If you want to receive updates on negotiations, please contact Doug Drake, and he will put you on the CAT (Contract Action Team) email list. You will also find this newsletter, updates on negotiations, and other important local news by viewing our website at www.afscme3336.org and selecting the Communications button.



VIP Privatization-They Keep On Trying!

By Issa Simpson

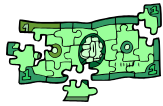
AFSCME, with Ralph Groener at the helm, has made great strides in the battle against VIP privatization but we have definitely not yet won the war. Environmental Systems Products (ESP) lobbyists are still working around the clock to place a budget note calling for another Request for Proposals (RFP) for privatization of VIP. The last RFP cost the state approximately \$250,000 to produce and review--at a time critical state services are being cut.

ESP's track record in taking over state run programs is to hire part-time inspectors at minimum wage and proceed to run the program into the ground. The effects on labor and air quality should not be minimized!

Governor Kulongoski, even though opposed to VIP privatization, does not have the authority to veto a budget note. Typically, these things are slipped in the back door at the last minute so it is critical to contact your legislator now and urge support for the VIP program. In addition please telephone or email Senator Kurt Schrader (D) District 20 at 503-986-1720, and thank him for his support and remind him of the importance of voting no on a budget note calling for yet another RFP. The toll-free telephone number for all senators is 1-800-332-2313. You may go to: www.oregonafscme.com. for legislative contact information.

Tax Expenditures and DEQ

By Kevin Downing



With a tightening budget situation, it is prudent to not only look at how money is spent but also how it is collected. An example of a tax expenditure that should be reviewed is the Pollution Control Tax Credit (PCTC), overseen by DEQ.

The pollution control tax credit allows a credit against corporate or personal income taxes equal to 35 percent of the cost of eligible pollution control facilities. Facilities can be certified for air, water, noise, hazardous waste and non-point pollution control or for the material recovery of solid waste, hazardous waste, or used oil.

Since the program started in 1968, the Department has issued over \$693 million in tax credits. In recent years, the tax expenditure liability represented by the PCTC amounted to between \$25 and \$28 million of forgone revenue each year. Georgia Pacific, with over \$42 million in credits has received the greatest financial benefit but Portland General Electric holds the greatest number of certificates at \$90 million. In fact, PGE's aggressive use of tax credits contributed significantly to their recent notoriety in the press about having paid only the minimum in corporate income taxes--\$10. Through the use of tax credits like the PCTC and Business Energy Tax Credit, PGE was able to reduce what would have been a \$1.5 million tax liability in 2002 to zero. This is not a negative reflection on PGE, who is making rational choices to reduce costs, rather it reflects poorly on a government policy that exacerbates already dire financial straits.

A facility can qualify under two provisions: 1) that the principal purpose of the facility must be to meet government pollution control standards; or, 2) that the sole purpose must be to prevent, control or reduce a significant quantity of pollution.

People concerned about environmental protection rightly point out that under the first condition the controls are required by rule or statute anyway. The tax credit provides no incentive for environmental protection that is not otherwise already in place with the regulation. In fact, between 70 and 85 percent of all tax credits issued in recent years qualify under this principal purpose test.

Scaling back the credit will have little or no deleterious affect on environmental protection but could have a definite benefit for the revenue side and could even add to environmental quality. Eliminating the principal purpose criterion could add between \$12.8 and \$19 million per biennium to the state's General Fund revenues. If these funds were available for environmental protection, they could represent support for between 60 and 90 Full Time Equivalent (FTE) Environmental Specialists (ESs) 3s. This represents more than enough funding to restore the 30 FTE the Department is projecting to cut in the upcoming biennium's budget--cut because of the expected decline in General Fund revenue.

DEQ Breaks New Ground with Performance Management System

By Karen Font-Williams

In February 2003, DEQ's Executive Management Team approved a new performance management system. Eight months earlier, the Performance Management System Design Team began revamping DEQ's performance appraisal process. An implementation team is now developing training and education for managers and staff, methods to monitor system implementation, and measures to track system success.

The Union proposed contract language changes to Articles 32 and 33 (formerly Work Plans and Performance Appraisals) that represent staff comments. Management countered with wording changes but left the

content and meaning intact. A tentative agreement to the language changes in Articles 32 and 33 was made.

Manager's performance - Though many people liked the idea of giving managers feedback on their performance, some were bothered by potential retaliation against the employee. Article 33 now states:

Any employee who offers specific comments on a manager's performance relevant to agreed upon measures shall not suffer any form of retaliation or intimidation from management because of the comments given.

Peer feedback - Some thought peer feedback could be used beneficially to build better teams but several feared irrelevant and vindictive comments. The Union and Management added the following language to Article 33: "In an effort to build trust between managers and employees ...a manager shall notify the employee...if the manager intends to ask other people about the employee's performance..."

Staff input People wanted more say in their jobs and work loads. Article 32 now contains this language: "Employees will be given the opportunity to participate in the development of their work agreements."

Timely feedback - People wanted more timely feedback from their managers, not a once-a-year rehash of what they'd done right and wrong. Article 33 now includes this statement, "Managers shall strive to provide timely feedback to employees... and shall not rely solely on annual reviews to discuss employee performance."

