



Legislative Report

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Governance

Badly Needed in the Assembly: The Big "C"



Kappy Eaton,
Governance
Coordinator

Compromise is the 10 letter word being used sparingly this legislative session. It has been successful in the gun discussion thus far, but not so far in the budget proposals. The political parties appear pitted against each other in major money areas, such as PERS reform and significant tax expenditures.

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Finding \$275 Million: Passable?



[HB 2456](#) lays out the path to fill the \$275 million in the Ways and Means Co-chairs' 2013-15 Proposed Budget. The four pieces and the estimated revenue include the following:

1. Phase out Oregon deductions for tax payers with adjusted gross income (AGI) of \$125,000 (single) and \$250,000 (joint). Done by taking the difference between AGI and the threshold income level, multiplying by .18 and subtracting from the claimed deductions. *\$169 million
2. Eliminate personal exemption credit for single filers with adjusted gross income above \$125,000 and joint filers above \$250,000. *\$38 million
3. Retain current corporate minimum tax structure up to \$100 million in Oregon sales. Apply 0.1% rate to the excess of Oregon sales above \$100 million. *\$50 million
4. Require corporations, that are part of a consolidated filing group that have headquarters located in a tax haven, to report income from those locations on their Oregon income tax return. Then apply Oregon's sales factor to apportion income back to Oregon. The proposed statute is patterned after Montana's tax

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LWV Testimony

haven provision established in 2003. *\$218 million

It has been explained and heard in the House Revenue committee and was up for a work session earlier this week. It is expected to move, probably on a political party line vote, and will be headed for Ways and Means.

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PERS Reform: Not Even Close

While Democrats hold majorities in both the House and the Senate, getting the needed revisions to Oregon's public employees retirement system requires some bi-partisanship that seems non-existent at the moment.

The Governor's budget called for phasing back the annual cost of living adjustments (colas) of 2% made July 1st, based on no change up to a gross of \$20,000 per annum and a 1.5% rate for the rest. His figures for revenue are about \$800 million and include no cola for non-resident PERS retirees who don't pay Oregon income taxes.

The Republican Caucus seeks \$1.9 billion, including the non-resident cut-off, and would leave the annual adjustment at 2%, but limit the maximum for increasing the cola at \$2000. ([SB 754](#)).

The Democratic co-chairs of Ways and Means have a plan for protecting those receiving under \$20,000 that continues the 2%, but reduces the percentage to 1.5%, up to \$40,000, and .25% after \$ 60,000. This raises about \$455 million. ([SB 822A](#)). This bill has now been approved in Ways and Means and engrossed and passed in the Senate.

None of these measures address the looming fiscal problem for local governments and school districts forced to pay more into employees' accounts to shore up the PERS unfunded liability caused by the recession. This issue needs some strong resolve by lawmakers to get the proper balance between the retirees, the local governments and the amount of revenue necessary to sustain public programs.

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Citizens United : Discussion Overflow

The House Committee on Rules had a packed hearing April 10, as supporters of a U.S .Constitutional amendment to remedy the U.S. Supreme Court's decision in the *Citizens*



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April 10, 2013
at Montag Den



Secretary of State, Kate Brown



Attendees



Executive Director, OR Criminal Justice Commission, Craig Prins



Attendees & speaker

United case, that gave personhood rights to corporations, testified. [HJM 5](#) requests Congress to pass and send to the states a constitutional amendment to that effect, and [HJM 6](#) asks for transparency, disclosure and accountability in a second constitutional amendment to limit super PACs and other campaign independent expenditures. Again, the questions asked of witnesses indicated a partisan split on the committee.

The League [testified](#) on [HJM 8](#), which asks Congress to look into the serious barriers on voting rights being enacted in several states. Such violations of the [National Voting Rights Act](#) as, lack of adequate numbers of voting machines in polling places, requiring strict ID papers of people already on the registered list, closing early voting polls and regular polls early, and harassing voters both in line and on phone.



The FBI and the Justice Department brought about some charges during the election. A number of conservative states have been passing restrictive voter registration and election laws since the November election, and further action is needed.

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University Governance: Board Composition Argument

The higher education workgroup seeking to bring the lengthy discussion to establish boards of directors at the University of Oregon and Portland State University (and possibly Oregon State University) to a satisfactory conclusion almost made it April 12, only to stumble on the academic members on the local boards. The almost 200 page bill, [SB 270](#), specifies there must be one voting student member on the 11-15 member group. Presidents of institutions shall be non-voting, and no staff will be there, but the presence of faculty has not been agreed upon.

Positions range from no faculty, to one non-voting faculty member, or allowing the boards to decide if the faculty and staff member should vote. At the last moment, the University of Oregon president decided that there should be a faculty member. Some decision is expected this week.

