

# Legislative Fiscal Office

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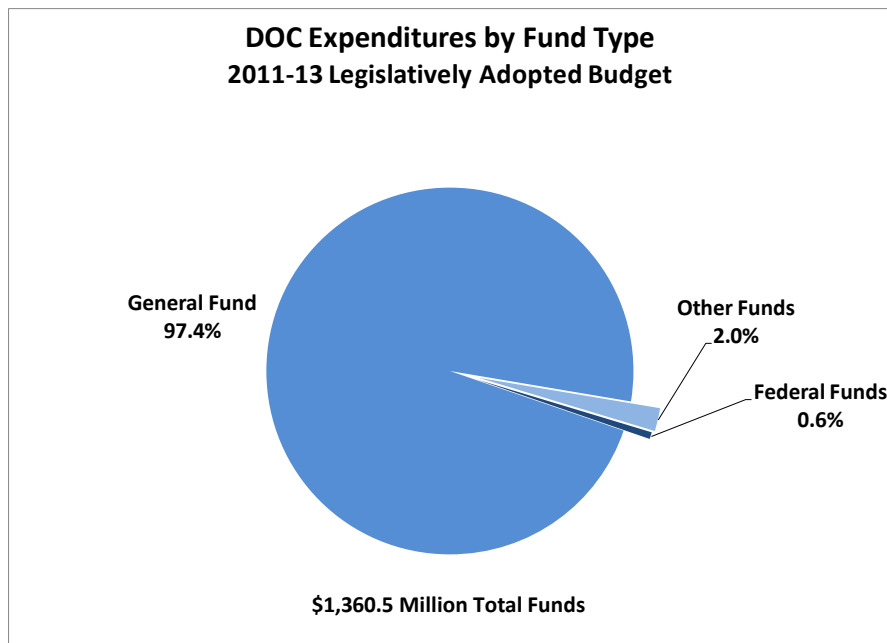
## Budget Information Report

### Correctional Spending Trends

The Department of Correction's budget is one of the largest commitments of resources in the state budget representing roughly 9.1% of the combined General Fund and Lottery Funds in the 2011-13 legislatively adopted budget, only smaller than the State School Fund (39.1%) and the Human Services program area (26.1%). It is also one of the fastest growing parts of the budget, doubling in its percentage of the General Fund and Lottery Funds portions of the state budget since the mid 1980s. This budget information report updates information of a similar report issued earlier this year. It provides a short primer on spending and other trends relating to corrections, and also describes the major cost drivers. The paper closes with reasons to use caution when comparing correctional costs between states.

#### Department of Correction's Budget Basics

The 2011-13 legislatively adopted budget for the Department of Corrections (DOC) is \$1,324,785,417 General Fund and \$1,360,520,809 total funds. These amounts do not include the \$48.1 million in reductions taken for the supplemental ending balance. Some or all of this could be added back by the Legislature during the 2011-13 biennium. These figures do include all components of the DOC budget, not just areas attributable to the direct operation of the prisons. The DOC budget is mostly General Fund (over 97%). This is more than the 86% for 2009-11 when over \$103 million in one-time federal stimulus funding was used to offset the need for General Fund. Since this was one-time federal funding, backfill of General Fund in 2011-13 was required to offset the need for significant reductions.

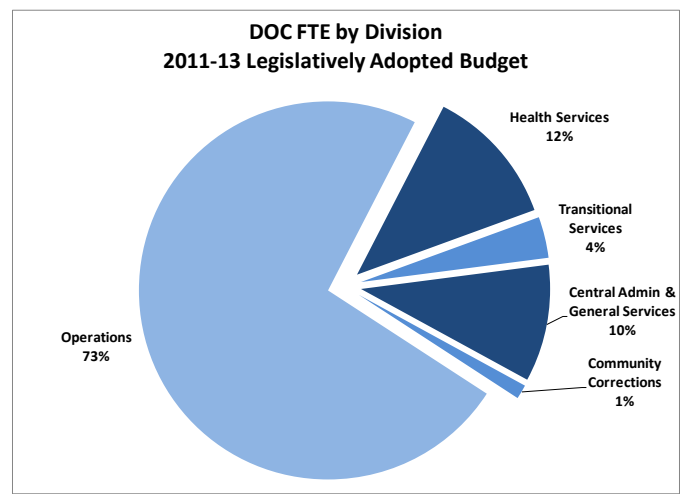
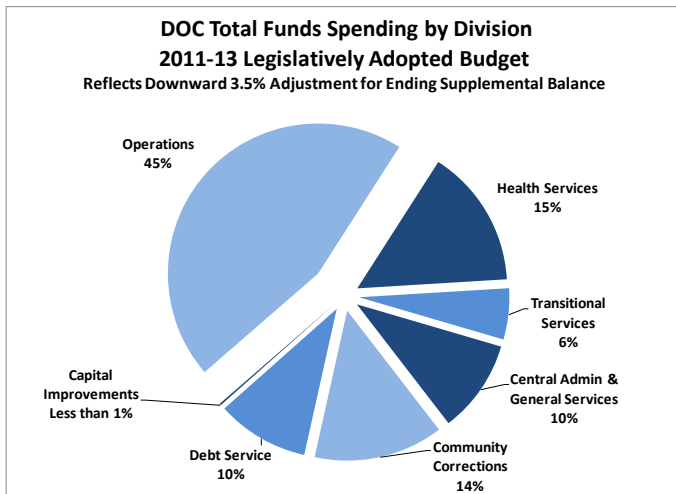


