Legislative Report

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Printer-Friendly Version

Heads Up!

to all you avid Legislative Report readers.

This is the last Legislative Report for this session until the Sine Die Legislative Report in August. Legislators will be working through the weekend until we know not when, but our Action Team has followed through on their reports. Their final report will be after the Governor has signed all the bills. We'll be back in August for Sine Die!

See sidebar for information on Interim Days and the upcoming Revenue Forecasts.

Natural Resources

Land Use Run Amok!

climate change anyone?

passed at all.

This last week a number of bad land use bills surfaced, in part as enticement to get the needed two votes in the House and two votes in the Senate for new revenue. It's hard to understand how taking our award winning land use system and providing a series of bad exceptions is good for Oregon's economy. After all, our agricultural industry is second most important in the state and the most stable over time. It's less expensive to



Peggy Lynch, Natural Resources Coordinator

Since much of the negotiations are happening behind closed doors, it's difficult for the League to be involved. However, we have tried to provide input as we can and have worked with partners to make bad things better IF they have to be

service more compact urban development, and remember

SB 845 is a bill that would allow some land inside the Metro Urban Growth Boundary, even though an appeal has been filed regarding the original land use decision. Opponents are working



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to address protection of the farmland around Helvetia. At least we'd protect some of Washington County's prime farmland. (Best in the world-remember?) The bill promises a great many high paying jobs. We've all heard that before. One of our lobby friends calculated it's three jobs per acre. That's guite a cost.

HB 3098A is the former Young Life bill, now "youth camps on certain ag land in Eastern Oregon". Although it is now a policy bill instead of a "one off" special interest bill, there has not been time nor effort put into how much land would be eligible or to determine how it would effect irrigated farmland. These are questions that should be answered before adopting such a sweeping change. We have been working with neighbors of Young Life who are concerned that this new policy will open the door to the proposed huge expansion. If necessary, the issue should go to rulemaking where a broad discussion could take place.

HB 3267B would add even more industrial land to Malheur County, a part of Oregon where they already have more than enough industrially designated land, certainly in the Ontario area where they have recently added to their urban growth boundary. Why more?

HB 2898A, as a base bill is great, allowing disabled citizens to go on to trade school or community college with their special high school diploma. But it now also includes a provision to allow training facilities near community colleges on farmland. Why?

HB 3040A might allow for a broad study of a whole list of non-ag uses on agricultural land. Maybe HB 2202A, related to aggregate on Willamette Valley farmland, could be a part of that study. That bill, in its current form, might also allow mining tailings to be in the ground forever. Where do they get these amendments?

HB 2202A, in its original form, would have placed limits on aggregate mining on high value farmland in the Willamette Valley. Ongoing negotiation between the Farm Bureau and Oregon Concrete and Aggregate Producers Association (OCAPA) have resulted in a series of amendments that do little to preserve farmland and a great deal to maintain the status quo for existing mining operations. The League testified at a public hearing in the Ways and Means

Subcommittee on Natural Resources on June 24 to stress once more the importance and urgency of saving Oregon's best farmland. The bill is scheduled for a work session in the Joint Ways and Means SubCommittee on



Capital Construction for July 3. We have yet to see the latest amendments.

Legislative News Update

July 1

In the House
K-12 Budget
SB 5519A
passed 53-5.
giving K-12 education
an increase in the
2013-15 budget
See Oregonian article

In the Senate HJM 6A

passed 17-13.

A memorial to Congress requesting that a federal constitutional amendment be sent to the 50 states for ratification to undo the Supreme Court decisions in several controversial cases, including Citizens United v. FEC (2010)

The Legislative Interim Days

These are days that the legislature will meet between

Sine Die and the 2014 session.

September 16-18, 2013 (Monday-Wednesday); November 20-22, 2013 (Wednesday - Friday); and January 15-17, 2014 (Wednesday - Friday)

If you want to find out what will likely be coming up in the 2014 session, this is a good way. The committees hold hearings and will cover issues that are of concern.

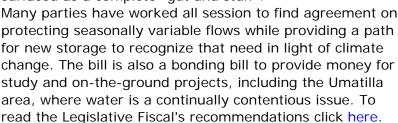
You can either attend the hearings at the Capitol, or listen in.

Mark your calendars

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Water For Sale? Storage Anyone?

After waiting all session, <u>SB 839A</u> has surfaced as a complete "gut and stuff".



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Energy

On the Road Again....

HB 2453B moved out of the Full Ways and Means Committee, with several legislators voicing a preference for SB 810A and several others arguing that it was too soon to make such a move. What do these bills do?



