

## Quarterly Ascertainment Q2 2017 for KBGE 94.9 The Bridge

April - June 2017

Local News features Monday through Friday beginning at 6am through 9am. Top and bottom of the hour with a duration of 3-4 minutes. Includes Public service announcements for community events in Cannon Beach, Seaside, Warrenton and Astoria. Local news with vital information on weather events and road closures.

April 3<sup>rd</sup> 2017 Mentioned 4x during the AM hours.

Work is part of bridge rehabilitation project

ASTORIA--The Old Youngs Bay Bridge (U.S. 101 Business) will be closed for several nights starting tonight so the contractor working on the extensive bridge rehabilitation project can do structural steel repairs and coating on the north bascule span.

The bridge will be closed to all vehicular and pedestrian traffic on the nights of April 4, 5, 6, 9 and 10 from 8 p.m. to 6 a.m. No closures are planned on the weekend.

When U.S. 101 Business is closed across the Old Youngs Bay Bridge, travelers can detour using OR 202 and U.S. 101.

April 6<sup>th</sup> 2017

Spoke with Cannon Beach Police Chief Jason Schermerhorn and Red Cross rep Jenny Carver about volunteering for the crisis management agency. Training available for new or existing volunteers. The segment lasted about 7 minutes and was aired 3 times over the course of a week.

April 11<sup>th</sup> 2017

Spoke with community development director for Astoria, Kevin Cronin. A 10 minute segment. Aired 3X

The City of Astoria will host a second and final Community Forum for Advance Astoria: 5 Year Economic Development Strategy to gather public input on a draft economic development strategy.

Project stakeholders, including the Mayor appointed advisory committee, business and property owners, and the general public are encouraged to attend the open house to get the latest information. At 7 pm, a formal presentation will begin immediately followed by a town hall style meeting with featured guests from Business Oregon, Craft3, Small Business Administration, Clatsop Community College, and Astoria Maker Industries. The public will have opportunities to provide input on the types of industries and jobs that the City of Astoria should support through the efforts of the City and its community partners.

Public Affairs

Twice a day

Duration 2:30

Week of April 7 - April 14

RJ Marx editor of The Cannon Beach Gazette/Seaside Signal  
Chief of Police Cannon Beach Jason Schermerhorn  
Jenny Carver American Red Cross

1. Discussed an approval for a new resort hotel on the beach in Seaside. The Pearl has a height exception from the city to exceed the limit of 45 feet. The new structure will stand at least 50 feet to allow for a slope on the back side of the building. A pair of homeowners were trying to stop the project because the large building will block out the sun and impede views. Homeowners lost an appeal.

2. The city of Gearhart. The Gearhart Crossing Cafe was denied use of video lottery machines in the establishment. The owner was hoping to add the attraction to his business, restaurant/pub. Also, RV parking has been restricted to 96 hours max twice a year on homeowner property. It's still illegal to park on public streets in Gearhart.

3. The Red Cross is holding a volunteer recruitment event on April 27. Spoke with a rep from the organization and the Cannon Beach police chief. They discussed the importance of combining efforts in the case of disasters in the area.

Week of May 5 - May 12

RJ Marx editor of The Cannon Beach Gazette/Seaside Signal

1. Update on the Cannon Beach Academy. After many delays hope to have the doors open this fall. Still need to secure building under cities perview. Enough students have signed up and now just await the opening.

2. Seaside Aquarium is 80 years old. Discussed the differences between the location in 1937 and 2017. Origins and celebrations planned.

Week of June 12 - June 19

RJ Marx editor of The Cannon Beach Gazette/Seaside Signal

1. The connection between Batman's Adam West and Gearhart. Locals remember the actor's visits to the north coast during the height of the TV Batman's popularity. West was born in Walla Walla WA and his mother moved to Gearhart and lived in the community in 1966 when Batmanmania hit it's stride. West was seen at various locations around the town during that time.

2. Air BnB is collecting transient taxes on behalf of property owners in Seaside. The city struck a deal with the house sharing company to receive TOT taxes from vacationers without revealing the name of the property owner. All done online with proceeds distributed to city coffers after collection. 10- 11%

Week of June 19 - June 26

RJ Marx editor of The Cannon Beach Gazette/Seaside Signal

1. Update on the Cannon Beach Academy. Gearing up for a Fall opening but the location still has not been approved, cost overruns are a concern. 40 students are enrolled and ready to go. A July meeting will determine whether or not to extend the lease to the Academy.

2. Seaside High School Principal is also the Football Coach. Jeff Roberts is taking control of the Seagulls and is used to dual roles. The current coach Chad Smith is leaving for another job. Roberts will coach until he can find another person to take the job. That means when the High School football season starts this fall the principal will be on the field.

## Public Affairs

Airs Sunday 7:00am

Duration 30:00

This Week with State Senator Betsy Johnson 4-7-17

Senate Concurrent Resolution 18, designates osprey as the official state bird. The Osprey is a diurnal, fish-eating bird of prey that has a population range spanning the United States and other various locations around the World. According to the United States Geological Survey (USGS), the Osprey (*Pandion haliaetus*) was first documented in Oregon in 1855. Historically, Osprey populations were reported as robust, nesting in forested areas near water because they favored dead trees or trees with flat or dead tops. During the 1970's the Osprey population declined because of the utilization of a certain pesticide, but the Osprey rebounded and can currently be found nesting along the lower Columbia and Willamette Rivers. The USGS determined that the number of pairs nesting along the Willamette River, between Eugene and Portland, increased from 13 pairs in 1976 to 78 pairs in 1993, and increased to 234 pairs by 2001. Ospreys are uniquely tolerant of human activities and have adapted by building nests on structures such as power poles, cellular towers, channel markers and other suitable structures near water with an abundant supply of fish. The Osprey can commonly be observed soaring over shorelines, patrolling waterways and perched on their large stick nests. Currently, the Oregon state bird is the Western Meadowlark (*Sturnella neglecta*). The Western Meadowlark was chosen as the state bird in 1927 by school children across the state in a poll sponsored by the Oregon Audubon Society. The Western Meadowlark is also the state bird of Kansas, Nebraska, Wyoming, Montana and North Dakota. Senate Concurrent Resolution 18 designates the Osprey as the official state bird of Oregon.

Senator Johnson says she is trying to work on solutions to serious budget issues, and instead, they are wasting time on whether the state bird of Oregon should be changed to the osprey. Senator Johnson says she working on a transportation package, and a way to find funding to make sure 350 thousand Oregonians retain health care coverage. She says the news media coverage of the legislature is superficial at best, and frequently covered by newbie reporters, who sometimes e-mail Senator Johnson for a response, which she believes is basically writing the story for them. She says she has also noticed a big uptick in the utilization of social media by special interest groups, both the correct and the incorrect information about what the Legislature is up to. She says the radicalization of protests is very disturbing to her. She says a colleague of hers was followed to his church, where protestors passed out literature telling his fellow congregates what a terrible guy he is, she says Portland's mayor has had his tires slashed, and she doesn't know why this is going on, saying it could be what's going on the federal government, or the general distrust of elected officials. She says prefers telephone for communication, since she does not type. She says the demand for instantaneous response is another sign of the rise of social media.

Senator Johnson says the deadline to introduce new bills has passed, and next week, some of the bills will die, as another deadline for those bills comes. She says there are some bills that are introduced by a committee, effectively hide the author, and she finds that a rascally process. She says they will soon know exactly what bills are left, and that will set the stage for the rest of the session. She says it costs about a thousand dollars to draft a bill, and in the osprey bill, there will be cost to update publications like the Oregon Blue Book with the new state bird. She says the amount of emergency clauses used in bills has gone way down, and she believes that is due to the fact that she and some of her colleagues would vote 'No' on bills that contain an emergency clause if there were no real emergency. She says an emergency clauses shuts out the voters from referring a bill, because it goes into effect on the Governor's signature.

