

HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS

June 22, 1999 Hearing Room D

2:00 P.M. Tapes 109 - 110

MEMBERS PRESENT: Rep. Mark Simmons, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Bruce Starr, Vice-Chair

Rep. Roger Beyer

Rep. Randall Edwards

Rep. Dan Gardner

Rep. Kevin Mannix

STAFF PRESENT: Keith Putman, Policy Analyst

Brad Daniels, Administrative Support

MEASURE/ISSUES HEARD: SB 1180 Work Session

SB 1181 Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 109, A		
004	Chair Simmons	Opens the meeting at 3:00 p.m. Opens the work session on SB 1181 and SB 1180.
<u>SB 1181 AND SB 1180 WORK SESSIONS</u>		
025	Keith Putman	Policy Analyst. Explains SB 1181, which allows school districts to offer an

		"allowable growth factor" in lieu of collective bargaining. Describes what would happen if the district's offer is under or exceeds the allowable growth factor.
044	Chair Simmons	Asks if the Oregon School Employees Association (OSEA) supports or opposes the bill.
046	Tricia Smith	OSEA. Replies that they are opposed (EXHIBIT A).
049	Rep. Starr	Asks if the bill requires schools to make an offer based on the allowable growth factor.
050	Putman	Replies no.
051	Rep. Starr	Asks if schools are free to negotiate an amount above the allowable growth factor.
053	Putman	Replies that if a school district does exceed the allowable growth factor, the district must report to a variety of governmental entities.
057	Rep. Edwards	Asks about the definition of allowable growth factor.
060	Putman	Replies that it is discussed in Section 3 of the bill. Cites the language of Section 3 concerning the calculation of the "allowable growth factor."
074	Rep. Edwards	Expresses confusion about the source of projected revenues.
076	Putman	Replies that the definition refers to state forecasted revenues.
081	Mary Botkin	American Federation of State, County and Municipal Employees (AFSCME). States that she interpreted the allowable growth factor as a new concept. Expresses uncertainty about the calculation of the factor.
096	Smith	Describes OSEA and its members. Discusses the partnership between employees and management as well as the importance of the Public Employee Collective Bargaining Act (PECBA) to this partnership. Addresses Rep. Edwards question concerning the allowable growth factor and the use of current wage rates in the factor's calculation.
149	Smith	Examines the lack of economic indicators for areas outside of Portland and Salem and the possible method of establishing a statewide economic indicator. Stresses the difficulty of formulating a single economic percentage for all school districts in the context of local differences and recruitment. Notes that a statewide percentage, based on the Portland-Salem market, will result in inflated wages in rural districts.

190	Smith	Outlines SB 1181's effect on bargaining and the involvement of the Employment Relations Board. Underlines that the bill does not eliminate non-economic language from contracts and freezes existing language in place.
220	Chair Simmons	Asks about the location of this provision in the bill.
221	Smith	Replies that the language is in Section 4, line 31. States that this freeze is inappropriate and counterproductive. Stresses that SB 1181 is another attempt to restrict PECBA, actually hurts both employees and employers, and will artificially inflate rural classified employees' wages.
263	Chair Simmons	Asks if Smith thinks that things cost less in rural Oregon.
268	Smith	Answers that wage rates for classified employees are set at the local level, which, in many areas, do not reach the level that they do in the metro area.
281	Chair Simmons	States that other expenses preclude the districts from investing in wages.
283	Smith	Responds that, in addition, wage rates are not as high as they are in Portland.
286	Chair Simmons	Asks if Smith is arguing against higher wages for her members.
287	Smith	Acknowledges that she is arguing an odd position against higher wages for her members, but stresses members' concerns about the overall condition of and funding for schools.
305	Rep. Devlin	Recognizes the concern about freezing non-economic language. Notes the difference between equity, stop, low and flat-funded schools. Asks about the effect of a statewide factor on school funding. Expresses concern about a "one size fits all" approach.
360	Smith	Replies that the bill does not prevent school districts from offering a higher level of wages to employees, but does require these districts to notify entities concerning the reasoning and the resources behind their decision. Underscores that certified employees are in a different recruiting environment and need to be competitive. Reiterates her opposition to the bill.
425	Rep. Starr	Asks if a county growth factor would be preferable to a statewide growth factor.
TAPE 110, A		
003	Smith	Replies that the same problem would occur; although they are in the same county, the Salem-Keizer school district and Gervais school district have very different wage rates. Comments on the impossibility of establishing a statewide cost-of-living standard.

