

Testimony of Joe Baessler in support of HB 2214

Chair Holvey and Members of the Committee, for the record my name is Joe Baessler I represent Oregon AFSCME and the 24,000 members in Oregon. Those members are often outsourced to private non-profits and we would like to make sure they are able to keep their protections and benefits while they transition to a new job.

When a public employee is transferred to another public entity they are allowed to keep their wages and benefits for one year. Prior to 2013 this included transfers to non-profits.

The statute prior to 2013 was unclear and hard to read but and when Education Service Districts were added to the statute Non-profits were deleted.

8 *[(2) "Public employer" includes the state, or cities, or counties, or special*
9 *districts but not including school districts, or an Oregon nonprofit corporation*
10 *any of which has accepted the transfer of a public program from a public em-*
11 *ployer in this state for maintenance and operation.]*
12 ~~*(2)(a) "Public employer" includes any of the following entities that*~~

While it was unclear to read the statute it was the practice that non-profits were included under the transfer statute. I have attached a 1978 Attorney General Opinion that makes it clear that non-profits are included. It was also not the intent of the 2013 bill but horrible side effect. The testimony around the change was incorrect and furthered the confusion. Now with HB 2214 we would add non-profits back under the protection of the transfer statute.

What the bill would do:

- Those public employees that have their jobs transferred to a non-profit would keep their wages for a year. 236.610 (2)
- The employee can retain their sick leave and up to 80 hours of vacation time. 236.610 (3)-(4)
- They will not have a waiting period before health insurance starts with the new employer 236.610(5)
- If the new employer participates in PERS then the new employer would have to take over the PERS payments. If the employee wishes to continue to participate in their old retirement system they may for up to a year and make payments to that retirement system. The new employer would make similar contribution for up to a year. 230.610(7) 230.620 (1)(b)
- Probation would not restart. 230.620(1)(a)

- Employees retain seniority. 230.620(c)
- Employees will receive a comparable position 230.630(1)

What the bill would not do:

- Extend PERS to non-profits.
- Keep jobs from being outsourced to non-profits.
- Make non-profits public employers in any other way.
- Force PERS to cover any employee that would cause PERS to the fund to lose qualifications as a qualified governmental retirement plan. 236.620(2)

This bill will only affect the employees that are transferred to non-profits and only protect them for 12 months at the most. It will allow employees a chance to transition to a new job without an abrupt drop in wages and benefits. When employees are outsourced to non-profits to lower cost this bill will allow more continuity for employees and clients. This will reestablish the way the law was prior to the mistake made in 2013.

If you have any questions please call Joe Baessler AFSCME Political Director, 503-319-1912 or e-mail at joe@oregonafscme.com.