Senator Johnson says the transportation package is lurching together. She says a 14 person committee that

would do all its work in public didn't work very well, so they were divided into 5 workgroups. She says having the press in the room made it hard for people to come up with high-flying, close-to-the-edge ideas, because the press has had, at times, a tendency to report as fact, ideas that were being discussed. She says all five subgroups have reported out, and the traffic congestion work group she served on, has come up with 3 big projects in the Portland area. She says though she realizes that Portland is not in her Senate district, helping reduce congestion in Portland will help good and services move more easily, as well as improve livability for people from all over the state. She says she will be in awkward position, because she will have to push for those projects, even though they are not in her Senate district. She says the paralyzing gridlock in Portland is driving up costs in all kinds of arenas, and she believes helping reduce that congestion will also be good for the rest of the state. She also serves on an accountability subgroup that came about largely because of an audit of ODOT called for by the governor. She says the first issued contract for that audit was issued to a guy that had an enormous conflict of interest. She says the second try at it resulted in a report that didn't answer any of the questions Senator Johnson and others have about money moves around ODOT, how does it guarantee that rights of way are secured and best practices used. She says the current director of ODOT, Matt Garrett, is doing a pretty good job, and there are all kinds of questions. She says the group made its report Wednesday night, and she says it was not done very well, and she thinks they may ask for a second crack at it. She says eventually they will have to find a way to pull all the threads together and produce a transportation package. She hopes that the package will include some pilot projects for jurisdictional transfers, particularly putting ODOT in charge of Cornelius Pass Road because ODOT has more money and caused the current traffic problems on that road. She says they are looking at a proposal that could raise 5 and a half billion dollars via taxes and fees that will make improvements and maintenance for the next 10 years. She says there will be gas tax increases, a fee on bicycles, a tax on new vehicle purchases, registration fee increases.

This Week with State Senator Betsy Johnson 4-14-17

Senator Johnson says the co-chair of Ways and Means, State Representative Nancy Nathanson, has written a very thoughtful editorial about the current state of Oregon's budget. Senator Johnson says the Legislature can no longer just move money from one place to another to fix problems, there are some serious budget deficits, caused, in part, by proposed cuts from the federal level, largely in the human services arena. She says if Congress also makes changes to the Affordable Care Act, there could be budget issues there. She says Oregonians have the idea that the legislature has been able to find money to get the state through budget problems, but we are now at a point where we talk about reforming our revenue system and how can we make strategic cuts that don't take down services Oregonians say they value. She says she has been working on a group called Cost Containment that is looking at the timeline budgets are delivered in, and there is also talk about the Department of Energy. Senator Johnson believes the state could do away with the Department of Energy, Governor Brown has a different idea. She says at a hearing early this week, the Department of Administrative Services reported to a committee about the bad condition of the state's physical plant, and the agency is proposing a half a billion dollar project for two new showcase buildings. She says it is that kind of magical thinking that erodes Oregonians confidence in whether the state can run its own affairs. Senator Johnson says over half of the state's general fund goes to education, that includes local school districts, community colleges and universities. She says even with that much money going to education, it still isn't enough to keep class sizes low and maintain teacher positions. She says there needs to be changes to the system and not just continue to put bandaids on slit throats. She says they are working on small agency budgets right now that do not use general fund money. She says the Legislature will have to pass 90 budgets and they only have 9 Fridays (the day Ways and Means meets) left. She says they are quite late in the session, and there's a lot of work yet to do. She says they will may have a special session after July 10th. She says Senator Mark Hass is working on a gross receipts tax bill that is nothing like Measure 97, which failed in the last election, but she cannot comment on it yet because there is no draft available. She says the transportation package is in the same situation, with no draft available yet for her to see. She says the PERS bills are moving very slowly because the subject matter is so controversial. She says a couple of those bills will move out of the committee where they started and go to either Ways and Means or Rules, which means the PERS bills can be worked on after the other committees close for the session.

Senator Johnson says the Legislature has already passed one of the critical dates for bills, and another deadline next week will have a number of bills fall by the wayside. She says she is also upset with the practice of committee bills, which effectively hide the author from public view. She says if the Legislature is going to demand transparency for lobbyists, they ought to do the same for legislators and bills and amendments. She says as the end of the session approaches, remaining policy bills will be negotiated, and then the bigger budget bills will start to be passed. She says in all likelihood, legislators will be asked to pass budgets with some pretty extreme reductions in them. She says though there will be tax votes that will be tough, it will also be passing bills with significant reductions and extremely controversial policy bills. She says she reads the bills and sees what is on the four corners of the page, not what the sound bites say. She says about 800 real estate professionals were in Salem this week to visit with legislators, and it was Food Bank Day on Thursday. She says people from Senate District 16 showed up, including Casey Wheeler from the Columbia County Food Bank.

Senator Johnson says people should be watching for any agreement on PERS, and filling the gap in the Medicaid budget by adjusting what is called the 'hospital tax'. She says it isn't really a tax, it's a process through which Oregon's biggest hospitals send a dollar to the federal government, the feds attach more funding and send it back to Oregon. The hospitals get their dollar back, and the state keeps the rest, using it to pay for the Oregon Health Plan. She says there is also another attempt to have the state pay the postage for mail-in ballots for everyone, which would cost about \$300 thousand dollars. She says that bill is from a member of leadership, and it is dressed up as a way to improve voter access. She doesn't think the bill is necessary and she'd rather spend that \$300 thousand dollars someplace else. She says, though, it is the bill of a colleague and friend who also happens to be in Senate Democrat leadership and she wouldn't be at all surprised to see that bill make it. Senator Johnson will spend Saturday morning for the MEGGA Egg Hunt at the Columbia County Fairgrounds, and she will be manning the lost child booth near the big pink bunny. She says Congresswoman Bonamici will be having town halls in Scappoose and other parts of Senate District 16 this weekend. She says PSU should have no impediments to soon start building their campus in Columbia County. She says Oregon Granges will be in Salem next week, as well as Washington County Democrats. Senator Johnson says she's sad.

This Week with State Senator Betsy Johnson 4-21-17

#### Ways and Means Co-Chairs' 2017-19 Target Reduction Lists

In the weeks since the 2017-19 Co-Chairs' Existing Resources Budget Framework was released, the Co-Chairs of the Joint Committee on Ways and Means and the committee's Subcommittees have been working to identify budget actions necessary to achieve the reduction targets included in that framework. This work was necessary to be ready to balance the budget if no additional revenue for state programs and services is available this session.

What follows is a presentation of the currently proposed items that attain each program area's reduction target. In all but one instance, these lists are for the same program area categories as included in the framework document (the exception being the combination of Administration and the Legislative Branch).

This is a discussion document. It is a starting point from which the Subcommittees can begin their work as they prepare agency budgets for the 2017-19 biennium. The process going forward will be to continue public hearings on budget items and issues, further review of reductions and other options, such as examining vacant and other positions for potential elimination, and preparation of materials for work sessions on each agency's budget. As a starting point for making final budgetary changes, it is expected that the numbers on these target reduction lists will change in the coming weeks as more information becomes available.

The original framework summary display is provided on the following page for reference. That display was based on the December 2016 revenue forecast. Since it was developed, the March 2017 forecast was released and provided a slight improvement to the tentative budget situation for the 2017-19 biennium. The improved revenue numbers resulted in a revised projected deficit of about \$1.6 billion. The changes in state resources

from the March forecast and the effects of the 2015-17 budget rebalance actions taken by the Legislature in February 2017 resulted in about \$185 million of additional resources for 2017-19. The target reduction lists have not yet taken these resources into consideration as the Co-Chairs are waiting for the results of the next forecast to be released in May 2017, the forecast traditionally used as the basis for the upcoming biennium's budget.