DEQ began implementing the new system with the first stage of manager training in April 2003, and will conclude initial manager training in June 2002. Staff and fellow managers assist Human Resource's Dawn Jansen with the trainings. The Implementation Team expects managers to explain the new system to their staff at the

first section meeting following manager training. The Implementation Team is also developing a Staff Tutorial that will be placed on Q-Net.

The first of four phases of manager training emphasizes the collaborative work agreement and more productive staff reviews without a numbered rating system. Managers receive a tool kit that includes a summary of the system, example work agreements and review forms, list of resources, the Professional Code of Conduct, and helpful tips. Regularly, over the next two years, managers will receive training in the more advanced components of the system: frequent feedback, section level planning, and team level reviews.

Karen Font-Williams (AFSCME Steward-NWR and Executive Board at-large) and Greg Aitken (AFSCME Steward-Eugene) participated in the Design Team and continue to participate on the Implementation Team.

Find more information about the Performance Management System Design and Implementation Teams on Q-Net. Check the HR Info Center, Performance Management link.

Washington Department of Ecology Votes for Union Representation

By Leslie Kochan

On May 14, employees at the Washington Department of Ecology (DOE) voted to join the Washington Federation of State Employees/AFSCME Council 28. AFSCME now represents 1,100 employees at DOE. This spring, AFSCME Executive Board members, Doug Drake, Karen Font-Williams and Leslie Kochan, made trips to DOE offices around Washington to talk to DOE employees about the benefits of having a union. DOE workers seemed the most interested in two aspects of unionization: 1) the ability to have a second voice to advocate for their environmental protection

work; and, 2) protection from changes in Washington's civil service laws.

DOE employees care deeply about the work they do. They were impressed with the news that a union would be able to lobby on behalf of their Agency, and that their local would be able to support environmental groups from the perspective of organized labor.

~Doug Drake

Washington State is in the process of overturning some of its strong civil service protections including seniority rights and the requirement that jobs traditionally performed by public employees not be privatized. Without a union, DOE workers realize they will not be able to negotiate fair seniority language or collectively oppose privatization efforts.

At the same time, public employees in Washington are gaining new legal rights to bargain over wages and benefits. Pete Kmet, an Environmental Engineer for DOE, says, "Employees need to take advantage of the new collective bargaining rules so we can protect ourselves."



Justice for Janitors in Portland Buildings

By Leslie Kochan

Janitors who clean DEQ's downtown offices are among those struggling for a new contract. Actions begin this month to support the janitors in their contract negotiations and to mount a campaign in Portland to increase union density among janitors. A November 11, 2003, Portland-area Workers' Rights Board hearing revealed what janitors are up against. The Portland Workers' Rights Board is a Jobs with Justice initiative whereby community leaders hear testimony from workers and propose solutions. Portland City Councilor Erik Sten chaired the November 11 hearing. Religious leaders, former State Representative JoAnn Bowman, and two area university professors joined him on the panel.

Workers testified to working long hours with no overtime pay as required by law, exposure to unsafe cleaning chemicals, and the impact of low wages and no health benefits. Panel member David Leslie, the Director of Ecumenical Ministries of Oregon, reflected that janitors were often invisible--like farm workers--because of the nature of the work they do. He encouraged the community to hold up positive examples of building owners and contractors who do the right thing, and to keep the pressure on large building owners (often multi-national corporations).

There will be future events and requests for action to support the janitors. Contact Leslie Kochan (503-229-5529) or Issa Simpson (503-229-5254) if you would like to know what you can do to support the janitors who clean our buildings!



Council 75's Resource Efficiency Program

By Leslie Kochan

At AFSCME Council 75's 2001 convention, a resolution was passed committing Council 75 to implement a resource efficiency program. Council 75, the umbrella organization over Oregon's AFSCME locals, represents over 22,000 workers.

First, some background for those DEQ employees who are not familiar with resource efficiency. Resource efficiency is the practice of using energy, water, and materials (like paper) efficiently in order to reduce the amount of natural resources that are used up and to reduce the amount of pollution, including greenhouse gases, that is generated from producing products and energy.

Why is this an issue for Council 75?

Council 75 represents many workers at the state and local level (for example., DEQ, DLCD, Metro, City of Portland, Salem, Eugene) whose job it is to protect natural resources, to reduce the amount of pollution generated in Oregon, and to prevent the

generation of excess waste that ends up in landfills. Council 75 represents workers whose children and grandchildren will depend on our protection of natural resources for a healthy and quality future.