The DOC budget has three primary types of expenditures – costs of operating prisons, debt service, and grants to local community corrections programs. Overall, community corrections programs represent 13.9% of the agency's total funds budget, debt service 9.9%, with the costs generally associated with

prisons representing the remaining 76.2%. The table and figures below describe the types of expenditures and staffing, and their shares of the 2011-13 budget.

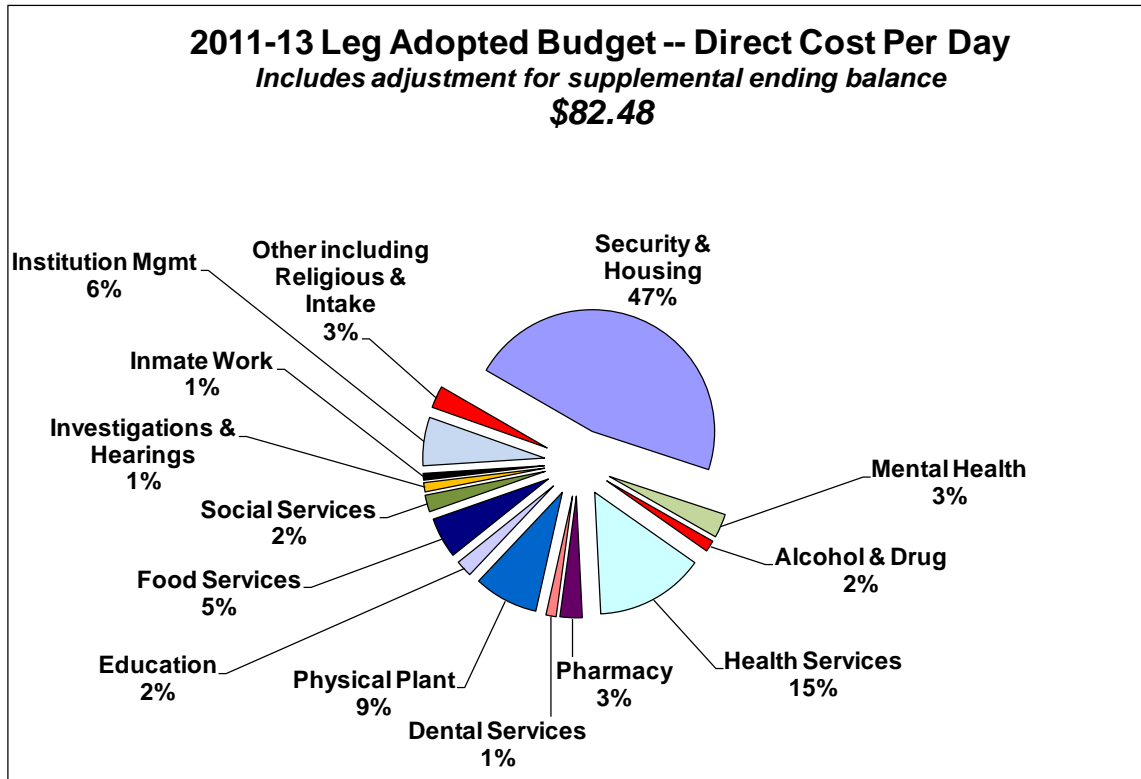
**DOC 2011-13 Legislatively Adopted Budget**  
**(millions of dollars)**  
**Reflects Downward 3.5% Adjustment for Supplemental Ending Balance**