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Senior Medical Deduction a Moving Target



Senator Alan Bates



Rep Jessica Vega Pederson



Lunch with Alice and Theresa



AAUW, Marcia Kelley

Event was sponsored by
League of
Women Voters of OR,
American Association of
University Women
and
Oregon NOW



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to Lead the
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Consideration of the deductions for senior medical expenses as part of the tax expenditures discussion was shifted again last week and is now expected some time in the next two weeks, according to the House Revenue Chair, Representative Phil Barnhart. Some adjustments in the deductions are expected based on income levels or an income cap. This is one of the more major revenue-saving measures under discussion.

The Joint Tax Credits committee will be meeting soon to review the recommendations on tax expenditures made by the policy committees.

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Social Policy

Defense Attorneys Need a Raise

The House Judiciary Committee heard public testimony on [HB 3463](#), which suggests that public defenders should have a salary equivalent to district attorneys. Public Defender representatives said the salary differential was 25 to 30%, not including health insurance. Others said the differential was almost 50%, which made it difficult for defense attorneys to pay off school loans or purchase a house. Even a District Attorney representative testified in favor of an increase in order to have a well-functioning system. It is a balance of power. One legislator said it was a matter of justice.



Karen Nibler, Social Policy Coordinator

The salaries for public defenders, or hourly rates for defense attorneys, are paid from the Public Defense Services Commission, which is part of the Oregon Judicial Department Budget. Judges have requested raises in recent biennia, but defense attorneys have not for the past 10 years. Since the Public Safety Budgets have been under close scrutiny, complete parity is not likely this session. However, some salary increase is overdue. See the League's [testimony](#) on [HB 3463](#).

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Another Step in Health Care Reform



Alert!
**Keystone Pipeline is
ALL Risk,
NO Reward**

The League opposes
the KXL Pipeline.
We need your help.

**Tell Secretary Kerry
to reject it!**
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Earth Day
Monday, April 22
What are your plans
on Earth Day?
Plant a tree?
Build a birdhouse?
*Clean up your
neighborhood park?*
more things to do
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Public Hearings

[Joint Ways & Means
Committee](#)
will hold public hearings
across the state to
consider comments on the
state budget.
Scheduled hearings are:
Bend
April 19, 4:30-6pm
Hermiston
April 20, 1:30-3:30pm
Portland
April 23, 5:30-7pm
Tillamook
April 25, 5:30-7pm



On April 12 the Health Care Study, [HB 3260](#), was amended to offer 4 service options and a dedicated sales tax source of income for a public health care system within Oregon. The Chair, Representative Greenlick, commented that there was no opposition to this study. The bill was passed out of committee with a "do pass" recommendation and a referral to Ways and Means.

The League decided that, although we like the aim of the bill, we're not able to give our support this session for several reasons. First is the issue of timing. The Coordinated Care Organizations (CCOs) are just getting underway and have received \$1.9 billion in federal funds to implement them. Cover Oregon (Health Care Exchange) begins in January of 2014. Thus, we think it would be premature to conduct a study at the present time. In our opinion, it would be much better to wait until the 2015 session when more data is available to evaluate what has and has not worked. Oregon now leads the country in reform efforts, and we would like to observe how these reforms are demonstrated in practice before we support a different path.

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Public Health Under the New Health Care System

[HB 2348](#) sets up a Task Force on the Future of Public Health Services, consisting of 15 members. This bill does not mandate regionalization of public health along with the delivery of health care, but it explores the future of public health services in counties. The Task Force is to report back no later than October 1, 2014, to the Interim Health Care Committee. The bill passed out of committee with a "do pass" recommendation and referral to Ways and Means.

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**Addictions and Mental Health
In the New Health Care System**

The Oregon Health Authority shall adopt, by rule, the requirements for programs to qualify as mental health treatment providers or chemical dependency treatment providers. [HB 2020](#), which adopts credentialing standards, moved out of committee to the House floor with a "do

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Meet Action Volunteer Chris Vogel



"LWVOR is respected, involved and influential in the Oregon legislative process. At 23, when I first joined the League, I was recruited by a neighbor to edit the state legislative newsletter in WA. Then career and children became all absorbing. Now, in retirement, I've reconnected with LWV.

KAREN NIBLER
is very savvy in **SOCIAL POLICY** issues, and I'm fortunate to apprentice with her. Bills on Early Learning, Youth Development, Human Services, and Corrections are on my radar."

pass" recommendation.

The Health Care Committee set up an Interim Committee or Workgroup on Mental Health Services under health care transformation. The current rates for private providers are not sufficient according to practitioners who testified on April 12. Insurance companies have reduced payment rates to providers, resulting in a lack of access to treatment. Medicaid payments have been at a reduced rate in the public plans and mental health parity has been considered as part of the new health care delivery model.

