



2017 Legislative Session in Fewer than 1,000 Words

Amazingly, 2,827 bills were introduced in the 79th assembly of the Oregon legislature, more than 1,000 passed, but just eight will be used by the public and the press to measure their success.

Four that passed: transportation package, health provider tax, pay equity and a statewide work schedule mandate.

Four that did not: revenue reform, tenant protections, paid family leave and PERS fixes.

With a \$1.8 billion expected shortfall in meeting current service levels for state agencies, finding new revenue was a central conversation throughout the interim and during the session. Even with the House makeup of 35 Democrats to 25 Republicans, and the Senate at 17 Democrats to 13 Republicans, the margins were not large enough to let the majority party pass taxes. Because the Oregon Constitution requires a 3/5 vote for new taxes, one Republican in both the House and Senate would need to support a revenue reform package. That certainly was not going to happen unless Republicans achieved some of their agenda items, and they (Senators and Representatives alike) remained firm and united throughout session. Democrats seemed to have a harder time bridging the gap between the two chambers and to the Governor's office. Frankly, it seems the Governor, the Speaker of the House and the Senate President could not agree on a strategy and perhaps even disagreed about their priorities. The division in leadership and the steadfastness of the minority party means revenue reform will have to wait.

Lacking any new revenue, it took trimming, taxes, foolery and good fortune to overcome the expected deficit. Because the Oregon economy improved, so did our revenue forecast adding back \$400 million to the budget. A cost containment bill, including a hiring feeze, meant \$94 million more and the elimination of some tax credits (including for solar projects) added another \$20 million to this biennium and could boost future budgets by \$100 million. While corporate tax rates did not increase, taxes on hospitals and insurance plans passed, bringing \$550 million to state coffers helping to protect one million people on the Oregon Health Plan and extend health coverage to 15,000 children. At the ballot box last November, voters chose to dedicate lottery dollars to veterans, outdoor school and high school dropout prevention and career-technical education programs, but the Legislature voted to take some of those dollars back. Democrats also eliminated a small businesses tax break that Republicans had fought for during the "Grand Bargain" of 2013, raising another \$200 million.