Theresa Gibney, Natural Resources Volunteer

Both <u>HB 2453B</u> and <u>SB 810A</u> are seeking a way to transition funding for highway construction and maintenance away from

gas taxes, as higher and higher mileage vehicles enter the mix. Legislators promised that there would be a robust conversation about the virtues and drawbacks of both these bills on the floor of the House this week.

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It's All About Money!

The final key pieces of legislation supporting the Governor's Ten Year Energy Plan will be decided in the last three days of the 2013 Legislative Session, if the session ends as planned on Wednesday, July 3. Bills not yet out of Committee are money bills, including:

- <u>HB 2894C</u>, adjustments to Oregon's energy efficiency tax credits,
- HB 2435B, which exempts biodiesel comprised of

with these important dates

Oregon Revenue Forecasts

August 28, 2013 November 27, 2013

Revenue Forecasts provide the legislature with guidance in its budgeting process. Oregon's budget is required by law to be balanced between projected revenue and expenditures.

click here for more information

Protect Oregon Rivers



SB 838A

suspends suction-dredge mining Tell **Legislators** to stand up for Oregon's Scenic Rivers Tell them to **Pass SB 838A**

Urgent Action Needed Now **LWVOR Action Alert**

LWVUS Reacts to Supreme Court Decision on Voting Rights Act

This week, the Supreme Court weakened the Voting Rights Act (VRA) The League will be going to Congress to fix this issue and ask them to restore the VRA to its full strength. Listen to live interview with

Elizabeth MacNamara,

more than 20% cooking oil from the road tax, and

• HB 5011A and HB 5012A, the budget bills that impact the Oregon Department of Energy.

The Ways and Means Committee and the floor sessions are efficient working machines at this time in the Session, but there is still a great deal to do. Both HB 2894C and HB 2435B also carry Minority Reports (alternative amendments to be voted on by the whole body and that were not adopted by the Policy Committee) that are not supported by the League. One minority report would undercut the foundational energy policy that moves energy efficiency forward in investor owned utility service territory and the second minority report undercuts the policy that moves renewable energy forward. There will be much to report next time!

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It's All About Climate!

In the same week as President Obama's announcement of a national climate change initiative, three important bills moved out of Oregon's Full Ways and Means Committee:



- SB 306A, the study of a potential Clean Air Tax,
- SB 488, the conversion of the Clean Fuels Standard from a pilot program to a permanent program, and
- HB 2345B, the bill establishing a Task Force to lay out how Oregon might/should organize under the law to work with neighboring states and pursue other innovations to invest in the infrastructure required to adapt to climate change impacts and to update or upgrade our energy, water, wastewater and other major infrastructure.

The importance of each bill has been explained in previous Legislative Reports. In addition, SB 844A (the bill allowing Natural Gas companies to propose carbon reduction programs for approval by the Oregon Public Utility Commission) passed out of House Rules, and the House, and is awaiting the Governor's signature.

The week of June 24 was certainly a good week for climate change mitigation related legislation, but all three of these bills must still be passed by both Chambers and signed by the Governor. Again, a full report next time!

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President of LWVUS.
Solutions for voters are required on an issue as fundamental as the voting rights of all Americans.

Read More
about LWVUS reaction

LWVUS Lauds President Obama's Plan to Cut Carbon Pollution

This week's speech by President Obama is a turning point in the fight against climate change. We (LWVUS) are thrilled that the President is taking the necessary steps to cut carbon pollution in America and is stepping up to lead the world through the greatest challenge of our lifetime: climate change.

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LWVOR

It is your support that makes it possible to carry out this advocacy work at the Legislature





Social Policy

Breaking News at the End of Session

A few of our favorite bills are often sent to the Ways and Means Committee and die there. Then surprisingly a few do come to the fore in the last few days, much to our amazement. In Public Safety we did see a few of those we had mourned, come to life again.



Karen Nibler, Social Policy Coordinator

HB 3194A had hearings in February and March and one in late May. It was rumored that negotiations were taking place, but the bill was not rescheduled until June 24. The revised bill eliminated the M 11 changes to 3 crimes and the second look provision for juveniles, but it retained the M 57 range of prison time and the parole violation time limits. It set up incentives for earned time in prison, transition, and early discharge on probation. The bill should result in some savings to the Department of Corrections for less prison time, and those savings will be spent on the county community corrections level to provide services and treatment to decrease recidivism. The bill passed out of committee with 1 no vote. The passage of the bill required a super majority. The House voted in favor 40 yes to 18 no votes on June 27. The Senate voted 19 yes to 11 no at the Senate Chamber on July 1, so it now moves to the Governor. The League testified at an early hearing. We are celebrating now!!!