Senator Johnson says the co-chairs of Ways and Means, Senator Richard Devlin and State Representative Nancy Nathanson, created this document that shows a state budget based on existing law and existing revenue. She says it is not the final budget, but gives a clear and stark picture of the current budget issues in Oregon. She says while the March revenue forecast showed improvement, the state still faces a \$1.6 billion dollar budget hole, and in the time remaining, legislators will be working on ways to fill that hole. Senator Johnson says she believes the document was intended to force a conversation about revenue and where the state can find money to plug the various budget holes. Senator Johnson is working on a way to fix budget problems with the Oregon Health Plan. It is called the hospital provider tax, but it really isn't a tax. She says it is a mechanism by which some Oregon hospitals send a dollar to the feds, it comes back as \$2.60, the hospitals get their dollar back, and the state keeps the rest to fund the Oregon Health Plan. She says there is also a gross receipts tax proposal being worked on by State Senator Mark Hass, but there is not a draft proposal available yet.

Senator Johnson says because she has been involved in the provider tax issue, PERS reform, and transportation, she hasn't been able to pay as close attention to policy bills, especially House bills, as she has in past sessions. She says she also isn't sure what bills will be moving forward, but that will soon change, as deadlines pass for bills to move or they die. She says there are going to be very tough decisions to be made about what programs survive in days ahead. She says they only have 9 weeks before the Legislature closes July 10th, and she believes a special session is a distinct possibility. She says there is a process called 'fund sweeping', whereby money is taken from a fund and used elsewhere, something that happened previously when money was taken from the Oregon Cultural Trust fund to be used elsewhere. She says the Senate considered a bill this week that would have eliminated 12 boards or commissions that have been inactive for at least two years. She says 7 of the 12 protested, and the legislature restored them.

This Week with State Senator Betsy Johnson 4-28-17

This week's show focuses on two Senate bills dealing with PERS reforms and why an emergency clause is included in these bills. They are SB 559 and 560. This is an explanation of SB 560 and its amendments, which are the bulk of the discussion on this program.

Relating to public employee retirement.

Catchline/Summary: Redirects employee contributions made by member of system from individual account program to account to be used to pay for member's pension or other retirement benefits accrued on or after January 1, 2018.

For years beginning in 2018, caps at \$100,000 annual salary used to calculate final average salary for purposes of Public Employees Retirement System. Directs Public Employees Retirement Board to recalculate employer contribution rates to reflect savings attributable to Act. Provides for expedited review of Act by Supreme Court upon petition by adversely affected party.

**WHAT THE MEASURE DOES:**

Eliminates new memberships in individual account program (IAP) under the Public Employees Retirement System (PERS). Establishes new account for each active PERS member. Redirects employee contributions of six percent of the member's salary from member's IAP account to new account. Applies amounts in new account to costs of member's pension or other retirement benefits that accrue on or after January 1, 2018. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Allows inactive member to receive distribution of amounts in member's new account in certain circumstances.

Establishes cap of \$100,000 on amount of salary for calendar year included in calculation of final average salary (FAS) for purposes of determining member's PERS benefit. Provides exception for judge members. Provides for expedited Supreme Court review of petitions by adversely affected persons. Declares emergency, effective on passage.

ISSUES DISCUSSED: EFFECT OF AMENDMENT:

-2 Replaces measure. Changes calculation of benefits under Public Employees Retirement System full formula for

service after January 1, 2018. Decreases pension multiplier from 1.67 percent to one percent of final average salary per year of service for general service members and from two percent to 1.20 percent for police and fire members. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Provides for expedited Supreme Court review of petitions by adversely affected persons. Declares emergency, effective on passage.

-3 Replaces measure. Requires Public Employees Retirement Board (PERB) to adopt actuarial equivalency factor tables for computing payments to Public Employees Retirement System members and others as needed, and at least every two years. Establishes assumed interest rate of 3.5 percent to convert account balances to monthly lifetime annuities, decreasing PERB's current long-term investment return assumption of 7.5 percent. Clarifies that 3.5 percent assumed interest rate is independent of PERB's long-term investment return assumption. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Provides for expedited Supreme Court review of petitions by adversely affected persons. Declares emergency, effective on passage.

-4 Replaces measure. Changes definition of salary for purposes of calculating final average salary of Tier One and Tier Two members of Public Employees Retirement System. Adds exclusion to definition of salary or other advantages for any lump sum payment for accumulated unused vacation leave or other unused paid leave accrued on or after January 1, 2018. Prohibits Public Employees Retirement Board from considering accumulated unused sick leave or vacation leave accrued on or after January 1, 2018, for purpose of increasing employee retirement benefits upon retirement. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Provides for expedited Supreme Court review of petitions by adversely affected persons.

-5 Replaces measure. For members of Oregon Public Service Retirement Plan (OPSRP), not including police officers or firefighters, who establish membership in pension program on or after effective date of Act, increases normal retirement age to 67 years of age, and early retirement age to 57 years of age, regardless of number of active service years. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Declares emergency, effective on passage.

-6 Replaces measure. Requires public employer that hires retired member of Public Employees Retirement System on or after effective date of Act to contribute percentage of retired member's salary to Public Employees Retirement Board that would have been contributed if retired member were active member.

-8 Replaces measure. Increases waiting period to become PERS member from six months to 12 months for eligible employee employed in qualifying position on or after effective date of Act. Defines "eligible employee" under Act. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Declares emergency, effective on passage.

-9 Replaces measure. Increases from 600 to 1000 service hours in a calendar that year that eligible employee employed in qualifying position on or after effective date of Act must complete to become PERS member. Requires PERS members establishing membership in pension program on or after effective date of Act to complete at least 1000 service hours in each of five calendar years to become vested in pension program. Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Declares emergency, effective on passage.

-10 Replaces measure. Changes calculation of benefits under Public Employees Retirement System (PERS) full formula for service after January 1, 2018. Changes pension multiplier for general service members from 1.67 percent of final average salary per year of service to a percentage to be determined, and for police and fire members, from two percent to a percentage to be determined. Changes calculation of final average salary by calculating member's average annual salary over five years of member's highest annual salary before member's retirement, or one-fifth of total salary in last 60 months of active membership, whichever is greater. Excludes any lump sum payment for accumulated unused vacation leave or other unused paid leave accrued

on or after January 1, 2018.

Requires PERS Board to create member pension contribution account for each PERS member and, every two years, to set percentage of salary that member is required to contribute to member pension contribution account. Requires different ranges of employee contribution rates, amounts to be determined in statute, for different member classifications. Prohibits employers from making required contributions to member pension contribution account.

Allows employee to redirect contributions to employee's Individual Account Program account to employee's member pension contribution account as alternative to contributing additional percentage of salary .

Requires recalculation of employer contribution rates to reflect savings attributable to Act and makes corrected rates effective July 1, 2017. Provides for expedited Supreme Court review of petitions by adversely affected persons.

Declares emergency, effective on passage.

#### BACKGROUND:

PERS enables public employers to provide their employees with retirement benefits. State government, public schools, community colleges, and many local governments participate in PERS, including approximately 925 employers and covering about 95 percent of all public employees in Oregon. PERS contains approximately 347,000 members, including 168,000 active, 43,000 inactive, and 136,000 retired. Approximately 32 percent of members are currently eligible to retire by age or service.

PERS is a hybrid pension plan that includes a defined benefit plan and a defined contribution plan. Upon retirement, all PERS members receive both a life pension (defined benefit) and the balance of the member's individual account

(defined contribution). The pension is funded in part by employer contributions (and employee contributions made before 2003), and the member's individual account is funded through a required employee contribution of six percent of the member's salary.

The Oregon Legislative Assembly created the Individual Account Program (IAP) in 2003. Since 2004, all active member contributions have been placed into members' individual accounts. Earnings and losses are credited annually to IAP accounts, and they are subject to earnings and losses until the member removes the funds. At retirement, a member may receive the IAP as a lump-sum payment or in equal installments over a specified number of years.

