



City of Portland  
Bureau of  
**Human Resources**  
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Office of Management and Finance

Jack D. Graham, Chief Administrative Officer

May 15, 2013

Senator Chip Shields, Chair  
Senate General Government, Consumer and Small Business Protection Committee  
900 Court St. NE, Room 453  
Salem, OR 97301

Re: Opposition to HB 2448

Dear Chair Shields and Members of the Committee:

On behalf of the City of Portland's Bureau of Human Resources, I am writing to express concerns about HB 2448. This bill expands the ability to send mid-term bargaining issues – meaning those issues that come up after contracts have been adopted and prior to the end of the contract – to interest arbitration for resolution by employees who are allowed to strike under the law. This process of using interest arbitration is currently reserved to police and firefighters, who are prohibited by law from striking, because it is an alternative to the statutory right to strike.

The proposed legislation would add additional time and expense to the existing process for resolving mid-term bargaining issues. If this legislation is adopted, it would likely result in public employers wanting to enter into annual contracts to maintain flexibility to deal with operational changes and avoid going to interest arbitration. Such a result would put both labor and management into a constant state of bargaining.

Most subjects of mid-term bargaining are relatively minor compared to the major decisions that are made during contract negotiations. For example, the city may be required to bargain over changes, like legislation that becomes law during the life of the contract. Such examples include changes in military leave, family medical leave, leave for victims of domestic violence, to name a few.

This bill as written has a particularly negative impact on local governments that are trying to balance their budgets in this difficult economic climate. This year in the City of Portland, each bureau was asked to submit 10% cut packages to address a \$21 million budget deficit. Those cut packages may include reorganization or complete elimination of certain services. Many difficult decisions city leaders must make in the coming weeks need to be implemented by July 1, 2013 to begin realizing the budget savings. Under this bill, if the City and the affected bargaining unit could not reach agreement on the mandatory impacts of the budget decisions, the City could not implement the changes timely and the matter would go to interest arbitration, a process that could last a year or longer before the issue is resolved. This would add significant financial uncertainty to the budget adopted by the City Council. Portland is not alone in having to make these difficult economic decisions.

**Charlie Hales, Mayor**

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Permitting interest arbitration for strike permitted unions at the conclusion of bargaining will decrease the City's efficiency in providing public services and increase costs to taxpayers.

I respectfully urge your opposition to HB 2448.

A handwritten signature in black ink, appearing to read 'Anna Kanwit', with a long horizontal flourish extending to the right.

Anna Kanwit

Director, Bureau of Human Resources