HB [2353](#) will not move this session. The Workgroup will report back to the next session.

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Coordinated Care Metrics Set

The Oregon Health Authority (OHA) is accountable to the Center for Medicaid Services for 33 metrics in 7 quality improvement focus areas:

- improving behavioral and physical health coordination,
- improving perinatal and maternity care,
- reducing preventable re-hospitalizations,
- ensuring appropriate care is delivered in appropriate settings,
- improving primary care for all populations,
- reducing preventable and unnecessarily costly utilization by super users, and
- addressing discrete health issues (such as asthma, diabetes, hypertension).

Coordinated Care Organizations (CCOs) are accountable for 17 metrics and could receive financial incentives for these improvements. See [OHA website](#) and [Incentive Metrics](#) for details.

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Natural Resources

Scenic Rivers and Mining

The Scenic Rivers bill, [SB 401](#) ([Legislative Report #2](#)), is expected to be amended to require the Oregon Parks and Recreation Department to study the rivers and streams listed in the bill, especially those that are the home for our endangered salmon, and return to the Legislature with

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Team
Chris!**

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recommendations for adding some to our Scenic Rivers statutes. It was heard on April 15. See League [testimony](#).

[SB 838](#), a new bill that would impose a moratorium until January 2018 on suction dredge mining, was heard at the same time. Many of our local leagues have expressed concern about this kind of mining in our special rivers for some time, so it was an easy call to provide [testimony](#) in support of this bill.



Peggy Lynch, Natural Resources Coordinator

Your voice is needed to get these bills to the Governor. Call your [Legislators](#) now!

You may also want to read an Oregonian [article](#).

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Water Management Fee Needed; Water Storage Considered

By Peggy Lynch, Natural Resources Coordinator

[SB 217](#) ([Legislative Report #1, Natural Resources](#)) was heard on April 16. The League has been following the development of this legislation as the Water Resources Commission deliberated over the past year. We support this new fee to help pay for field staff and scientific data collection that will help senior and junior water rights holders. Management of over 85,000 water rights is important for users, for aquatic life and for the general public.

At the same time, a Work Session will be held on [SB 839](#), a bill that establishes a new Water Supply Development Account. The expectation is that the Legislature will continuously appropriate funds to make loans and grants for both conservation and storage projects. The bill also establishes criteria for project selection and puts sideboards on when and from where water will be withdrawn. In a separate section, it specifically addresses issues in the Umatilla Basin.

Senator Bill Hansell, from the Umatilla area, has submitted another water storage bill, [SB 846](#), which will also be heard in this Senate Environment and Natural Resources Committee hearing.

The League supported [SB 217](#). (see [testimony](#)) We ask that you **call your legislator** with **your support**. Explaining the importance of water management is the story they need to hear. At this point, we are neutral on

[SB 839](#). We oppose [SB 846](#) as breaking the Columbia River Umatilla Solutions Team agreement signed earlier this year.

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Double the Fun

By Theresa Gibney, Natural Resources Volunteer

Even in a five month session, there is not enough time to get bills just right, and technicalities surface, so creative solutions abound. A great example of this is [SB 692A](#) and [SB 840A](#). The story is simple.

The energy efficiency community advanced [SB 692A](#)-this is a 2013 Oregon Conservation Network Priority and strongly [supported](#) by the League. It includes the full range of products recommended as being ready for energy efficiency standards: TV's, battery chargers (large and small), some outdoor lights, and water efficient plumbing fixtures. Unbeknownst to them, another group advanced [SB 840A](#): a bill to implement even higher standards for plumbing fixture water efficiency. As the two groups worked together, a technicality emerged that made it impossible to keep the plumbing fixtures in [SB 692A](#). The two groups decided to move the plumbing fixture standards, lock-stock-and-barrel, into [SB 840A](#). Due to timing constraints, this will actually happen in the House.



The bill passed unanimously out of the Senate Environment and Natural Resources Committee. **Tell your [legislators](#) you support both [SB 692A](#) and [SB 840A](#).**

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Removing the Veil Over the Value of Energy Efficiency

By Theresa Gibney, Natural Resources Volunteer

[HB 2801A](#) provides state agencies with the authority to enable a credible, voluntary, Energy Performance Score ("miles per gallon for a building") for homes and buildings, as recommended in the SB 79 [Task Force Report](#) (2010). The League believes that it is just common sense to take this first step towards providing the same transparency as in real estate transactions and, that we now take for granted, in buying a car. Miles per gallon ratings were introduced for the same purpose, decades ago, and are mandatory!