Senate Bill 560 makes two primary changes to PERS, which impact both the pension plan and the IAP. First, it redirects the required employee contributions from the member's IAP to a new account. The funds in the new account will be used to offset the employer's costs for member pensions accrued on or after the date of the redirection. Second, it establishes a \$100,000 cap on the amount of a member's salary for any calendar year in 2018 or beyond for purposes of calculating the member's final average salary. Currently, the final average salaries for Tier Two and OPSRP members are capped under federal law. The cap is indexed and will be \$270,000 for 2017. There is no cap on salary for purposes of determining the final average salary under Tier One. The salary cap under SB 560 may reduce the employer contribution rate by decreasing the amount calculated for some members' final average salary and, consequently, the amount of their pensions.

Those concepts emerged from a workgroup formed by Senator Tim Knopp and Senator Betsy Johnson during the 2015-16 Interim Session to craft a comprehensive PERS solutions package.

#### This Week with State Senator Betsy Johnson 5-5-17

Senator Johnson says her estimate of the number of bills in this legislative session was high-- she says there have been 1203 Senate measures and 1586 House measures introduced in this session. So far, 270 Senate measures and 318 House measures have passed. Senator Johnson says the legislature has passed virtually no budgets that rely on general fund, and it is already May. She believes more and more there will be a special session, since the legislature has to adjourn July 10th. Senator Johnson says she on six big issues, including finding half a billion dollars to keep 350 thousand Oregonians on the Oregon Health Plan, passing a transportation package, getting budgets out, some of which have significant cuts, and the Public Employee Retirement System. She says because she has been so focused busy with these issues, she hasn't been able to pay as close attention as she would like on policy bills, bills that make changes to Oregon law. She says



there are two tracks in the Legislature-- the Ways and Means track, which deals with budgets, and the substantive committees, also known as policy committees, where legislators deliberate changes to the law, like the PERS bills. Senator Johnson spends most of her time on the budget side, though as the session comes closer to ending, the Ways and Means Committee ends up with policy bills because many of the bills that are cranked out by the policy committees cost money. She says one example of that is a Sudden Oak Death bill that would provide funding to battle that pathogen that has been present in Oregon and Northern California, and it has been metastasizing into Douglas Fir trees. She says if Sudden Oak Death is allowed to grow unabated, it could make Oregon products unexportable, and could have tremendous implications on Oregon's economy. She says the cost would be \$1.7 million dollars, and she and former Tillamook County Commissioner are making the case to include that money in the state's budget. She says legislators on the policy committees sometimes don't like the fact the Ways and Means committee can amend those bills, which is generally done to lessen the cost of a given bill.

Senator Johnson says Monday will be a big day for the transportation package she has been working on. The chairs and co-chairs of the Transportation Preservation and Modernization Committee have been behind closed doors, hammering out a proposal. She says that document will be made public Monday, and it will be her first chance to see what those four people, State Senators Lee Beyer and Brian Boquist and State Representatives Caddie McKeown and Cliff Bentz. She says the committee had been broken up into five subgroups, and she served on two of them-- congestion and accountability. She says if the package is too big, truckers and the AAA could refer it; if it is not green enough, environmentalists might have a problem with it; lastly, any number of groups might be upset that something they really wanted isn't in the package. She says some legislators are worried about the low-carbon fuel standard passed previously and its impact on gas prices, which is still undetermined, with estimates ranging from a few cents to a dollar a gallon of gas. She says part of the package may be four big projects in the Portland area-- 205, 217, I-5 near the Rose Quarter and extending light rail, and she is worried about how much people are willing to pay for those, because Portland already has a ten cent a gallon gas tax, and part of the way the big projects in Portland would be paid for would require the passage of bonds in urban Portland communities. She says after that framework comes out, the committee will have its shot at it. She says it will contain a number of taxes and fee increase, which might include a bicycle tax, a new car tax, a payroll tax and others. She says Oregon has gotten more and more into the position that we want everything, but someone else needs to pay for it.

Senator Johnson says the mood in Salem is pretty cranky, and it is surprisingly personal and vitriolic. She says the Senate did a very contentious bill this past week that had to do with the tragic death of one of her colleagues, who had been in the military. She says the bill become more about the tragedy than it did about public policy. She says her job is to read the four corners of the page of the bill, and make sure the bill is good policy for Senate District 16 and Oregon. She says there have been a number of very personal issues brought into the legislative process. She says when emotions get pulled into bills, they get rawer. She says she is concerned about an uptick in the number of personally motivated bills in this session. She says Senate leadership is getting nervous about the amount of time left in the session, there are going to be dueling revenue bills from House and Senate. She says her schedule is such that it is not possible for her to attend weekday events in the districts, and her weekends are also filling up quickly, with four events in the district this weekend.

Senator Johnson says Sir Adrian Allen will be back in Oregon soon, to continue his work with the Oregon Manufacturing Innovation Center. She says there are all sorts of good things going on with OMIC and enthusiasm for it is increasing. She says companies from all over the world are looking at Scappoose and OMIC.

This Week with State Senator Betsy Johnson 5-12-17

Senator Johnson says the transportation package is slowly coming together, as her committee dealing with the bills is starting to figure out what is going to be in the package. She says right now, the committee is instructing the legislature's lawyers as to the concepts they want in the bill. She says some elements of the package are already facing resistance. One of the concepts is a statewide employer-employee tax to pay for transit. It would

fund transit statewide at \$104 million dollars a year. She says this concept has opponents, who worry about the impact on people who use transit because they cannot afford a car. She says legislators heard a lot from people who want transit improvements. She says so far, they have been no votes taken on any of the concepts-- all that has happened is the committee is asking the lawyers to start drafting the language of what will eventually be the package. She says people have already started staking out positions on issues, including the low carbon fuel standard which could drive up gas prices from a few cents a gallon to a dollar a gallon. She says the concepts they are asking for include: making this a 20-year plan for transportation, keeping the same distribution of transportation funding at 50 percent state, 30 percent county and 20 percent cities. She says they discussed the implementation of 'user pay', that would cause people to pay different rates for vehicle registration, based on their vehicle usage. Electric vehicles that do not pay gas tax would be charged a \$150 dollar registration fee to cover their portion of road usage. They also discussed a gas tax, which appears to be a 14 cent increase over 10 years, with a 6 cent increase in the first two years, and 2 per cent in subsequent years. She says they discussed whether any portion of the preservation and modernization should be bonded. She says there is an extremely aggressive schedule to get a transportation package out, having this bill on the floor by the middle part of June. She says they have to be out of Salem by July 10, and that doesn't give legislators a lot of time.

Senator Johnson says the May revenue forecast of state income will be out next week, and it will give legislators an idea of how much money the state is expected to have as they get ready to pass budgets. She says it will be revealed during a joint meeting of the House and Senate Revenue Committees. She says conventional wisdom has the forecast flat or down slightly, but she says that is only based on rumor and other, unofficial sources. She says the other concern is the kicker, money repaid to taxpayers if the revenue forecast is off by 2 per cent or more over two years. She says if the kicker kicks and the revenue forecast is down substantially, we will be in a world of hurt. She says this upcoming forecast is just about as important as a revenue forecast can get. She says the revenue forecast used to be the be-all and end-all of budget building, but that has changed a little because of Oregon's great interconnectivity with the federal government. She says slowing down the process is the House hanging on to general funds funded budgets, which are all now stacked up in the Ways and Means process. And, she says, so many bills this session have financial ramifications, they have also ended up in Ways and Means, which now has between 250 and 300 bills to deal with before the session ends. She says, though, that House roadblock is about to break, and legislators will start to hear more substantive and controversial bill. She says they are still just passing non-controversial bills, like commemorating Oregon's beach bill, little budgets, and honoring fallen officers. Senator Johnson says she voted against a bill making June Oregon Recreation Month because it had an emergency clause. She says she has been very critical of emergency clauses on bills that do not need them, and she believes she has made a difference by her voting 'No' on bills that have emergency clauses when they were not necessary.