Spending Area	General Fund	Total Funds	FTE
<i>Operations:</i> Security, housing, transportation, prison operations and food.	\$609.3	\$618.3	3,244.90
<i>Health Services:</i> Medical, dental, mental health, and pharmacy.	197.4	203.9	524.72
<i>Transitional Services:</i> Education, alcohol/drug treatment, religious services, workforce development, and sentence computation. Also includes \$10 million General Fund in county grants related to Measure 57 offenders.	64.9	74.9	155.41
<i>Community Corrections:</i> Grants to counties and community corrections programs for probation, parole, post-prison supervision, and incarceration for sentences of one year or less. Includes \$12.6 million for Measure 73 payments to counties.	187.4	189.5	53.33
<i>General Services:</i> Information systems, financial management, canteen, central wireless communications, and central warehouse.	49.0	55.5	255.60
<i>Central Administration:</i> Agency-wide management, population management, inspections, investigations, audit, personnel, state government service costs, and budget.	80.2	80.7	186.78
<i>Debt Service:</i> Payments for long-term debt for prison construction and local jail construction.	134.0	135.2	0
<i>Capital Improvements and Construction:</i> Funds for deferred maintenance, improvements and prison construction.	2.5	2.5	0



Corrections is a “people” function, so labor costs are a primary cost driver for the DOC budget. Over half of the entire DOC budget represents costs associated with personal services including employee salaries, retirement contributions, health insurance contributions, and other benefits or payments relating to employee costs. For those parts of the budget directly related to prison operations and general agency management (not including community corrections payments to counties and debt service), personal services makes up over 71% of the 2011-13 legislatively adopted budget. Services and supplies makes up roughly 22% of the budget and includes costs of operating the prison facilities; pharmacy and other non-staff related costs for health services including payment for health services from non-DOC providers (e.g., hospitals); contracts for mental health, substance abuse treatment, and education programs; inmate food; utility costs; and state government service charges.

One measure that many states and other jurisdictions use is a “cost per day” calculation which is based on the costs of incarcerating the prison population divided by the number of inmates. Costs such as community corrections grants, capital construction, and start-up costs are not part of this calculation. In the past DOC has calculated an average “direct” cost per day which measures about 80% of the total costs of incarcerating an offender at a DOC facility; and includes costs associated with security, health care, food, and other items which generally vary as the total number of inmates change. For the 2011-13 legislatively adopted budget, the direct cost per day is \$82.48 and includes the downward adjustment for the supplemental ending balance. Staff costs are the primary factor for this figure so staff intensive functions like security and housing make up large shares of the total. Its various components are detailed in the figure below.

