

Special Session Announced, Sept. 30th!



State Representative
Alissa Keny-Guyer



Dear Friends and Neighbors,

While the weather cools off, things are heating up in Salem. The Governor has just announced a Special Session on September 30th to discuss the package below. While I am copying his press release in its entirety, I want to emphasize that the "Agreement" below is the framework that he and the legislative leaders (House Speaker, Senate President, and Minority Leaders) have agreed upon and are discussing with their caucuses. No decision is finalized.

As in any compromise, there are aspects of this package I like and dislike. I'm eager to exchange ideas with you. Please email me and/or stop by my upcoming coffee or town hall (see end of email) to share your thoughts.

Press release: Governor Kitzhaber, Legislative Leaders Come to Agreement on Additional School Funding, PERS Reform, Assistance for Small Business and Working Families

Governor to call a Special Session September 30:

(Salem, OR) - Governor Kitzhaber and legislative leaders have agreed on a framework to boost education funding by \$140 million to restore lost school days and provide tuition relief for Oregon students this school year. The agreement combines cost savings from additional PERS reforms and new revenue to fund education, mental health and senior services, and targeted tax relief for small business owners and working families. The Governor will call the Legislature into special session on September 30 to act on the framework in time to allow schools to invest this year.

"This is the Oregon way," said Governor Kitzhaber. "I applaud my legislative colleagues on both sides of the aisle for once again coming together for the benefit of all Oregonians. This framework offers a

balanced approach that will allow for a sustained reinvestment in Oregon education and other critical services, like mental health, over the long term. We're delivering for Oregon's children, for Oregon's economy, for Oregon's future."

Elements of the agreement framework include:

INVESTMENTS 2013-15 - \$211 million

- **Boosts School Funding** - \$100 million in new revenue for K-12
- **Reinvests in Higher Education** - \$40 million for community college & university tuition relief
- **Supports Working Families** - \$12 million expansion of the EITC (from Ending Fund Balance beginning January 1, 2014)
- **Dedicates Funding for Mental Health** - \$20 million dedicated from 10 cent cigarette tax
- **Supports Oregon's Seniors** - \$41 million for senior programs

PERS

- **Improves the Financial Stability of PERS** - \$4.6 billion in overall reduction of the unfunded actuarial liability when combined with SB 822 with further adjustments to the PERS COLA.
- **Reduces PERS COLA** while mitigating impacts on lower-wage workers.
- **Additional PERS transparency** and confidence building measures.

REVENUE - 2013-15

- \$244 million in new revenue for 2013-15 biennium.
- Includes Small and Family Business Tax Relief by lowering rate on pass-through business active income, and a Fair Trade Tax Treatment for certain agricultural exporters (2013-15 phase-in totaling \$43 million)

OTHER PROVISIONS

- To allow consideration of statewide GMO policy, agreement to preempt local bans (SB 633) except in counties where local ordinances have already qualified for elections. Governor to convene work group to address GMOs at the state level.
- The Governor will issue a letter stating he will sign none of the bills unless all bills make it to his desk.

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To add some specificity to the Governor's press release, here are a few more details of the proposed package:

- **PERS Reduction:** Implements a 1.25% COLA for retirees who earn less than \$60,000 in benefits annually; establishes a 0.15% COLA on any benefits over \$60,000 annually;
- **PERS policy changes:** Future legislators will be in a 401(k)-style retirement plan; Insurance payments will not count towards calculation of a final average salary; PERS members who commit a felony while on the job cannot have their benefits enhanced as a result of that crime;

and

- REVENUE: \$831 million in new revenue over the next 3 biennia through reforms to the corporate tax rate, the personal exemption credit, the senior medical deduction, and the cigarette tax; \$458 million reduction in revenue over the next 3 biennia due to tax breaks for small businesses;
- The Earned Income Tax Credit will be expanded in the 2013-2015 biennium.

3 Events: Coffee and Town Halls

1) Constituent Coffee on Special Session
Saturday, September, 21, 1 - 2pm
Oliver's Café, 8931 SE Foster Rd.

2) Town Hall with Sen Dingfelder and Rep Dembrow re Special Session
Thursday, September 24, 7:00 - 8:30pm
Hollywood Senior Center, 1820 NE 40th Ave.

3) Town Hall re Health Transformation and "Cover Oregon" Health Insurance Exchange
Wednesday, October 16, 6:30 - 8:00pm
IRCO, 10301 NE Glisan St.

Warm regards,

Alissa

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