Senator Johnson encourages people to vote in the upcoming May 16th special election. She says there are many candidates for what are known as 'special districts', which include ports, fire districts, health care, water boards are some. She says some these, like the Port district, have the authority to levy taxes with voter approval. RS 198.010 and 198.335 authorize 28 types of districts: water control, irrigation, ports, regional air quality control authorities, fire, hospital, mass transit, sanitary districts and authorities, people's utility, domestic water supply districts and authorities, cemetery, park and recreation, metropolitan service, special road, road assessment, highway lighting, health, vector control, water improvement, weather modification, geothermal heating, transportation, county service, chemical control, weed control, emergency communications, diking, and soil and water conservation districts. Special Districts are financed through property taxes, fees for services, or a combination thereof. Most special districts are directed by a governing body elected by the voters.

Senator Johnson says she hopes Clatsop County voters approve the LifeFlight bond. If approved, bond proceeds will be used to construct infrastructure improvements to approximately 10 acres of real property located within the Port's airport industrial area. Extending infrastructure improvements to the south end of airport will provide additional expansion opportunities for the airport which is not currently served by sewer and water services. LifeFlight Network, a not-for-profit air medical transport service, has identified a site on the south end of the airport to construct a new helicopter facility and the proposed infrastructure improvements will serve this facility as well as future development. Bonds would mature in a period not to exceed 4 years from date of issuance. If approved, the annual average tax rate is estimated to be approximately \$0.1235 per \$1,000

of assessed value or \$12.35 per year for property assessed at \$100,000. Actual rates may differ and depend on interest rates and growth in assessed value. The estimated tax cost for this measure is an ESTIMATE ONLY, based on the best information available from the county assessor at the time of the estimate. Senator Johnson says having the improvements will mean better access to critical health care services, and getting critically injured people the specialized help they need much more quickly, which could be the difference between life and death.

Senator Johnson says the press of business in Salem will force her to miss some events like the Helping Hands fundraiser. She also says a lobbyist has been criticizing her for not meeting with some Clatsop County constituents. She says she has been working on some big issues, which has meant she hasn't been able to take some appointments. She says to have someone dust up folks in Clatsop County about her not meeting with them is infuriating. She says most of the people concerned already have her personal cell phone number and don't need a lobbyist to talk to her.

This Week with State Senator Betsy Johnson 5-19-17

Senator Johnson says the Senate passed a pay equity bill this week on a unanimous vote. HB 2005 B, which makes unlawful employment practice to discriminate in payment of wages against employee on basis of protected class. Makes unlawful employment practice to screen job applicants based on salary history, to base salary decision on salary history, other than for internal hires, and to seek salary history information from applicant for employment other than after making offer of employment to employee that includes amount of compensation. Requires employer to demonstrate business necessity for pay differentials that are not based on merit, seniority, piece-rate or production-based work.] Allows employer to pay employees for work of comparable character at different compensation levels only if entire compensation differential is based on bona fide factor related to position in question and based on certain criteria. Extends time limitation to bring certain pay equity claims by making each subsequent payroll action that is based on underlying pay equity violation actionable. Extends tort claim notice requirement from 180 days to one year] 300 days for public employee to give notice of certain pay equity violations. Adds additional remedies for pay equity and wage-related violations that include right to jury trial and right to compensatory and punitive damages. Allows employee who files complaint alleging pay equity violation with Bureau of Labor and Industries and prevails to recover back pay for up to two years plus duration of time spent in complaint process. Permits employer to file motion to disallow award of compensatory or punitive damages. Provides that court shall grant motion if employer demonstrates that employer has completed equal-pay analysis that meets certain criteria, eliminated wage differentials for plaintiff and made reasonable and substantial progress toward eliminating wage differentials for other employees in same protected class asserted by plaintiff. Provides that, if court grants motion, court may award back pay only for two-year period immediately preceding filing of action and allow prevailing plaintiff costs and attorney fees but may not award damages. Becomes operative on January 1, 2019. Makes violation for seeking salary history from prospective or current employee prior to offer of employment subject to compensatory and punitive damages beginning on January 1, 2024. Takes effect on 91st day following adjournment sine die.

Senator Johnson says leaving the subject matter of the bill aside, the fact that every Senator signed on as a sponsor to the bill, and that it passed after a very progressive Portland legislator and a very conservative Bend senator negotiated the bill, is extraordinary. She says the bill was passed on a partisan vote in the house, but the issues were worked out. She says Senate President Peter Courtney, who has been in the legislature since the 1980's had never seen anything like it. She says this shows how legislation should be done. She also says it shows the very different climates in the House and Senate. She says the House has about 3 pages, or 90 or so bills, to work on, while the Senate had 10 bills which they went through pretty quickly. She says there are lots of bills in Ways and Means because they have fiscal ramifications, and legislators are running out of time, as they have to adjourn by July 10th. She says President Courtney is concerned that the process is grinding to a halt, with nearly 300 bills in Ways and Means, and a number of controversial bills still remain, as well as budgets for education, corrections and health care yet to be passed. Also, a transportation package, a revenue package and PERS bills are yet to be heard. She says there are two revenue proposals that need to be worked on, one from Senator Mark Hass, and another from Representative Nancy Nathanson and House Speaker Tina Kotek.

Senator Johnson says there is a lot of tension in Salem at the moment, as there are a lot of very activist freshman legislators who are pushing for bills they promised their constituents. She says one of her House colleagues wants to pass a bill and is constantly lobbying Senators to get his bill passed, but may be overdoing it a bit. She says there is a bill she and Representative David Gomberg are working on to get money for a fund for communities to get help fixing and maintaining dikes and levies that would cost about \$10 million dollars. She says rather than having individual bills saying 'Fix my problem first', they are proposing having this fund that would be used to pay for projects that are ready to go. She says subcommittee chairs are also being asked to go through some policy bills, and she and Representative Gomberg are trying to find funding for veterans Governor Brown cut from her budget. She says there will be a temptation to water down everybody's ask, and give a little something to everybody, but she says that is akin to throwing 6 feet of rope to someone drowning 10 feet off shore.

This Week with State Senator Betsy Johnson 5-26-17

Senator Johnson says the Senate has been told by Senate President Peter Courtney they will soon be working weekends and evenings to finish their work. Senator Johnson says President Courtney would like them out of Salem by the end of June, but if they are not, legislators will be working the 4th of July weekend. She says complicating matters are some articles pointing out Oregon's budget issues, like this one from Forbes magazine:

The West Coast has long been a political touchstone for America, a harbinger of the future for states back east. The current budget situation in Oregon continues that trend – and in the worst possible ways. Absent bold action, the challenges now facing lawmakers in the state capitol of Salem are going to spread like a virus to other states, as they confront the twin self-inflicted wounds of Obamacare's Medicaid expansion and exploding public pension debt. Understanding how Oregon got into this mess is crucial if the virus is to be contained. The state's current \$1.6 billion deficit is mostly a product of the state's history of kowtowing to public employee unions and its experiments with government-run health care. Oregon historically has had a relatively large, well-paid public sector, with wages an average of 13% higher than for comparable private-sector employees. High-paid employees result in high-paid retirees: Government union pension costs will go up \$885 million in the next two-year budget. That's 10% more than previously forecast and 44% more than the current two-year cycle – and costs are expected to continue climbing. They could reach as high as \$4.5 billion by 2021. Those costs have real-world implications for Oregon families. The \$365 million that schools will spend to bolster the pension fund for the next two years could have been spent to hire 2,000 new teachers, for example. The other half of the equation is spiraling Medicaid costs. It's gotten so bad that some Democrats in Oregon have even said they would consider ending the state's Medicaid expansion. "We are simply laying out possibilities for how the state may deal with the stark realities of a projected \$1.6 billion deficit," state Rep. Nancy Nathanson, co-chair of the Ways and Means Committee, told Modern Healthcare. But that has the ring of the "Mount Rushmore Syndrome" – when lawmakers threaten to do something they have no intention of actually doing for the very reason that it would be highly unpopular, in order to create pressure to do what they really want to do, which is raise taxes. Oregon has traditionally offered much broader Medicaid coverage than other states. Between 2000 and 2012, state Medicaid spending rose 66%, and the \$7,314 per enrollee was more than all neighboring states. When Oregon accepted Obamacare's Medicaid expansion, enrollment ballooned to 452,000 as of December 2015, 85% more than the state expected. Costs soared too. This has happened in virtually every state that expanded Medicaid. Today, more than 1 million Oregonians – one of every four people in the state – is on Medicaid. But the gravy train is about to end, in Oregon and elsewhere. In 2012, Oregon's Gov. John Kitzhaber obtained a federal waiver designed to limit Medicaid's cost growth, which came with an extra \$1.9 billion in federal funds over five years. The waiver was renewed this year, but with much of the federal government's \$20 trillion debt being driven by Medicaid, no more money is coming with it.

Akash Chougule

Mr. Chougule is director of policy at Americans for Prosperity.

Senator Johnson says it would be easier if the Legislature passed one of the big budgets, but they haven't

passed any of them. She says people don't understand how hierarchical the Legislature is, and says the table gets set by the presiding officers and the co-chairs of Ways and Means. She says conversations in Salem are starting with some legislators saying they won't vote for something unless the bill the legislator wants gets passed. She says one bill she wishes would go away deals with card rooms in Oregon that could shut down Portland Meadows. She says the bill does not have enough votes in the Senate to pass, and she doesn't believe it could pass no matter how it is amended. She says some ideas are just so bad, that this is not the session to consider them. She agrees with Senate President Courtney that this is not a point in the session that the Legislature can stand a bunch of partisan fights. She believes if they work together and negotiate bills, it will result in a better product. She says at some juncture, and she believes they are there, you stop trying to fix bad bills in this session, and leave them until the short session in February.

Senator Johnson says bills can have up to 30 amendments, which means following bills and how they are changing is not easy. She says though there is much more transparency now than when she started in the Legislature, there are still shenanigans going on. She says a lobbyist working on a building in downtown Portland that shows the value of cross-laminated timber has a bill looking for \$2 million dollars in general fund and never disclosed the bank involved is owned by one of the wealthiest people in America, and the lobbyist did not disclose that when working the bill.

She says there are multiple meetings going on where amendments are being thrown in trying to placate other legislators, and she says it is the worst part of the legislative session. She got a call from a Crook County Commissioner saying a state agency is trying to usurp good industrial property to put up a solar array. Also, the Department of Fish and Wildlife was supposed to have a meeting about sturgeon fishing that was abruptly cancelled, but has now been rescheduled for May 30th. She says her priorities remain transportation, PERS reform, the hospital provider tax, revenue and cost containment. She says right now, legislators are passing budgets that are pretty skinny, meaning they may not have programs people want. One example is the Ready to Read program, which is not in the State Library budget. Senator Johnson says that funding will likely be restored at the end of the session, considering one co-chair of Ways and Means is a retired librarian, and the other co-chair is a big education advocate. She says things remain in a tremendous state of flux right now.

Senator Johnson says even though all the Legislature is required to do is pass a balanced budget before it adjourns, she says there can be opportunity costs that will be lost if certain things are not funded. She continues to seek more funding for the Oregon Manufacturing Research Center, and says Adrian Allen will be back in the state in June. She says three international companies and one big domestic company are looking at OMIC, there's been multi-million dollars in equipment donations, and she says she doesn't want to let this opportunity slip away.

#### This Week with State Senator Betsy Johnson 6-2-17

Senator Johnson says Senate President Peter Courtney spoke to the Senate last Friday, an event Senator Johnson says is highly unusual. She says the fact President Courtney would make the remarks, the fact that many of the big issues before the legislature have yet to be acted on, and the fact that there are few Oregonians in the middle on many of the issues. President Courtney said on Friday May 26, that there are not votes in the legislature for a transportation plan, revenue or a provider tax. He says the Legislature is under siege from a variety of groups. He told Senators he doesn't know what is going to happen in the summer, and he's not going to tell them not to make summer plans. He told Senators he was looking at people who put their heart and souls into the big issues, and he said he will take whatever action he thinks appropriate to move those issues forward. He said he is concerned, and you cannot simply, all of a sudden, do all the work they said they were going to do, and he needs help to do it. He says somewhere there has to be breakthroughs, and this thing is just not working right now.

Senator Johnson says several things have changed since President Courtney made his remarks. First, SB 5517 has been passed out of committee- that is the education budget for K-12, which is \$8.2 billion dollars. Secondly, the transportation package is now out in the public square, and people can look at it to see what's in it. She says that is lower than many school advocates wanted (they wanted \$8.4 billion), but she says it is better

than what she thought it would be. She says there were some surprises in the bill, and there are a lot of tables in the bill that remain blank that will need to be filled in, having to do with the calculations of the proportional share between cars and trucks. She says the accountability piece, how to fund ConnectOregon, and an inclusion of a projects list are all points of interest in the bill. She says House Speaker Tina Kotek did not want that list in the bill. There are three huge Portland transportation projects, and also an expansion of light rail in the bill. She says though many will balk at Portland getting so many projects, she believes those projects will actually help the entire state. She says there is still a lot of work to do on the bill, and there are any number of groups that could derail the bill. She says the head of the Oregon Business Plan, spoke to the Revenue Committee about a plan for businesses to tax themselves. She says this proposal would be an alternative to a business activity tax that is being worked out. Also, the framework for the hospital provider tax is now out, it is included in HB 2391.

She says the scope of the proposal, the size of the gas tax, and transit are the three areas of concern for most people about the transportation package. She says the bill is now out, and there will be a chance for testimony next week. She says one of her concerns is how much time is left in the session. She says the package also contains a number of new taxes-- a payroll tax, bike tax, higher title and registration fees, and the entire package could be referred to the voters, who have historically voted down gas taxes. She says paying for transit with a payroll tax is controversial because even though the tax is relatively small, the employers will have to collect it and get it to the state. She says truckers and AAA could also say the gas tax hike of 14 cents over a decade may be too much. She says there is also a whole new methodology for paying for three huge projects in Portland that has regional governments paying half and the state paying half. Those regional governments, like the Portland area's Metro, could raise taxes to pay for it without a vote of the people. She says there is also a fight brewing over the low carbon fuel standard. She says some folks want to curtail the possibility that the low carbon fuel standard would cause a big hike in the price of gas. She says no one knows what the cost of the low carbon fuel standard is exactly, though she has seen estimates it could add a quarter a gallon to the price of gas. She says environmental groups are opposed to any changes, and there are efforts underway to find middle ground. She says, though, the negotiators on it, Representative Cliff Bentz and House Speaker Tina Kotek, still have a ways to go.