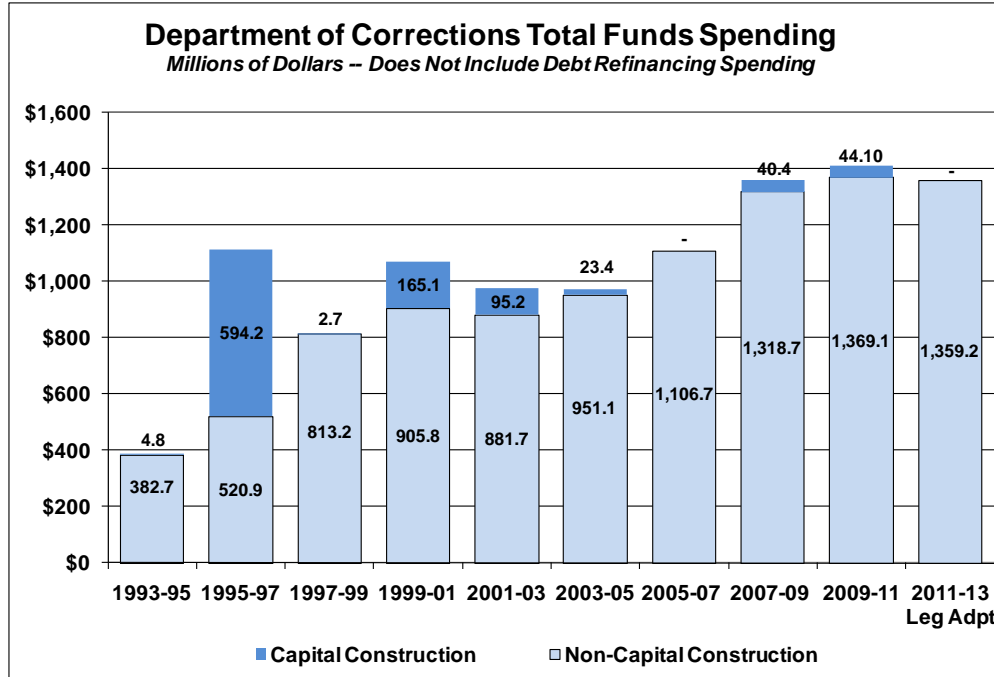


What this figure does not include is the debt service for the agency’s facilities (\$11.01 per day) and the department-wide costs of administering the agency including the overall management, state government service charges, financial and personnel staff, information systems costs, and a variety of other costs not directly tied to the number of inmates (\$11.84 per day). These cost-per-day figures are “snapshot” costs and will change depending on the number of inmates and changes in the budget during the biennium. The above measures are averages across the entire DOC system. The cost per day varies significantly from institution to institution due to a number of factors including age of facility, seniority of staff, size of the population, characteristics of the population, programming at each facility, and the security level. For the 2011-13 legislatively budget, the individual direct cost-per-day varies from a less than \$64 at South Fork Forest Camp and Mill Creek to a high of over \$103 at Shutter Creek.

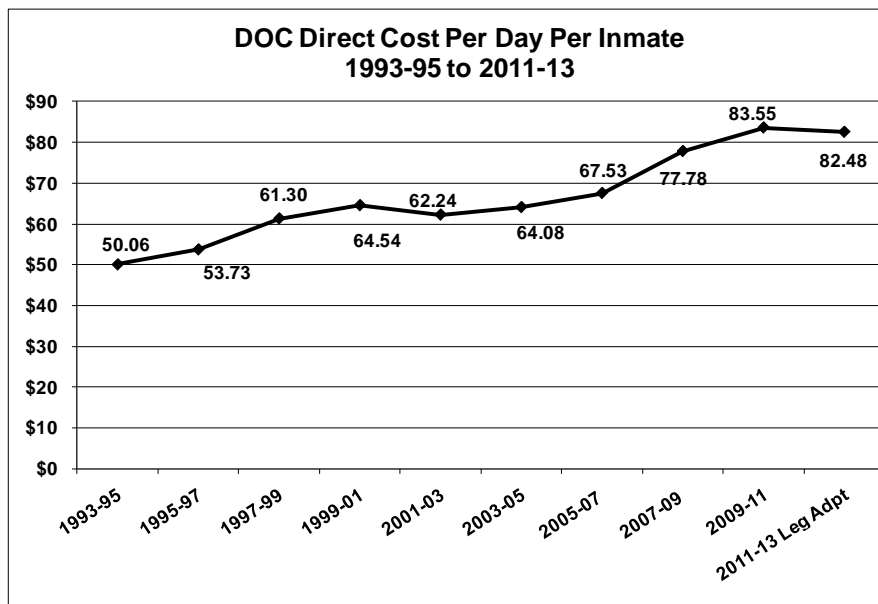
For the 2011-13 biennium DOC has delayed opening the Deer Ridge medium facility since its estimated direct cost per day is significantly higher than alternatives currently available (emergency or temporary beds). The initial beds at a newly opened facility are generally higher as the fixed costs are spread among fewer inmates until the full capacity is reached. This is why using the marginal cost of the next bed is important. During the 2011 legislative session DOC and the Legislative Fiscal Office (LFO) started to use an estimate of a marginal cost when pricing bills instead of the direct average cost which had previously been used. These marginal costs started at roughly \$22 per bed day for the lowest cost emergency bed and increased from that amount as emergency beds were committed and the next least-cost beds were identified. The major variant for this marginal cost was whether the opening of a set of emergency beds involved hiring new staff or not.

## How Much has the Corrections Budget Grown?

Since 1993-95, the total funds budget for the Department of Corrections has increased by over 250%, from just under \$400 million to just under \$1.4 billion (see figure below). This includes both the ongoing costs of the agency (lighter portion of each bar) and the capital construction costs of building prisons (darker portion of each bar). It is more useful to look at the ongoing costs since the capital construction costs are generally limited to the biennium when new construction is authorized. The long-term ongoing debt service for the new construction is included in ongoing costs.