[HB 2801A](#) also allows new, but appropriate, measures of

cost effectiveness to bring about a reduction in energy use in buildings.

[HB 2801A](#) passed out of Committee this week on a party line vote and will now require the support of your Representatives to get through the House. **Please call or write your [Representative](#) this week. Voice your support of [HB 2801A](#)** as a bill that may accelerate energy efficiency through both these mechanisms, but especially by launching transparency of information (a requirement for a working free market!). Remind your Legislator that the Real Estate Association voiced support for a voluntary Energy Performance Score during the SB 79 Task Force.

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SB 230 - Where did that come from?!

By Theresa Gibney, Natural Resources Volunteer

A "gut and stuff" of [SB 230](#), a bill entitled "West Coast Infrastructure Exchange" showed up this week with an amendment that could probably best be titled "Expedited process for condemnation of land for transmission lines." The bill allows transmission lines that are going through land use processes at the Oregon Energy Siting Facilities Council (EFSC) to move in parallel through the process of getting a "certificate of public need and convenience" at the Oregon Public Utility Commission (PUC). This certificate authorizes condemnation of property. The bill eliminates local appeals of the PUC decision and takes both the PUC and EFSC appeals to the Supreme Court on an expedited basis.

A disturbing element of the bill is that anyone seeking a stay of the PUC order that holds the "certification of public need and convenience" must have already participated in the proceeding at the PUC. In addition, those seeking such a stay must come up with a \$5000 "fee" to do so.

The League will assist other advocates in understanding the PUC process, as requested. As SB 230 moves to the House, the League hopes to see amendments that ensure the PUC or EFSC process has broad outreach and "common language" notification to landowners that their land could be condemned. Under SB 230, early and comprehensive notification is important because landowners must participate in the PUC process to reserve their right to appeal at the Supreme Court.

There have been very few "certificates of public need and convenience" issued in the last couple decades (one?). You might want to follow the bill as it progresses, to protect

your ability to have a voice in the siting of transmission lines.

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More Improvements to the Bottle Bill

By Marge Easley, Natural Resources Volunteer

Following a successful pilot project begun in 2011, Oregon is now one step closer to establishing beverage container redemption centers in more areas of the state. [SB 117A](#), which authorizes the Oregon Liquor Control Commission (OLCC) to approve one or more additional redemption centers, passed out of the Senate Environment and Natural Resources Committee on April 8th and is now headed to the Senate floor. The centers are a further enhancement to the 1971 Bottle Bill and reflect the consensus of four key stakeholders: Department of Environmental Quality (DEQ), OLCC, Association of Oregon Recyclers, and the Northwest Grocery Association.



The high-tech pilot redemption centers, located in Wood Village, Oregon City, and Salem, have proved popular with consumers as they relieve congestion and sanitation concerns associated with the reverse vending machines at local grocery stores. One can still return small numbers of containers to stores, but the centers are authorized to accept and can easily handle up to 350 empty beverage containers per person per day.

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Updates

By Peggy Lynch, Natural Resources Coordinator

HB [2253A](#), Population Forecasting, and [HB 2254A](#), new processes for Urban Growth Boundary Expansions, both unanimously passed out of House Land Use and were sent to Ways and Means because both have a fiscal attached ([over \\$440,000 for HB 2253](#) and [\\$250,000 for HB 2254A](#))

[HB 2620](#), authorizing the Governor to develop a plan to align state economic and community development programs with regional and community based development programs, passed the House Committee on Consumer Protection and Government Efficiency. It was moved to Ways and Means due to the cost of providing public review and engagement as requested by the League. See League [testimony](#).

The League provided [testimony](#) in opposition to [HJR 25](#) that would refer to the voters a constitutional amendment "prohibiting government imposition of fees or taxes on construction, alteration, abandonment, conversion or operation of water wells."

The League is following the [Columbia River Treaty 2014 Review](#) and provided [testimony](#) in support of [HB 3491](#) which directs the Governor to periodically report to the Legislature on this very important Treaty. We believe this bill will help increase public information and engagement on a Treaty that, if not continued, could jeopardize the City of Portland and downstream cities and towns with flooding, affect our hydroelectric power and water storage.

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Oregon Department of Fish and Wildlife Budget

By Peggy Lynch, Natural Resources Coordinator

[HB 5013](#) is the budget bill for Oregon Department of Fish and Wildlife (ODFW), an agency whose mission is to "protect and enhance Oregon's fish and wildlife and their habitats....for present and future generations." The League [weighed in](#) to support the Integrated Water Resources Strategy position, to continue funding for marine reserves scientific research and monies to address the conflicts between renewable energy projects and our incredible sage grouse.



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