#### This Week with State Senator Betsy Johnson 6-9-17

Senator Johnson says the Senate passed the K-12 education budget on Thursday. SB 5517 A appropriates moneys from General Fund to Department of Education for State School Fund. Limits biennial expenditures from lottery moneys allocated from Administrative Services Economic Development Fund to department for State School Fund. Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by department for State School Fund. Specifies amounts department may spend for certain purposes from State School Fund. Specifies, for 2017 and 2018 fiscal years, total amount that department may spend from State School Fund. Transfers moneys from State School Fund to Local Option Equalization Grants Account. Declares emergency, effective July 1, 2017. Senator Johnson says this bill provides the largest single state appropriation and is a very complicated budget. She says they are so close to the end of the session and having this big budget go through with bipartisan support is a very big deal. She says former educator and board member of Mt. Hood Community College, State Senator Rod Monroe, carried the bill on the floor of the Senate. Monroe says the budget is \$8.2 billion dollars, and while many wanted it to be \$8.4 billion, this bill is a baseline, and more money could be added later. He says it is an 11.2 percent increase over 2015-17, and exceed the current service level, the governor's recommended budget, and also pays for free lunches for students that are eligible for reduced-price lunches. He says it is hard to teach kids when they aren't eating. He says it was hard to get to the \$8.2 billion number, and if they can find additional revenue, it can be added to it. He says all Senators on the Ways and Means Committee voted for it, though he notes that was not the case for House members. He says this number gives school and education districts a firm floor to budget on, and to do more at this time would mean taking away money from community colleges, universities, mental health and other service areas. He says that would be imprudent.

Senator Johnson says school districts need budgets now, and the session isn't over, so it is possible to add to it, and she hopes that can happen. She says they still don't have a revenue bill, since those have to start in the

House. She says they are still struggling with a budget deficit, and a variety of proposals are still on the table. She says she met with business leaders and there are three things that still need to be settled. One is cost containment measure that would save about a half billion dollars, a medicaid proposal that could make up another \$600 million dollars, and additional business taxes that would raise half a billion dollars. She says the business leaders have some very insightful thoughts on the issues, but she is disappointed this did not happen sooner in the session. She says President Courtney would probably like the Legislature to wrap up by the end of June, even though they are constitutionally allowed to remain in session until July 10th. She says to her, cost containment means finding savings in state budgets and show people the Legislature is a good steward of the public pocketbook. Here is a memo from Senator Johnson and other members of a Cost Containment group of legislators:

Oregon is facing a \$1.6 billion budget deficit for the 2017-19 biennium. This shortfall is the result of both short and long-term factors. In the short term, the cost of expanding health care accounts for most of the shortfall, while voter-enacted measures and pensions costs each account for about one-fifth. But underlying the current deficit is a long-term, structural imbalance between existing revenue streams and the growing costs of providing programs and services to Oregonians. The structural imbalance is due to choices legislators and voters have made over many years. Without action to contain the growing costs of state government now, the structural imbalance will cause even greater deficits in future years. We propose the following list of actions to curb future growth in the budget, make our state government more efficient and stabilize investments in critical public services. We believe cost containment efforts are a key step toward making sustainable, long-term investments in schools, services, and programs on which Oregonians rely.

The following actions are divided into two categories: temporary actions to address the 2017-19 biennium and permanent on-going actions to curb long-term growth

Temporary, immediate actions to address the 2017-2019 biennium:

- Freeze hiring of non-essential positions
- Do not automatically grant standard inflationary increases for services and supplies costs

Permanent, ongoing actions to curb long-term growth:

- Limit state government full-time equivalent positions to 1% of the population instead of the current limit of 1.5% of the population.
- Ensure periodic review of position vacancies for savings and position elimination.
- Require legislative review of state agency debt collection performance and approval of agency proposals to write-off debt.
- Review Lottery Commission administrative costs and the transfer rate to determine if more funds could be transferred for public purposes.
- Manage bonding costs (including paying for small projects with cash rather than increasing the overall cost of the project by using long-term debt).
- Additional rigor in vendor contracting process.
- Take steps to reduce PERS costs
- Increase current and future employees' share in retirement costs for all public employees who are members of PERS.
- Require all PERS employers to set aside excess operating funds for the prepayment of future employer costs
- Determine whether the amortization period is set for the appropriate

length of time.

- Ensure the PERS administrative reserves are at an appropriate level and use any excess administrative reserves to reduce the unfunded liability. Continue to improve management of and contain health care costs for public employees.
- Combine the Public Employee Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB).
- Require PEBB and OEBB to stay within a 3.4% annual growth rate.
- Tie PEBB and OEBB non-primary care rates to a percentage of Medicare rates.
- Ensure compensation increases are within budget for the biennium in which they are granted and do not exceed normal growth rates for future biennia.
- Manage timing of cost of living increases to restrain future roll up costs.
- Any cost of living increases for employees of organizations reliant on state General Fund follow the same rules as increases for state employees.
- Limit collective bargaining agreements to two years for economic issues.
- Change the collective bargaining process to even numbered years so the Governor's budget proposal includes the full cost of increases for the upcoming biennium.
- Require legislative approval for the following before they may be implemented:
  - Reclassifications of positions
  - Addition of new steps to salary ranges for state positions

#### Cost-Containment Budget Principles

- Do not create programs and start them at the end of the biennium.
- Do not create new programs or funds that have no money to support them.
- Use one-time funds for one-time investments or save them for an emergency.
- Do not automatically replace lost federal or other funding.
- Require analysis of ongoing costs rather than initial costs for all new programs.
- Review performance and need for current programs and services to determine whether new proposals are a higher priority than current programs and services.
- Transition the timing of issuing bonds to reduce future rollup costs.
- Prioritize preservation and maintenance of infrastructure before constructing new buildings.
- Limit creating new task forces, boards and commissions

This Week with State Senator Betsy Johnson 6-16-17

Senator Johnson says the transportation package has a couple of things in it she asked for. One is to transfer Cornelius Pass Road to ODOT to begin to mitigate traffic on what was a country road and is now a major north-south road, and money for the Oregon Manufacturing Innovation Center roads. She says there is \$110 million



dollars in the package to make improvements on SE Powell in Portland, and Senator Johnson says she has a hard time supporting even more projects in Portland, since a big part of the package are 3 major projects in Portland. She says most of the work of the committee has been done outside the public view, with ostensibly 4 people putting the package together. She says at a recent Transportation Preservation and Modernization Committee meeting, the head of the Service Employees International Union said they would not support a transportation package unless a revenue bill is also passed. Senator Brian Boquist told SEIU's Stephen Demarest that he was not making his job any easier by saying a transportation package should not go through without a revenue package. Senator Boquist called it political blackmail.

Senator Johnson says State Representative Cliff Bentz has done an enormous amount of work on the transportation package and on the low carbon fuel standard. She says he suffered a heart attack last weekend, and is currently recovering in the hospital. She says he and Senator Alan Olsen both had heart attacks this session, showing how life can interfere with legislators plans.

She says the Ways and Means Subcommittee on Transportation and Economic Development will be passing out the Department of Veterans Affairs budget Thursday afternoon. She says she and her co-chair, State Representative David Gomberg, worked to make sure veterans got their entire general fund budget and the \$18 million dollars from the Oregon Lottery that was passed by voters. She says they did use \$2.5 million dollars in general fund money for lottery-backed bonds to build a parking lot at the veterans home in Lebanon and for work on the veterans home in The Dalles. She says there is also more money for county veteran service officers, campus veterans service officers and beefed up services for veterans. She says they also held money back, but still in the agency, because the lottery funding fluctuates, up or down, and she believes it is a prudent business practice to be ready in case the lottery money goes down.