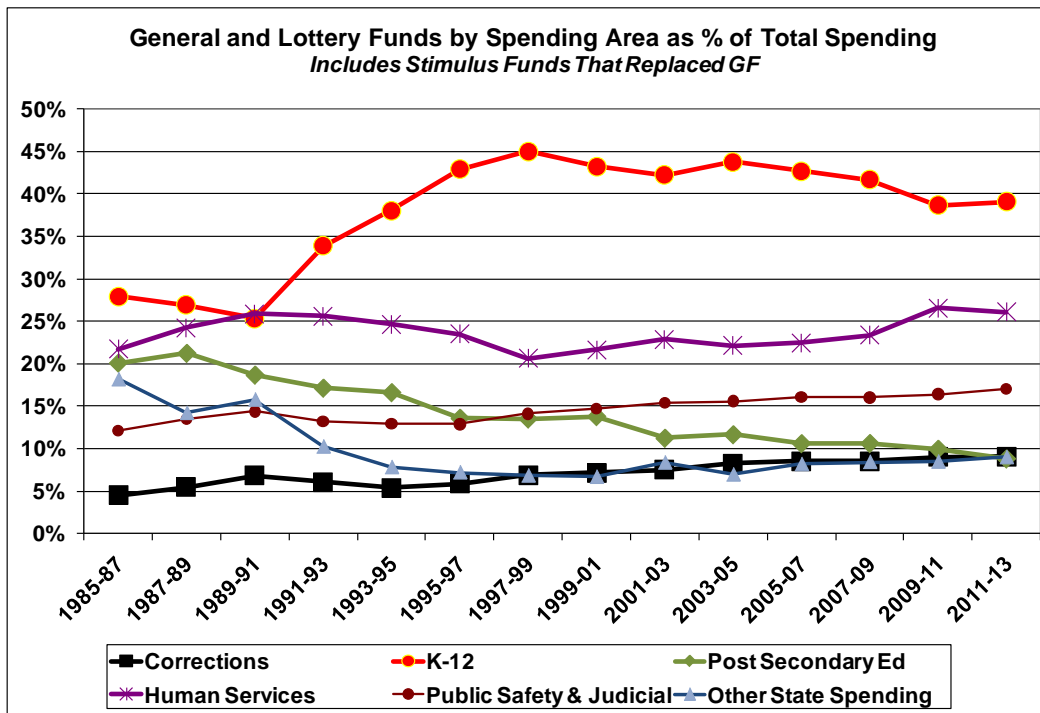


Much of this growth is due to the number of inmates. While there has been growth of over 250% in the ongoing budget of DOC since the 1993-95 biennium, the direct cost per day for an inmate has grown by 65%, or less than 4% per year. The figure below shows the growth in the “direct cost per day” as described above, which factors out the growth in the number of inmates but does not include debt service and central administrative functions. It should be noted that the \$82.48 is roughly 3.5% less than the estimated cost given the amount subtracted from the budget for the supplemental ending balance. Without this reduction, the direct cost-per-day would have been approximately \$85.35.



## What Share of the State Budget is Represented by the Department of Corrections?

For the 2011-13 legislatively adopted budget, DOC's share represents 9.1% of the total General and Lottery budgets for the state, up by one tenth of one percent from 2009-11. Over time, DOC's share of the budget has grown significantly. As demonstrated in the following graph, DOC's share of the budget has doubled since the mid 1980's. While the increase in the proportional share for DOC is significant, the growth in K-12 education has had an even more dramatic effect on how the state spends its money. Since the 1989-91 biennium, K-12's share has increased from 25% to the 2011-13 share of 39% (it peaked at 45% in 1997-99). While Post Secondary Education, Other State Spending, and DOC all have roughly 9% of total spending for 2011-13, they show a much different spending path over the previous 25 years. These comparisons include the amount of federal funds that were used to replace General Fund in the those biennia where federal funding for this purpose was available (2003-05, 2007-09, and 2009-11). The DOC used over \$100 million in two of those biennia, and General Fund had to be added back in the next biennium to offset significant reductions.



