



Legislative Report

Representative Brad Witt



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Hi Everyone,

I know that many of you have been hearing and reading about the anticipated shortfall in state revenues that promises to cause a great deal of dislocation to the services that many of us depend upon, including K-12 education, social services and public safety. Perhaps a little background is in order.

As many of you know, the state operates on a 2-year budget cycle. Last November, the fall revenue forecast showed that the state would be \$142 million short of getting to the end of this cycle, which ends June 30th. At that time, the Legislature asked all agencies to prepare a list of possible reductions amounting to 5% of their budgets, and although this may not sound like much, it effectively amounts to 20-25% of their remaining budgets. The funding gap has now been projected to be in excess of \$800 million

The list of potential cuts is now being analyzed by the Ways and Means subcommittees and the co-chairs will begin holding hearings to get public input on the proposed cuts. Legislative leaders have already announced they will cut over \$4 million from the Legislative Assembly 07-09 budget, which is the first budget-cut bill that we will vote on. To set the tone for this and future budget discussions, my colleagues and I have already agreed to freeze our salaries and implement a 5% cut in our office budgets.

Everyone will be concerned by the enormity of the budget cuts we are facing in the remainder of the biennium. We will be making hundreds of agonizing decisions, but the process and timeline we have laid out will allow us to make those decisions in an orderly and timely fashion. By the time we receive the February 20th revenue forecast, we should know the scope of the federal stimulus package, which currently ranges between eight and nine billion dollars, and be able to quickly make the final adjustments to balance the 07-09 budget. None of the choices we have before us is easy, but we will make them.

Speaking of the federal stimulus package, one of the few ways state government can create and protect non-government jobs is through capital construction projects. In an effort to stem the tide of Oregon's worsening economic tailspin, the Legislature completed and Governor Kulongoski signed a \$175 million stimulus package yesterday.

The package, over 70% of which focuses on deferred maintenance and related projects across Oregon's university and community college campuses, represents a long term investment in the integrity of our state's infrastructure. These projects will be financed by bond sales and are expected to generate over 3,000 desperately needed family-wage jobs.

The severe economic straight in which our state and nation find themselves was initially triggered by a mortgage crisis that grew into a nationwide credit crisis and has since become a generalized demand

crisis. Put more simply, people have quit buying goods and services in these bad economic times because they can't afford to now or fear they may not be able to in the near future. Most of this consumer retrenchment is the result of high unemployment and hard-hit family budgets.

With consumers accounting for two thirds of our economy, it is fundamentally important that we get more people earning paychecks as quickly as possible. Only then will workers be able to resume their roles as consumers, thus breaking the downward demand spiral that has enveloped our economy. Our state and federal stimulus packages are intended to do just that.

Bills of Interest:

- **SB 170** Expands the number of rural airports eligible to participate in a pilot project encouraging economic development.
- **SB 188** Authorizes the State Dept. of Agriculture to impose civil penalties, not to exceed \$25,000, for violations of various food safety laws or related administrative rules.
- **SB 392** Changes percentage of federal earned income credit allowable as credit against Oregon personal income tax.
- **SB 80** Directs the Environment Quality Commission to adopt by rule greenhouse gas cap-and-trade system to achieve greenhouse gas emissions reduction goals.
- **HB 2103** Requires law enforcement agency to take DNA sample of person arrested for a felony.
- **HB 2541** Requires driver license or identification card issued by Dept. of Transportation to indicate that person may not purchase alcoholic liquor if person is convicted at least two times of driving while under the influence of intoxicants.
- **HB 2524** Requires the Department of Human Services to request that the State Police conduct state and nationwide criminal records checks on individuals providing direct care to children, elderly persons and persons with disabilities.

Speaking at the Clatskanie PUD Annual Safety Dinner