026	Rep. Starr	Asks if the problem is the disparity between growth and economic conditions in different regions.
032	Smith	Replies yes.
036	Rep. Edwards	Cites page 3, line 4 of the bill. Asks about the 30-day requirement.
045	Smith	Replies that this portion of the bill was not discussed.
046	Rep. Edwards	Asks about past settling rates.
049	Smith	Replies that the average increase for classified employees is about three percent
054	Chair Simmons	Asks if the three percent includes raises. Asks if step raises are in addition to the three percent increase.
055	Smith	Responds that the overall package average is three percent.
057	Chair Simmons	Asks if the built-in step increases are on top of the three percent.
059	Smith	Expresses uncertainty.
062	Rep. Edwards	Cites page 2, line 11. Asks if the legislature is obligated to fund to the allowable growth factor.
075	Smith	Agrees that the bill grows increasingly complex. Notes the difficulty of predicting economic factors for five years.
096	Rep. Mannix	Asks about statewide collective bargaining.
098	Smith	Replies that OSEA has not taken a position on that issue. Suggests that more information is needed about the way classified employees are dealt with in schools before changing their bargaining arrangements.
119	Rep. Mannix	Acknowledges that statewide collective bargaining would be a huge issue requiring a lot of consideration.
125	Chair Simmons	Comments that differences will be apparent as the database expands.
131	Botkin	Expresses concern about the elimination of the non-economic aspects of contracts. States that SB 1181 precludes the discussion of other parts of contracts once the allowable growth factor is met. States that they do not understand the

		allowable growth factor.
183	Chair Simmons	States that the economic issues are important in negotiations.
187	Botkin	Replies that job expansions are easier to negotiate than contractions.
191	Rep. Starr	Asks if their opposition would continue if the non-economic freeze were excluded from the bill.
193	Botkin	Expresses uncertainty.
197	Smith	Replies that they would still be opposed.
200	Chair Simmons	Asks for comments on SB 1180.
201	Smith	States that they do not represent employees affected by SB 1180. Suggests that SB 1180 is unnecessary and contributes to increased acrimony in schools.
219	Botkin	Notes changes in the collective bargaining process and the requests of school management to force the legislature to manage districts.
238	Chair Simmons	States that the same argument can apply to the legislature.
240	Botkin	Questions why management continues to need more tools to manage their districts.
250	Mark Toledo	Oregon Education Association (OEA). Opposes SB 1181. Reviews the conception of and changes to collective bargaining arrangements. States that SB 1181 will fragment the law for all public employees. Indicates that constant changes in the law benefit lawyers more than anyone else.
303	Toledo	Explains the process of bargaining under PECBA and the effect of SB 1181 on this process. Describes the function of the allowable growth factor. Stresses that the process of bargaining has reduced strikes.
350	Toledo	Outlines the erroneous assumptions included in SB 1181, rejecting suggestions that teacher salaries are the only costs driving the school funding dilemma, and that districts negotiate exorbitant salary amounts. Indicates that in 1996-97, while the Portland CPI increased 36.2 %, school employee wages rose only 33.5%
365	Rep. Starr	Asks if the percentages refer to all employees or just teachers.
369	Toledo	Replies that he is just talking about teacher salaries.

370	Rep. Starr	Asks if the percentages include the automatic step increases for teachers.
373	Toledo	Replies yes. Acknowledges the erroneous assumption that Portland and other school districts are negotiating exorbitant contracts, which is not borne out by the facts. Adds that between 1989-1997 private industry wages increased by 42.6%.
396	Rep. Beyer	Asks about the period reflected in the percentage.
397	Toledo	Answers that the statistics are from 1989-1997.
410	Chair Simmons	Asks if the step increases are included in the statistics.
412	Toledo	Replies that the step increases are included in the total percentages
TAPE 109, B		
004	Rep. Devlin	Asks if the statistics reflect total pay compensation increases.
007	Toledo	Replies yes.
009	Chair Simmons	Notes that the private sector receives raises, not step increases, emphasizing that step increases are themselves raises.
018	Toledo	States that his understanding is that the statistics reflect total compensation.
023	Rep. Beyer	Asks if Toledo is referring to increases per teacher or for the entire school area. Stresses the difference between the average teacher and the entire area.
047	Toledo	Agrees with Rep. Beyer's assessment.
051	Rep. Starr	Asks about the scope of the study.
055	Toledo	Expresses uncertainty. States that SB 1181 is causing divisiveness in the school community because it allows artificial economic sanctions to be imposed on employees and singles out school employees to bear the burden of schools' funding dilemma.
094	Rep. Starr	Asks about the option of statewide collective bargaining.
097	Toledo	Replies that statewide collective bargaining has many of the same problems as SB 1181 by eliminating local authority to govern.

