



## State Representative **Alissa Keny-Guyer**



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### Dear friends and neighbors,

As many of you know from [Facebook](#) or from my lack of presence in the Capitol last week, I got a compression fracture while biking on Mother's Day. While I was "crushed" to miss the action in Salem, I am so grateful for the many calls, notes, flowers and food from friends and colleagues on both sides of the aisle.

I also appreciate the strong support from my staff, who have fielded all the meetings in Salem, and who spent Tuesday afternoon and all day Friday on my bedroom "office." I spent all week there, glued to [OLIS](#) to watch all of my committee hearings and the long-awaited May financial forecast - on which we base our next biennium budget.

My first outing in a week was Saturday morning at the constituent coffee I co-hosted with Sen. Michael Dembrow at the new "Old School Coffee" at the PCC Southeast campus library. Besides introducing people to this wonderful new addition to our district, we discussed hotly contested bills and the implications of the financial forecast on our budget decisions.



Boomer helping me edit my newsletter!



Saturday coffee at PCC SE Campus.

For those who want details about the forecast, watch the [recording](#) of the Revenue Committee hearing and/or read the [short summary](#) and [long financial report](#). Here are my highlights:

### **Financial Forecast Highlights**

Mostly very good news! The economy continues to recover more quickly than projected and looks like it will continue beyond the 2015-17 biennium. However our long-term budget challenges remain (keep reading to see why!).

- Oregon's labor market is nearly 2/3 of the way back to pre-recession levels and should reach full employment over the course of the upcoming 2015-17 biennium.
- Oregon's job growth rate is over 3%, which should continue over the next two years, and which is about 1% faster than in the typical state.
- Personal income tax revenue is up 3.6% and corporate tax revenue is up 3.9% from the 2013 COS (Close of Session) estimate.
- General Fund and Lottery Fund resources are up \$518.8 million (3.1%) above the 2013 COS estimates.
- Projected increase in General Fund and Lottery Resources are up \$164.2 million (.9%) from the March 2015 forecast.
- The Rainy Day Fund is projected to receive \$159.2 million following the 2013-15 biennium.

### **Implications for our Budget:**

- Good news: We have \$463 million more to plug budget holes in education, health and human services, public safety, natural resources, and infrastructure in 2015-17.
- Good news: Because of the K-12 funding bill we passed last month, 40% (\$105.6 million) of the net increase in the 2015-17 forecast over the March forecast will go to K-12 in the next biennium.

- Good news: Although the corporate kicker goes into effect because corporate revenues exceeded the 2013 forecast by over 2%, the \$61.3 million kicker will go to the State Stability Fund (reserves) because of Measure 85 passed by the voters (YAY voters!).
- Bad news: The personal kicker goes into effect since personal income tax revenue exceeded the 2013 forecast by over 2%. Every cent over the forecast (not just over the 2%), \$473 million, will be refunded to voters as a credit on their 2014 taxes rather than to reserves. The kicker is an irresponsible law that contributes to our state's volatility and disparity. Half the taxpayers will get less than \$145; the top 1% of earners will get an average of \$5,373.

Two other factors impact our long term budgeting: 1) The [PERS court decision](#) two weeks ago, which upheld only a small part of the Grand Bargain we passed in 2013, will add \$500 million in expenses to our 2017-19 budget, and will continue to increase costs for years. 2) The Affordable Care Act will add \$300 million to our biennial budget starting in 2017-19. Thus, we have a lot of work to do to meet our state's short and long-term needs!

### Next steps:

- While the 2013 and 2015 legislatures have invested approximately 25% more in K-12, and this recent forecast will allow us to allocate \$166 million more, we still have a long way to go to fully fund K-12, higher ed, and early childhood education. *These*



AFSCME advocacy day for Child Care!

*must remain top priorities, along with housing and support services for struggling families.*

- This session: Attempt to direct more of the kicker to education by trying to get a super majority (3/5) to pass an income tax on the kicker, or an even bigger majority (2/3) to direct the whole kicker to education. *This is a worthy but challenging goal.*
- Long term: Onetime exceptions to the kicker can be done by a super-super majority of the legislature, but permanent change must

happen by initiative. *We must change the kicker law at the ballot box to direct the kicker to education or the Rainy Day Fund.*

- This session: Ensure that prosperity is shared across the state. As unemployment drops, income is growing (average 5.5% for 2014), and wages are increasing, especially for "mid level" jobs between \$25-50K/year. BUT many Oregonians at the bottom of the pay scale are barely scraping by. *We need to pass the Paid Family Sick Leave, Retirement Security, Minimum Wage, TANF redesign and Employment-Related Day Care bills.*
- This session and long term: Raise revenue from those who can most afford it before our PERS and ACA costs hit in 2017. Taxes require a super majority in the legislature, *so much of this must happen at the ballot box, hopefully in 2016.*

### **Tracking Legislation**

See the attached [list](#), which highlights some of my personal bills, my committee bills, and other bills of particular interest. Click on the bill to be linked to its details on OLIS. I update and email this list periodically. To keep up more frequently, go to my twitter [@alissakg](#) and [Facebook](#) page.

### **Constituent coffees**

Coffees are a great way to discuss legislation while supporting local businesses! The next coffee (or happy hour) will be at the new Mercado, a collection of Latino grocery and butcher stores, food carts, bar and coffee shop. It is a huge contribution to both the Latino community in Portland and to a long-neglected area on Foster. Join Sen. Michael Dembrow and me on [Sunday, June 7, 4:30pm-5:30pm.](#)



La Revolucion (inside the Mercado)  
7238 SE Foster Rd.

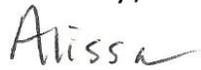
### **Primary Election TOMORROW!**

Many great candidates have stepped up to run for the boards of David Douglas and Portland Public Schools, Portland Community College, and

Multnomah Educations Service District. These are (often thankless) volunteer jobs that require enormous time and energy. Candidates have worked their hearts out to earn your support.

Drop off your ballot by 8pm TOMORROW, May 19. See here to search for [drop box locations](#) near you. For more information, the voters' pamphlets, and election results, visit [Multnomah County Elections](#). Thank you to everyone for working to improve our community and state!

Warmly,

A handwritten signature in cursive script that reads "Alissa".

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