



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

FROM: Gerry Thompson

SUBJECT: UPDATE

DATE: June 18, 1983

On Monday at 8:30 a.m. I will appear before W&M regarding the Long Term Care Ombudsman budget. You need to know that I will not be gentle and I will position it in such a way that you are very angry that this legislature is willing to turn their back on a high priority program for the seniors. There is currently a move afoot to put the ombudsman in the Secretary of State's office. This is L.B.'s bill and it is a less than satisfactory bill, i.e., there will be no one directing the policy of the ombudsman's office.

The Land Board meeting is scheduled for Tuesday at 8:15 a.m. Riedel has made his offer. Ed Zajonc is very disappointed with the offer. It is no longer a firm offer, but a tentative offer based on receipt of federal contract. It is Ed's position that this will probably throw Riedel out of contention. I asked Ed to simply let Riedel know that he is disappointed in the offer, that we had hopes of a firm offer, and say nothing more.

Department of Labor's budget has passed out of W&M. The budget bill abolishes the Wage and Hour Commission completely. Mary Wendy Roberts insists that you agreed to this and many legislators are concerned about giving Mary Wendy full power by abolishing the commission. I need clarification as to whether or not you did agree with her that the Wage and Hour Commission should be abolished.

Ed Fadeley is doing what we expected and playing political games on the recent Eccles v. SAIF decision. He has advised his caucus and released to the press that this confirms that SAIF should be returned to state agency status and urges the proper vote on the legislation that does such.

Governor
Update
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Visited with Diarmuid. He will wait until after your meeting with Leonard Wildish to file his intent to run for the Republican Party Chairman. There is also scheduled consideration of a bylaw change before the vote at the convention. The bylaws change would be to allow a female to run for party chairman. This is obviously to accommodate Julie Gianella, who has filed her intent to run.

OPEU is playing strange games. The factfinder has met with Bob Smith and John Demusiak. They had asked OPEU to form a group informally much like was done two years ago to work out agreement in advance. Gallagher flat out turned the offer down and advised everyone they would only consider such a process after the factfinding. As of July 1 there will be no bargaining contract which simply means state employees can opt out of the union and there will be no more fair share. Based on this, it is believed that Tom Gallagher is committing suicide.

The latest on Jim Sexson. His confirmation is scheduled for another committee hearing Monday. Appearing will be Oberlander, a water lawyer from Eugene, and possibly Mike Ragsdale. As you know, Mike is the ex-son-in-law of Donel Lane. Lane has allowed Jan Wyers to put out a memo verifying conversation that Lane had with Wyers in which he states that he, Lane, does not support Sexson for reappointment. Enclosed is a copy of that memo.

Also at issue is a memo that Lane apparently sent you opposing Sexson's appointment to a federal job some 3 1/2 years ago. We have not been able to locate that memo. Interesting to note is that when the board was considering Sexson's reappointment for consideration by you, there was one ballot taken and it was a unanimous vote supporting Sexson. Lane was one of those affirmative votes.

Mike Ragsdale reportedly has been working the Senate in opposition to Sexson. He also met with Tony Meeker two nights ago at which time he told Meeker he has never liked Sexson and would prefer he not be reappointed. Ragsdale has not yet confirmed his appearance before the committee, but has been active in the Capitol. Ede was anxious to advise Mike he should not appear and I advised that it would be wrong politically should it leak out that the Governor's office had obstructed testimony.

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Update
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Cents per hour study kickoff will be June 24. It will be sponsored by you and I have agreed with NCCI, Jo Driscoll and our friendly legislators that following the kickoff you would be willing to appoint an oversight committee which would include broad representation from labor, business, et al.

Because of the cents per hour failure, there is now skepticism as to how valid the study will be. Glenn Otto argued on the floor that without the cents per hour bill there would be no study. That is flat out wrong. Stan Saprks from NCCI has advised me that intensive efforts will be made to get the study done within six months, as well as proceeding with the all-out study for workers comp in general. The general study will not be completed until shortly before the next session.

Your schedule for Tuesday has been altered considerably. We cancelled two or three appointments in the afternoon to accommodate the D leadership. They felt it was important to meet with you since the Monday morning appointment had been cancelled.

As you know, the sales tax proposal is being heard today (Saturday) and is expected to be passed out of the House. Senator Fadeley has introduced his plan which has received, if it is possible, less support than yours.

Bauman is anxious to meet. We are scheduled Monday and he needed confirmation on the reasons why you would be calling the legislature back into session. He was surprised there had been no compromise meeting and asked why you were not willing to do such. I cleared the air with him, ending the conversation with, isn't there any communication in your caucus?

Bauman believes your super-HARRP and limitation plan will become the fall-back position, but they are fearful that the Rs will not cooperate.

See you Tuesday.