Successes - Since the passage of the Council 75 resolution, AFSCME Local 3336 Executive Board Member, Leslie Kochan, has worked with Gina James, Council 75 Administrative staffperson, and other Council 75 employees to implement the REP program. Here are some of the highlights:

1. Double-siding paper has become a standard practice at Council 75 as well as some of its locals. Examples include:
 - Paper use over the first 6 months of the REP program was reduced by approximately 23 percent and saved over \$1,000.
 - Local 88 (Multnomah County local) reduced its new employee orientation packets by 9 pages simply by double siding. During 2002, there were 168 new packets produced and 1,512 sheets of paper saved. This one action saved \$87 in paper and postage.
 - Local 328 (OHSU local) reduced its new employee packet by 2 pages by double siding and reformatting and with 1,500 packets produced in 2002, saw a savings of \$358 in paper and in-house printing costs.
2. Council 75 is now purchasing 30 percent post consumer content recycled paper.
3. Conservatree, a national authority on recycled paper, estimates that approximately 7.2 full grown trees are saved for every 40 cases of 30 percent post consumer recycled paper purchased instead of virgin fiber paper. Council 75 purchased 128 cases of post-consumer content paper in this past year as part of its commitment to resource efficiency. This simple purchasing decision saved 23 full-grown trees and, according to the U.S. Environmental Protection Agency, saved 6,000 kilowatt hours of electricity,

- 9,000 gallons of water, and kept 90 pounds of air pollution out of the sky!
4. Reminders have been put up around offices to turn out lights when leaving an area or the office.
5. All staff has received tip sheets on reducing paper use and other conservation measures.
6. Local's contracts are now posted on the Council 75 website and locals are encouraged to refer members to this or their own website rather than making copies for all (the DEQ local quit printing contracts for all 700-plus represented employees years ago, and now makes about 20 copies a year for those who really need a hard copy).
7. A monthly update on political issues is now sent by email.
8. Reusable mugs were purchased for all Portland staff.
9. Eighty-four (84) percent of Executive Board members polled recently said they have access to email and would be willing to receive and read board minutes by email rather than hard copy.

Business Lobbyists Work Overtime To End Time-and-a-Half Pay for Workers
By Leslie Kochan

Business lobbyists are intensifying their efforts in the U.S. House of Representatives to end the federal requirement that employers pay time-and-a-half overtime pay for all work above 40 hours a week. H.R. 1119 would allow the use of comp time controlled by employers to replace overtime pay.

H.R. 1119 has been camouflaged as a worker-friendly reform by stipulating that a worker's consent will be required to accept comp time in lieu of overtime pay. It will allow employers to control the use of comp time to create long and short workweeks that upset family schedules and leave workers with no additional pay for working more than 40 hours a week.

Action needed - There is still time to send a message to your representative in Congress. Click on this link to fax a message to your representative:

www.unionvoice.org/campaign/otvotejune5/63gixahjxw7. Representative Greg Walden could go either way on this issue.
greg.walden@mail.house.gov

This son of a gun is a job-killer. If an employer can overwork the people he's got now without paying extra, why would he hire additional employees? It's bad for the economy. This doesn't "give" workers flexibility; it takes away their right to get time-and-a-half.

~ Molly Ivins, June 5, 2003

Help to Support the Salmon Planning Act By Maritine Roberts-Pillon



Local 3336 Union member, Greg Geist, recently sent a letter on the Union's behalf to

Congress in support of the Salmon Planning Act (HR1097). Geist stated, "We recognize that by making investments in recovery now, we can reap enormous benefits in the future healthy salmon runs. It is in our long-term interests to have both thriving communities and thriving fisheries existing together." You can help support this bill by contacting your member of congress.

Who Do We Listen To?

By Maritine Roberts-Pillon

There would be no greater tribute to our maturity as a society than if we can make these buildings around us empty of workers; silent monuments to the time when government played a larger role than it deserved or could adequately fill.

~ Jeb Bush, inaugural address

Ask not what your county [community] can do for you; ask what you can do for your county [community]

~ President Kennedy

The campaign to support local tax measures clearly was the recent focus of Union member and citizen commitments. The May

20 win was a clear victory for public employees and community services.

While the business community that usually opposes tax increases remained silent, activists waged a grass-roots campaign.

AFSCME Council 75 put up \$65,000 to help run the campaign. Union and other volunteers made 8,000 calls from Oregon AFL-CIO, AFSCME, and SEIU telephone banks in Portland and 15,000 from the national headquarters. Hundreds more knocked on doors.

Citizens in Multnomah County and Beaverton clearly said yes, with a 58 percent and 60 percent victory, respectively, to fund schools and public services. In Multnomah County, more than 1,100 teachers and county workers will retain their jobs and deliver valuable services.

Three cheers for our Union members who care about our community!



Step Up Ted!

Central Table Negotiations - The state has come to the table with a proposal for paid medical and dental for the next two years. This is how WE pay for it--wage and step freeze for the same time period!

This offer is one we should reject--the Governor can do better! We are going to let him know he can do better. Our next negotiating session will likely be the week of June 23. We want to get stickers out to all members. Volunteer to help get the attention of management and the Governor by distributing stickers members can wear:

- Step Up Ted,
- Not On Our Backs, and
- We Are Not to Blame.

Ask your steward for a sticker!

Local 3336 Newsletter Summer 2003



Were on the WEB!
Visit us at www.afscme3336.org

<p>Newsletter Staff Martine Roberts-Pillon Tina Olson Liz Waddle</p>

American Federation of State, County
And Municipal Employee (AFSCME)
Local 3336
P.O. Box 40446
Portland, OR 97240-0446