HB 2836A establishes a fitness to proceed process on delinquency charges for juveniles. The adult system has had a fitness to proceed process to evaluate the mental capacity of defendants and a commitment process to maintain the defendant in custody for treatment before trial or commitment for continued treatment if the person is unable to regain mental capacity to aid and assist. Money from the General Fund was provided to the Oregon Health Authority to provide mental health treatment in custody or residential treatment. This bill was developed by defense attorneys who represent minors in court cases. The League did not testify on the bill, but admires the work of these defense attorneys on this mental health option for juvenile cases. The bill was amended on June 26 and passed out of Ways and Means on June 28. The House approved by a 57 to 3 excused vote on July 1.

HB 2594A was heard on June 26 in the Ways and Means Public Safety Committee, where it had one earlier hearing with testimony against the bill from Disability Rights Oregon

Volunteer to work on issues for the 2013 Legislative Session It's exciting! Contact the **LWVOR Action Team**

Bill Update

July 3 2,675 measures introduced bills passed by the Oregon House 853 bills passed by the Oregon Senate and the Governor has signed 482 bills Click here to see the bills

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and the Association of Mental Health Directors. The League was the lone supporter of this bill because it offers another option for commitment for mental health services in the community. The amendment removed the Oregon Health Authority responsibility for the cost of treatment, but funded the Oregon Judicial Department for the cost of court supervision. Two counties have pilot projects, and this bill provides the statute to allow these projects. The bill has been scheduled in the full Ways and Means Committee on July 2, so it may pass yet.

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The Department of Human Services Budget Wraps Up June 24

The **Self Sufficiency Program** budget was the last one set in the Ways and Means Human Services Subcommittee. This Budget has expanded to cover family assistance during the recession. During the last session, reductions were made in income eligibility levels for caretaker relatives and the 60 month time limit for a family to receive benefits. This budget received increases for the Jobs Program for clients who are most job ready. The 60 month time limit has been retained. The Employment Related Day Care subsidies for employed parents will cover 9,000 cases and additional funds will increase the child care provider rates. Bonds have paid for a modernization project in business and paperwork demands on workers. Fifteen permanent positions were added for this project.

This section of the budget contains \$3.5 billion with almost \$3 billion in federal funds to support The Temporary Assistance to Needy Families Program for families with children. The employment rate for the parents has been slow and there is no wait list for the subsidized day care payments. Legislators were concerned that recipients were losing hope of finding a job and were remaining on the assistance program. Another legislator said that natural resources should be managed in order to provide jobs in rural areas.

The **Department of Human Services** (DHS) total budget comes to \$9 billion dollars, with over \$6.3 billion of federal funds. The budget includes Self Sufficiency (TANF), Child Welfare, Vocational Rehabilitation, Aging and People With Disabilities and Developmentally Disabled adults and children. The Budget Notes asked DHS to report on provider rates for direct care workers with the intent to cut turnover rates with salary increases.

Child Welfare will report on the Preserving Families Project under SB 964A (in 2011). The report should include names of contractors, services, funds expended and outcomes in each contract. The Aging and People with Disabilities Program is to respond to the 2013 Report on Senior and Disability Mental Health and Additions with details on access, capacity and providers to serve this population. The Coordinated Care Organization and Aging and People with Disabilities (APD) should report on best practices with dual eligible persons and create the ability to track and report on services. Developmental Disabilities staff are responsible for a thorough functional needs assessment and an individual service plan for each person. They will eliminate the cap on brokerage consumer service dollars.

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Education Bills Clear the Last Hurdle

The Senate Chamber passed <u>HB</u> 3231B, <u>HB 3232B</u>, <u>HB 3233B</u> and <u>HB</u> 3234B on July 1, and presumably the



Governor will sign these bills since the education initiatives originated with him. <u>HB 3231B</u> established the Youth Development Division and <u>HB 3234B</u> established the Early Learning Division. <u>HB 3232B</u> contains the education initiatives of the Oregon Education Investment Board (OEIB), and HB <u>3233B</u> sets up the Network for Teaching and Learning as directed by the OEIB.

The Oregon Department of Education Budget, <u>SB 5518A</u>, which contains these programs, has passed the Senate 24 to 5 with one absence and passed the House by 53 to 6 with one absence. It's a done deal!!!

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Oregon Health Authority Budget Debated

HB 5030A, the Oregon Health Authority (OHA) Budget passed out of Ways and Means on June 28 with objections regarding the unsustainable expansion of Medicaid. The federal funds for the expanded population will be available for 3 years and decrease in subsequent biennia. The House Chamber passed this budget on July 2 after a long discussion of the increased budget for the expanded services, but the final vote was 35 yay to 24 nays and 1 excused. The Senate has yet to vote on this budget. More details in the *Sine Die* edition.