Senator Johnson says all of her legislative priorities for this session are struggling right now. She says the hospital provider tax, a mechanism used to leverage federal money to pay for the Oregon Health Plan, is one of her main issues this session. She says they have fixed this budget cycle's problem, if it passes. She says if that does NOT pass, it will be one of the most consequential moments of this session, as 350 thousand Oregonians who are currently insured could lose their insurance. She says there will be a lot of debate on this. She says there is another revenue package before the legislature, and she points out that amendments to it were handed out 20 minutes before a hearing on the bill, which she believes is not an acceptable way to do business. She says she hasn't seen a bill yet, and isn't sure whether or not she can support it at this point. She says many people in the legislature want to go beyond a business-suggested revenue plan, and Senator Johnson says it is her job to make sure any revenue bill does not hurt small business. She says she served on a cost-containment committee and they worked hard to try to save money by changing the way the state does business. She says the committee's ideas presented back in April have been considerably watered down, and the House has linked cost containment legislation with revenue legislation, meaning no cost containment bill without a revenue package. She says the transportation package is stalled at the moment, there are some PERS bills out there, and it is in a great deal of flux. She says they are starting to push out budgets, and some of them are less than many hoped. She says all of the big things she has been tasked to do by the Senate president are either stalled or struggling at this point. She believes President Courtney does not want this session to go into July, and she is guessing there will be one or more special sessions. She says the practice of putting projects into the transportation package to get legislators to support it is a dubious practice. She says she is concerned that putting these specific projects in the bill without being sure that the projects are viable. She says one of the other controversial elements of the package is that Metro is pledging half the money for the big Portland projects, and Metro has the ability to tax its residents without a vote of the people.

This Week with State Senator Betsy Johnson 6-23-17

State Representative David Gomberg co-chairs the Joint Ways and Means Subcommittee on Transportation and Economic Development with Senator Johnson. Their committee recently passed the Oregon Department of Veterans Affairs budget for the next two years, HB 5039, outlined below.

The Legislative Fiscal Office recommends a 2017-19 total funds budget of \$509,889,362 and 94 positions

(94.00 FTE) for the Department of Veterans' Affairs. The recommended budget is a 14.7% increase from the 2015-17 legislatively approved budget. Specific budget recommendations include:

Increasing Lottery Funds expenditure limitation by \$4,473,017 to double the current service level funding for the pass-through funding to County Veteran Service Officers and National Service Organizations.

Increasing Lottery Funds expenditure limitation by \$4,125,211 to shift the funding for veterans' services from Other Funds supported by home loan revenues to Lottery Funds. Eliminating the subsidization of veterans' services program activities will strengthen, stabilize, and sustain the Home Loan Program for future generations of veterans.

\$350,000 Lottery Funds expenditure limitation to support a veterans' crisis and suicide prevention hotline.

Restoration of the \$103,700 General Fund in the current service level budget for the Emergency Financial Assistance Program, which provides one-time grants to veterans who have emergency needs.

Lottery Funds allocation of \$1,500,000 to address veterans' housing and homelessness issues with instruction to the Department to work with the Housing and Community Services Department and report back to the Joint Committee on

Ways and Means in February 2018 with a proposal for strategic investments that will result in long-term housing stability for veterans.

Establishing a reserve balance of \$2,336,575 in the Veterans' Services Fund to allow for fluctuations in revenue projects and provide a working capital balance to accommodate Lottery Funds expenditure increases during the biennium. Lottery Funds expenditure limitation of \$12,868,322, available through the passage of Measure 96, is included in the budget recommendation. Total lottery revenue dedicated to veterans' services (1.5% of net lottery proceeds) is projected to be \$18,692,600 for the 2017-19 biennium. Lottery revenues will be allocated to the Department for the Lottery Funds expenditure limitation included in the Department's budget, with the balance being retained in the constitutionally dedicated Veterans' Services Fund. The recommended budget also includes \$8,517,323 General Fund, which includes \$7,500,000 for veterans' services and \$1,017,323 for General Fund debt service on outstanding bonds. In addition to the General Fund support included in the budget, the Department has requested \$2,540,000 in General Fund supported general obligation bonds to fund capital projects at Veterans' Homes in The Dalles and Lebanon. Capital requests are deferred to the Capital Construction Subcommittee and not included in this recommendation. Budget adjustments will be included in the end-of-session bill for these projects.

Senator Johnson says this was a very emotional budget for her, because she and Representative Gomberg were committed to making sure Oregon veterans got their entire budget, as well as the additional \$18 million dollars from the lottery, approved by voters last November. She says they worked very hard, and she believes they kept their promise to Oregon veterans to make sure they got all the funding for the Department of Veterans Affairs. She says the status at the legislature right now is uncertain, but she believes there will not be a revenue package, as there just isn't adequate time to hammer out proposal that can get the needed Republican votes in both chambers required for tax increases. She says the fate of the transportation package is still unknown, and the bill is changing by the moment, and she has not seen the latest version. She says the new version will likely be smaller than the first, but she isn't sure what all has changed. She believes legislators will be out of Salem in the next 10 days, and there is a good possibility for a special session later this year.

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This Week with State Senator Betsy Johnson 6-30-17

Senator Johnson says with a handful of days left in this session, she has no idea where some of the big issues are at this point. She says the legislature is required by the constitution to adjourn by July 10th, and it is highly possible she will have to work on the 4th of July, and she says the Senate has been told they will be working at

least Saturday this weekend. She says the K-12 budget has passed both chambers, and though there are some people unhappy with the \$8.2 billion dollar budget, wanting more money, which Senator Johnson says may be coming before the session is over. She says the legislature appears to have failed to deliver on some of the really big issues, including revenue, cost containment and PERS. She says they are stuck where there is no mud on some seemingly not very significant issues. She says there is a controversy over bovine manure digesters, which is incredibly important to Tillamook County. She says the transportation package is stalled right now, and some of the big, controversial budgets have yet to move. Senator Johnson says she is carrying the Veterans Services budget bill on the Senate floor Thursday, and she says on the House side, when the budget came up for a vote, some members raised what she says are spurious issues about that budget. She says because the budget used general fund-backed lottery bonds for two veterans homes projects, some House members were unhappy with the budget. She says veterans are getting their entire budget, the additional funding passed by voters from the lottery, and more money for other veterans programs. She says she was angry Representative Gomberg was disparaged on the House floor by people trying to score political points.

One of the most powerful committees in the Legislature is called Capital Construction, which deals with construction projects over the entire state. It is chaired by Senator Fred Girod, and has both the House Speaker and Senate President, as well as Ways and Means Co-Chair Senator Richard Devlin. Senator Johnson says that committee has more Democrats than Republicans because Democrats are in the majority. It looks at how money is spent and are kind of the super committee of Ways and Means. She says that committee only meets during the long legislative session, and it deals with what buildings are going to be built, how lottery money is expended, and also deal up with a handful of policy issues that Ways and Means can't deal with at the end of the session. The committee also preside over the creation of the end of the session bill, the final doling out of general fund cash, and it is a very powerful committee. She says the committee deliberations are largely in secret, though they do take public testimony on some issues, like lottery bonds. She says the committee weighs the multiple requests for state funding for building projects, and figures out which are the best use of taxpayer money. She says a lot of people, including her, are looking to that committee for funding projects. She says the Coastal Caucus has been worried about Sudden Oak Death that is now moving into Douglas fire and could threaten Oregon's nursery industry. She says the Coastal Caucus is asking for \$1.7 million dollars to combat the disease, and she isn't sure they will get that funding. She says because the budget is so constrained, there isn't a lot of money for projects like these. She notes the powers that be in Salem don't seem to think Sudden Oak Death is as important as promoting Oregon wines. Both fall under the heading of agriculture. She says there has been a large amount of horse trading going on in this session, a practice she says is repulsive. She says Ways and Means will likely be meeting every day until the Legislature adjourns, and that committee is now hearing lots of controversial bills, meaning a lot more partisan and split votes. She says bills at this point general don't die in the Ways and Means process, because any legislator on the committee can be replaced by leadership. That means some legislators give a 'courtesy yes' on a bill to avoid having that happen.

Senator Johnson says she is scheduled to be in four 4th of July parades, but it is possible the Legislature will be in session on the 4th, so she has cars, candy and drivers all on hold until she knows if she can be at the parades. She says the 4th of July is a time to remember the sacrifices veterans have made to our country and how blessed we are to enjoy the freedom and liberties that exist in these United States. She says at the beginning of parade season, she buys between 10 and 15 thousand dollars worth of candy to throw out at the the parades, none of which is paid for with public money.