MEASURE: HB 2544 EXHIBIT: <u>11</u> H BUSINESS & LABOR DATE: <u>2-13-15</u> PAGES: <u>2</u> SUBMITTED BY: Rob Boyet



## Board of Commissioners

230 Strand Street, Rm 331, St. Helens, Oregon 97051-2096 \*Ph: 503-397-4322 \*Fax 503-397-7243

Commissioner Henry Heimuller Commissioner Anthony Hyde Commissioner Earl Fisher Jan Greenhalgh, Board Office Administrator henry.heimuller@co.columbia.or.us tony.hyde@co.columbia.or.us earl.fisher@co.columbia.or.us jan.greenhalgh@co.columbia.or.us

February 13, 2015

Written Testimony before the House Committee on Business and Labor House Bill 2544

Chair Holvey and Members of the Committee:

In 2011, Columbia County had received it's final installment of federal timber funds. The loss of the funds, combined with the generally depressed economic climate, left a hole in the County's initial budget approaching \$3 million. The County responded with a number of austerity measures designed to address the shortfall- including lay-offs, hiring freezes, suspension of nonessential purchasing, eliminating capital projects, and reducing reserves. Those measures, however, were insufficient to balance the budget. The County had already undergone significant lay-offs in the years leading up to this point.<sup>1</sup> In April of 2011, the County notified AFSCME Local 1442 of its plan to implement 26 furlough days for FY 2012, with full benefits.<sup>2</sup> The Union demanded to bargain over the proposed changes in working conditions. The County negotiated with the Union for 90 days consistent with ORS 243.698. With no resolution, the County agreed to mediate the issue with the State Conciliator. Although a tentative resolution was reached out of mediation, the Union ultimately rejected the tentative agreement. With no agreement reached and a looming deadline to adopt a balanced budget, the County implemented it's mid-term bargaining proposal. The issues were later arbitrated in January, 2012, and the County prevailed.

In 2011, 26 furlough days represented approximately \$500,000 towards a balanced budget. With nowhere else to cut than general fund personnel costs, the County would have had to cut several additional FTEs but for the furloughs. With staff at bare bones levels already from past lay-offs, the County faced shuttering entire County Departments.

<sup>&</sup>lt;sup>1</sup>From January 2009 to April 2011, the County laid off 24 of its total 192 employees, 12 lay-offs occurring in 2011 alone.

<sup>&</sup>lt;sup>2</sup>The Union had previously agreed to furloughs in 2009 and 2010.

Essential, mandated County services would have been lost.

HB 2544 would eliminate the County's ability to implement a furlough schedule midterm prior to arbitration. Arbitration is a lengthy process. In Columbia County's case, 10 months passed from the time the County notified the Union of its intent to implement furloughs and the arbitrator's decision. If the County were forced to wait 10 months to implement furloughs there would be no reason to implement them at all. The result would have been additional lost jobs, leading to the inability to perform required County duties. County operations would have been significantly affected.