Oregon Liquor Control Commission Contributes Revenue to the State Budget

The Oregon Liquor Control Commission (OLCC) collects a surcharge of \$.50 on each bottle of liquor sold, which results in a \$32.4 million in revenue for the state. The OLCC also contributes a share of gross sales anticipated to be \$47.6 million for the 2013-15 biennium.



The OLCC budget, <u>HB 5023</u>, totals \$150.855 million of other funds. No General Funds go to this agency, but its revenues support state programs. The revenue is stipulated to go to Mental Health for Drug and Alcohol Treatment at \$17.8 million, to the Oregon Wine Board at \$638,000, to the state General Fund at \$251.5 million, to city revenue sharing at \$54.76 million, to cities at \$78,234 million and to counties at \$39.1 million. The administration cost is \$17 million with 68 staff using an old technology system. The 8.8% of sales supports store operations, including staff.

The omnipresent question is should there be an additional tax on liquor? Beer is taxed by the barrel and wine is taxed by the gallon. An increase has been considered to support the alcohol treatment programs, but it has not been raised in this and past biennia.

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Governance

Are We There Yet? Call the Singer

The 2013-15 Biennial Budget is ready. The House has passed the K-12 Budget (HB 5519A) and the Provider Tax (HB 2216B), considered the last big pieces of the funding puzzle. They await Senate confirmation. HOWEVER, behind the scenes there were some other important pieces that have now been put into play by



Kappy Eaton, Governance Coordinator

the Governor and the Senate. Known as the "Grand Plan", it was brought to the Senate June 27 in the form of the dash 25 amendments to <u>HB 2456A</u> and the development of <u>SB 857A</u>, changes to the PERS reform enacted in <u>SB 822A</u>.

Work groups consisting of business, educators, legislative leaders, the Governor's staff and fiscal staff have been seeking a way to provide additional money for K-12, community colleges and universities, mental health services, seniors and lower tuition. Supporters applaud the superb opportunity to really make Oregon shine. Opponents feel the cost is too great.

Basically, the "Plan", through <u>HB 2456A</u>, would raise about \$215 million from

- 1. a raise in corporate income taxes;
- 2. raise cigarette taxes by 10 cents a pack;
- 3. revising the senior medical deduction through raising the age level and establishing an income means test; and
- 4. cutting the personal income tax exemptions for individuals with incomes over \$125,000 (single) and \$250,000 (couple).

The second part, <u>SB 857A</u>, would raise additional funds through further cuts to the cost-of living benefits for PERS retirees, lower the unfunded liability of PERS by about \$4 billion, and cut the employer rate for public employees' wages.

Passage of these two proposals is possible, but not considered probable, though most legislators would like to put more money into the affected programs. It would take a real bi-partisan effort, and in fact the tax bill requires a super majority to pass in both chambers. Legend has it, from vaudeville days, that "It ain't over 'till the fat lady sings." The President of the Senate says, "It's time to go home."



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Missed opportunity: NPV and CIR

Although the Senate President's office and that of the Senate Rules committee chair received several hundred emails in support last week, HB 3077 wasn't given a public hearing or an opportunity for a Senate consideration. The National Popular Vote Compact (NPV) would have given Oregon a chance to be relevant during the U.S. Presidential campaigns. Thanks to the House for discussing the measure and passing it, 38-21. The League supported this bill.

Another unfortunate missed opportunity thus far is the

inattention paid by the Ways and Means sub-committee on General Government with regard to HB 5004, the continuation of the Citizens Initiative Review Commission (CIR). It was put in place in 2011 to oversee the selection, review and evaluation of the citizen panels who study and comment on at least two Oregon initiative ballots during General Elections. Funds for the process are raised privately with no fiscal impact for the state. Assurances have been given by the committee for a hearing, but it has not taken place. The bill went to the committee in March. It's pretty late in the session for positive action.

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Update on Three Crucial Governance Issues

<u>HB 3523B</u>, the requirement for electronic reporting of independent campaign expenditures, passed the House with a vote of 60-0, and will be up in the Senate for approval this week.

HB 3521B, the modernization of Oregon voter registration through referral from the Department of Motor Vehicles to the Secretary of State of qualified new driver's license holders for automatic registration, passed the House, 32-28, June 25 and is awaiting referral to a Senate committee by the Senate President. With adjournment expected in the next few days, the bill is probably dead for this session.

HB 2199A, the unused ballot security bill, passed the House 40-20, and on June 25 passed the Senate, 16-14, on strictly partisan lines. The measure contains strict processes and procedures for handling spoiled, undeliverable and unused ballots, as well as the use of video scanning of all county election office areas.

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