112	Rep. Starr	Notes that the bill does not issue a mandate to schools.
113	Toledo	Agrees with Rep. Starr.
119	Rep. Beyer	Asks about the effects of de-unionization on the provisions of SB 1181.
126	Toledo	Replies that the lack of an organized union would allow the district to employ whatever terms it wanted.
130	Rep. Beyer	Asks if any schools are non-unionized.
133	Toledo	Replies that there may be some small schools that are not unionized.
137	Rep. Beyer	Asks if OEA would return to the legislature urging action about de-unionization if, for example, Salem-Keizer employees voted to de-unionize.
146	Toledo	Replies that the Salem-Keizer employees would not de-unionize. Stresses that the union structure is more productive and efficient.
160	Rep. Beyer	Asks about the PECBA.
162	Toledo	Explains the PECBA.
168	Rep. Beyer	Asks if a school board has the right to abide by the provisions of PECBA.
171	Toledo	Replies that school districts are statutorily required to bargain with the employee representatives.
178	Rep. Beyer	Asks if all employees are required to be members of the union.
181	Toledo	Replies that not every employee must be a member, but the district must bargain with the union representative. Adds that non-members receive all the benefits of a negotiated contract.
191	Rep. Beyer	Asks if these non-members must pay dues.
194	Toledo	Replies yes.
196	Rep. Beyer	Asks how the dues are spent.
197	Toledo	Replies that they go to support the collective bargaining process.

200	Rep. Devlin	Asks if the union is required to represent these employees in disciplinary and other actions.
203	Toledo	Replies yes.
206	Rep. Devlin	Comments on statewide bargaining and the inability to address more localized issues in such a large context.
232	Toledo	Adds that collaborative bargaining on a local level serves a benefit to the employer.
243	Rep. Devlin	Notes that, with statewide collective bargaining, some people may begin to question the purpose of school boards.
255	Rep. Beyer	Asks about the status of non-unionized employees in a right-to-work state.
262	Toledo	Replies that these employees do not have to pay dues.
264	Rep. Starr	Asks for comments on SB 1180.
265	Toledo	Opposes SB 1180. Explains SB 1180 and the way it amends statutes concerning the evaluation and dismissal of teachers. Supports the ñA6 amendments (EXHIBITS B & C).
314	Toledo	Examines various sections of SB 1180: <ul style="list-style-type: none"> • Section 1: Notes that it corrects a minor inconsistency. • Sections 2 and 3: States that these sections are unnecessary. Explains the current status of probationary teachers. • Section 2 (10): Describes effects of the dramatic change in the definition of "temporary teacher."
370	Toledo	<ul style="list-style-type: none"> • Section 4: Opposes this change in the status of part-time teachers. • Section 5: States that the ñA6 amendments have changed this section for the better. • Section 6 and 7: Supports the change in confidentiality enacted by this section of the bill.
TAPE 110, B		
002	Toledo	<ul style="list-style-type: none"> • Section 8: Describes the fair dismissal hearing process. Supports maintaining consistency in the law. • Section 14: Opposes the changes in the bargaining process and the proposal to make "just cause" a permissive subject.

043	Putman	Describes the A6 amendments, noting the elimination of the changes to teacher evaluation and the conforming language with HB 2525. Explains the SB 1181-A6 amendments (EXHIBIT D).
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Submitted By, Reviewed By,

Brad Daniels, Keith Putman,

Administrative Support Policy Analyst

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EXHIBIT SUMMARY

A SB 1181, written testimony, Tricia Smith, 2 pp.

B SB 1180, written testimony, Mark Toledo, 5 pp.

C SB 1180, -A6 amendments, staff, 6 pp.

D SB 1181, -A6 amendments, staff, 1 p.