

Portland, Oregon schools face \$28 million deficit

Teachers contract imposes unprecedented concessions

Our correspondent
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State budget cuts have drastically affected the Oregon education system. Schools and colleges have \$136 million less to spend than they had last year. Oregon schools already average fewer days of instruction than other states. The state also has one of the highest rates of unemployment in the nation.

Schools in the city of Portland face a \$28 million deficit. Portland teachers' salaries have declined from third highest in the metro area to fourteenth highest. The teachers have given back \$14 million in wages and benefits since 1994 to maintain their present health care benefits.

Last fall, the school board fired all union custodians, replacing them with low-wage workers. Deferred maintenance over the last few years resulted in one school being closed because of health concerns from mold spores. Many maintenance workers have had their jobs eliminated and unskilled workers, with as little as eight hours of instruction, now watch over school boiler rooms.

On Monday, Portland teachers voted to ratify a two-year contract that will require them to work 10 days for free, an unprecedented concession. Teachers will also take a 5 percent pay cut this year, while retaining fully paid health premiums—for now. The pact calls for a six-person advisory committee to address rising health care costs in the future.

The Portland Association of Teachers had tentatively agreed to a contract settlement after nine months of contentious bargaining. Twenty-four days were to be eliminated from the school year, equating to a 12.6 percent pay cut. The school board also sought to cap health care costs to \$600 per month as they had done to the food service workers last fall—\$194 below the

present cost. An expected 14 percent increase in cost this year would have had teachers paying \$400 per month for their present coverage. Additionally, the school board wanted to revamp contract language that would allow them to transfer teachers at will throughout the district, undermine seniority and prevent arbitration in dismissal cases.

The tentative agreement came about after city and Multnomah County officials intervened to get the school board to moderate its demands. The teachers union made the offer to have its members work 10 days for free (a 5 percent wage cut) if the city and county could come up with funds to pay for the 14 days that were to be cut. The city proposed a 1 percent tax on business license fees for the next four years to generate \$15 million to fund the 14 days. The 1 percent wage increase in the second year of a two-year contract will not even keep pace with inflation. Any rise in health care costs above the present rate will be split between the school board and the teachers. The teachers will likely be paying \$100 per month by the end of the contract.

Karla Wenzel chairs the School Board. She is married to Fred Miller, the vice president of Portland General Electric, presently owned by Enron. Miller has resigned from a group called Innovations Partnership, a group formed to sell off "excess school property."

Board member Marc Abrams chairs the finance operating committee. Abrams voted against replacing the custodians earlier in the year, but could have stopped plans to fire them while in committee. Abrams served as the chair of the Democratic Party in Oregon from 1979 to 1999 and is a member of the Democratic National Committee.

Steve Goldschmidt is the school board human resources director. Goldschmidt is the brother of Neil Goldschmidt, former Portland mayor and later the labor-backed, Democratic governor of Oregon. Prior to being hired full time, he made \$307,500 as a consultant to Portland Public Schools for 16 months work.

The county's school deficits may top \$100 million in addition to cuts in social services and police services. The county is planning more temporary tax increases to include income taxes and more business taxes. The increase in income taxes will have to be approved by the voters, possibly as early as May.

Statewide, voters recently turned down Measure 28, designed as a temporary tax to replace budget shortfalls throughout Oregon. The measure would have funded education and the social services, which are now threatened with massive cuts. On March 1, 100,000 low-income Oregonians became ineligible for mental health services. The largest provider of mental health care services, Cascadia Behavioral Healthcare, will lay off 180 health care workers in addition to 118 laid off in October. Ten sites, mostly clinics, will stop offering mental health and addiction treatments.

Oregon's Health Care Plan, once touted nationally as a model for health, is also making drastic cuts. Hospital care, dental care and prescription drug coverage are being terminated for 100,000 residents with income below the poverty line.



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