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OHSU board meeting swarmed by union members




Image: Kevin Mealy/ONA

Members of the AFSCME and ONA unions turned out in force to the OHSU board meeting on Friday to protest cuts to jobs and benefits.

KEVIN MEALY



By Elizabeth Hayes – Staff Reporter, Portland Business Journal
Jun 28, 2024

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Unionized workers turned out in force at a raucous OHSU board meeting on Friday to protest [cuts in jobs and benefits](#) contained in a \$5.5 billion budget for the coming fiscal year.

At the start of the meeting, representatives from AFSCME and the Oregon Nurses Association, which together represent 16,500 of OHSU's 20,000 workers, presented a petition signed by 4,565 members demanding that the board maintain health care benefits.

“Taking away benefits for those who are most in need while also paying millions in executive bonuses is unacceptable to the local unions,” says the petition, which union reps read to the board.

OHSU President Danny Jacobs is set to receive [\\$700,000 in “supplemental contributions”](#) as part of his two-year contract, with total compensation of \$1.64 million.

The board went on to approve a budget for fiscal year 2025 that includes 500 job cuts, through a combination of 322 layoffs and 179 unfilled positions, mostly in administration. OHSU will still run a \$25 million deficit.

Board Chair Wayne Monfries addressed workers, who assembled in the rear of the meeting room and frequently interjected comments, including “Cut the bonuses!” and “We feel desperate, and that’s why we’re here!”

“I want to take a moment to recognize the angst members are feeling about this budget and impending reductions in force. The board understands how difficult this is,” Monfries said, eliciting loud laughter from the assembled workers.

“Cut the CEO’s pay!” one person yelled.

Jacobs also addressed the workers, saying layoffs were a “last resort,” in response to severe financial pressures.

“I want to acknowledge what’s on the hearts and minds of so many across OHSU, and that’s the impending layoffs,” Jacobs said. “Since the beginning of the pandemic, when our severe financial strains began, our objective as a leadership team has been to avoid reductions in force. Unfortunately, that can no longer be avoided. I recognize how distressing this is, not only for those whose jobs are lost, but the impact on their colleagues.”

Jacobs said the **planned acquisition of Legacy Health**, a Portland-based health system with seven hospitals, will strengthen the organization. The cuts, however, were necessary with or without the Legacy transaction, he said. OHSU is financing the deal with 30-year bonds that can’t be used to close budget gaps, he added.

“Expanding our footprint will help us improve financially,” he said. “The capital investment in Legacy represents a strategic expansion.”

Amy Miller Juve, who is president of the faculty Senate, also spoke to the board, **harshly criticizing leadership for what she described as lack of communication.**

“No one’s been able to articulate a clear plan,” Juve said. “We understand the layoffs are intended not to impact patient care, but all of us recognize that every single person in this room touches a patient in some way.”

