



City of Portland  
Bureau of  
**Human Resources**  
Knowledgeable | Helpful | Responsive

Anna Kanwit, Director  
1120 SW 5th Ave., Rm. 404  
Portland, Oregon 97204-1912  
(503) 823-3572  
Fax (503) 823-4156

Office of Management and Finance

Fred Miller, Chief Administrative Officer

April 27, 2015

Senator Michael Dembrow, Chair  
Senate Workforce Committee  
900 Court St. NE, Hearing Room C  
Salem, OR 97301

Dear Chair Dembrow and Members of the Committee:

My name is Anna Kanwit. I am the Director of Human Resources for the City of Portland. On behalf of the City, I am writing to express concerns about HB 2544. This bill sends mid-term bargaining issues, those issues that come up after contracts have been adopted, to binding interest arbitration for resolution for employees who are allowed to strike under the Public Collective Bargaining Act (PECBA). Interest arbitration is currently reserved to police, firefighters, and other employee groups who by law are prohibited from striking. It is an integral part of the balance envisioned under the PECBA. The law has long recognized the right to strike as an important self-help measure for represented employees if they do not achieve their goals during collective bargaining. A strike and the resulting disruption in services to the public is intended to influence the employer to agree to the union's position. However, the law also recognizes that society cannot afford for certain categories of employees, most notably public safety, to go on strike. Interest arbitration is the economic equivalent of a strike. In interest arbitration the union and the employer submit their final contract package to an independent arbitrator and the arbitrator must choose one package or the other. The arbitrator cannot mix and match between the two packages - - one side wins and one side loses.

The City of Portland enjoys a positive and collaborative relationship with our labor partners. It is not always clear under PECBA when the employer or the union has a statutory duty to bargain. We generally agree to bargain even if the law does not clearly impose a requirement upon us to do so. Under this bill, since one of the results of mid-term bargaining is arbitration, we may be hesitant to bargain over those grey areas in order to avoid the costly and time intensive arbitration process.

Interest arbitration puts the union and represented employees in a situation where the worst outcome is the employer's final offer. But they may do better. This bill will have the unintended consequences of decreasing collaboration and negotiation between public employers and unions and straining relationships by incentivizing an adversarial process to resolve issues normally worked out through bargaining.

Another consequence is it may be more difficult to implement budget cuts during economic downturns. As recently as 2013, the City of Portland faced a \$20 million budget shortfall and our elected leaders had to make difficult decisions to close the gap. Unfortunately, we know we will face similarly difficult decisions in the future. When we do have to implement cost-saving measures to ensure we continue to provide critical services to the public during an economic downturn, interest arbitration will delay implementation of those measures and could result in an unnecessary loss of important services that our community relies on.

**Charlie Hales, Mayor**

**We are an equal opportunity employer**

Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6868.



There are many issues that arise mid-term that may require bargaining prior to implementation. The PECBA recognizes that many of those changes need to happen quickly and provides for an expedited time period for bargaining, thus allowing the employer to implement needed changes in order to continue to provide important public services. Delays could range from a minimum of three months and could take as long as a year to resolve. Important new policies, new work and new programs to serve the public could be delayed for a very long time.

Under HB 2544, public jurisdictions may resort to short term collective bargaining agreements to avoid mid-term negotiations altogether. Short term contracts mean financial uncertainty as neither the employer's personnel budget or employees' wages and benefits are set for any length of time.

Thank you for the opportunity to comment. We are open to working with the bill's sponsors to address these issues.



Anna Kanwit  
Director, Bureau of Human Resources