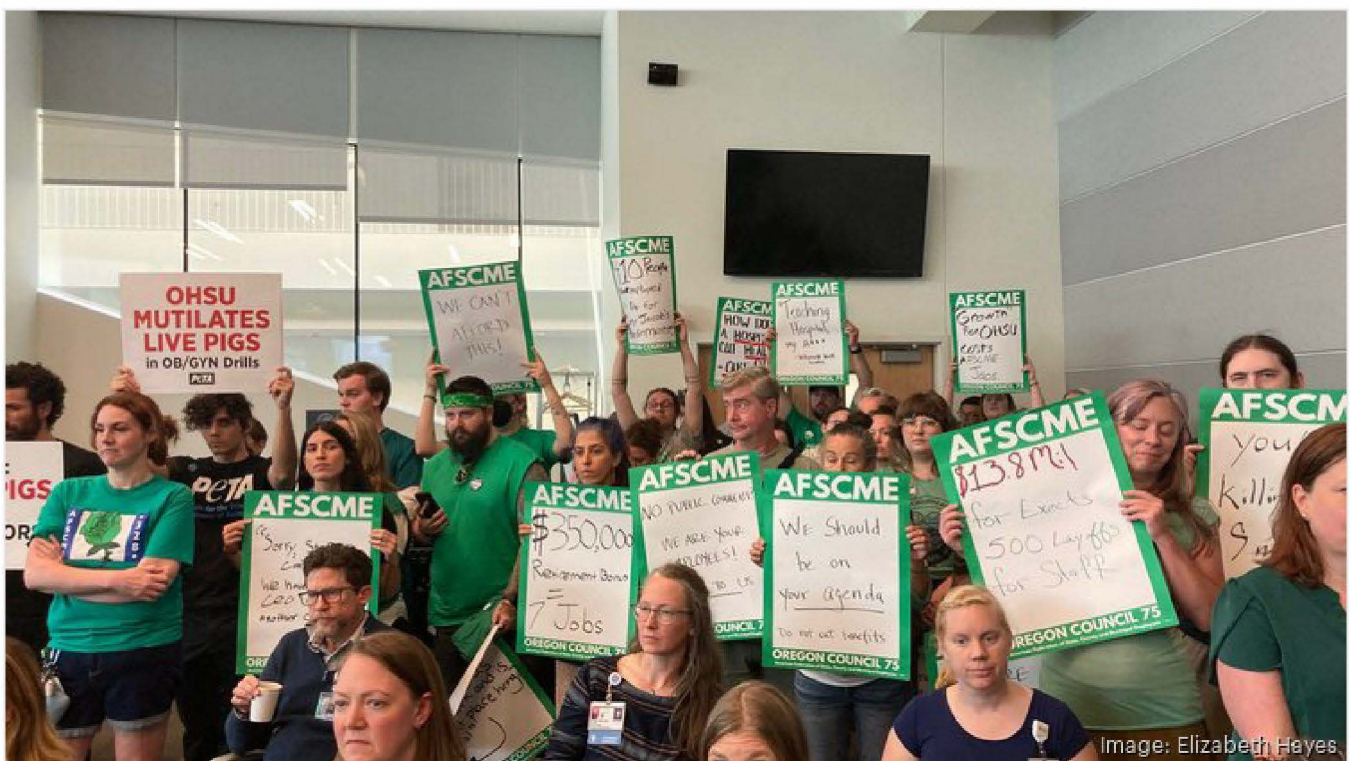


Image: Elizabeth Hayes

AFSCME members protested cuts to their benefits and Dr. Danny Jacobs' bonus.

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“Except the board members!” someone shouted from the back.

Juve said organizational trust is at an “all time low,” and that colleagues have contacted her in recent weeks and asked her not to mention their names out of fear of retaliation.

“To me, that’s very concerning,” Juve told the board. “We can’t be both the most incredible academic institution and silence voices. We’re all willing to pitch in.”

In his budget presentation, Chief Financial Officer Lawrence Furnsthal noted that patient revenue has actually grown by 24% over a two-year period, but expenses have risen more, despite cuts in supplies and outside consulting fees. Since the start of the pandemic, OHSU’s operating margin fell from an average of 4.8% to zero and will be in negative territory in FY 25, which begins July 1.

Even with the 500 cuts, the number of employees will remain about the same, as OHSU is adding 500 positions in patient care, Furnstahl said. Salaries are rising an average of 6.1% and tuition by 2%.

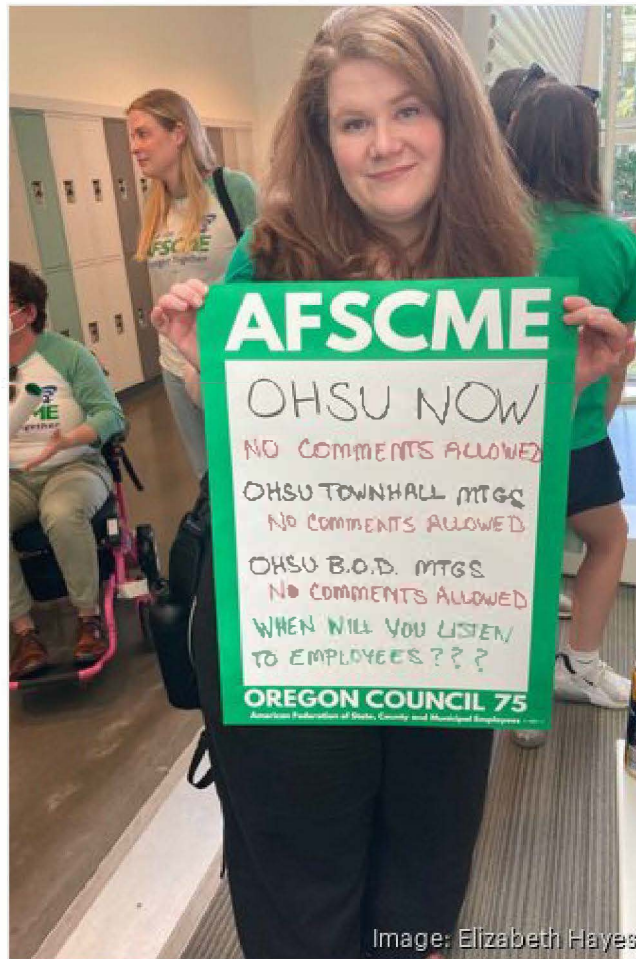
At one point in the presentation, someone shouted to Jacobs, “Why did you take a bonus?”

“I haven’t had a bonus – that was retirement,” Jacobs shot back.

“You’re not going to lose your house or car,” a voice cried out.

“I might,” Jacobs responded.

Jennie Olson, a grants administrator and president of AFSCME Local 328, said she had requested to formally address the board but was turned down.



Jennie Olson of AFSCME said she asked to address the board about her concerns.

ELIZABETH HAYES

“I am absolutely shocked and appalled that he would have the gall to respond to one of our members who expressed concern about losing their home and car when he said I might too, when he makes \$1.6 million and his job is not one of the ones on the chopping block,” Olson said after the meeting. “It shows he’s completely out of touch.”