### Major Drivers for the Corrections Budget

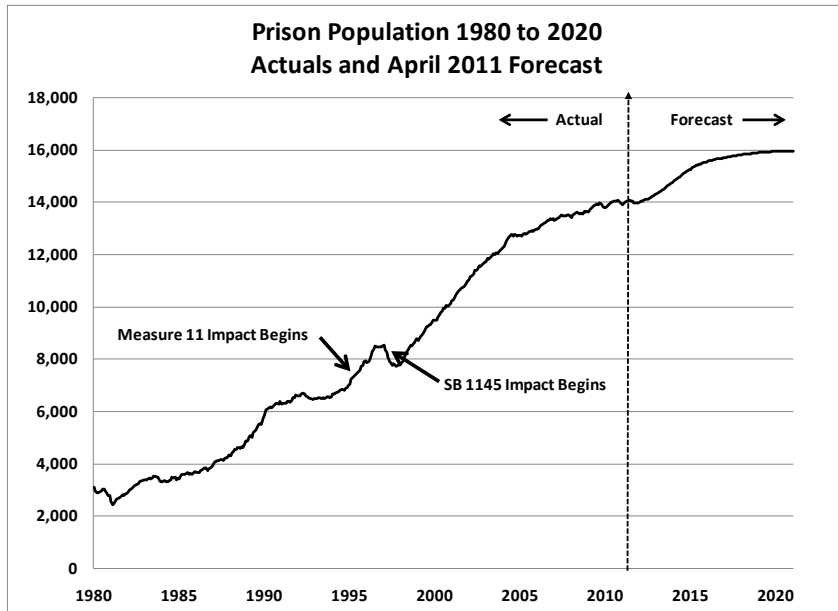
The growth in the Department of Correction's budget is primarily due to two major factors:

- Significant increases in the *number of inmates* incarcerated in the DOC system and the length of their stay. These increases are due to a number of factors, including demographic trends, but the primary driver has been changes in sentencing, both approved by the public through ballot measures and those passed by the Legislature.
- Increases in the *costs of incarcerating* these inmates including health care costs and labor costs.

The following sections discuss some of these factors driving the growth in the agency's budget and the amount of impact they have on this growth.

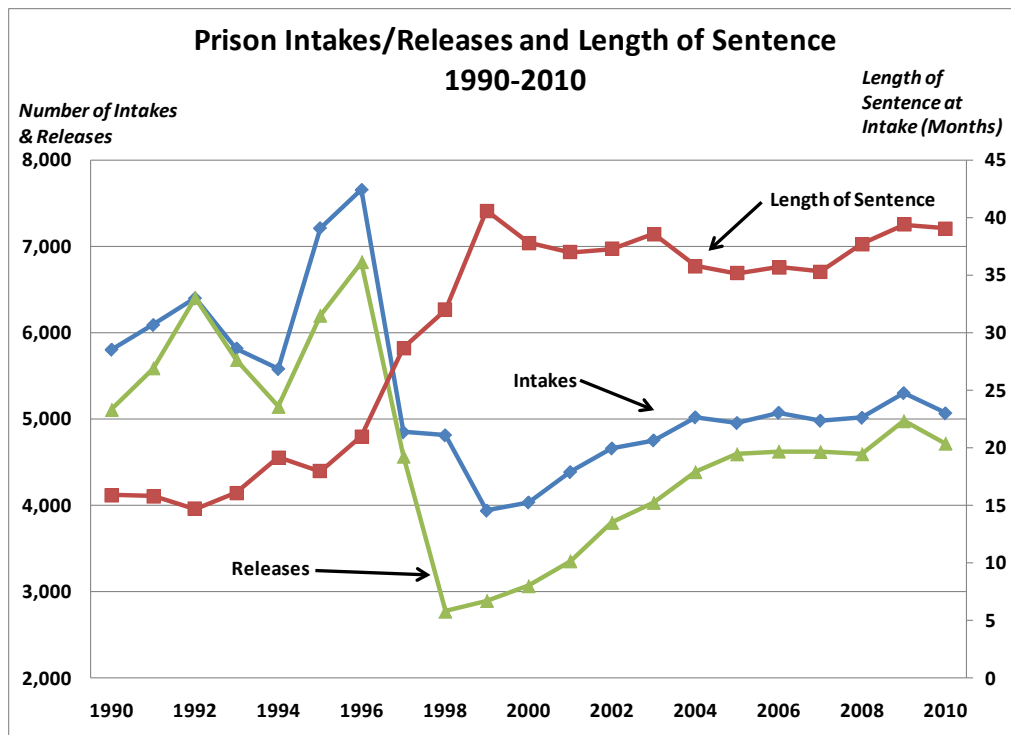
### Number of Inmates

The annual average prison population has grown substantially over the last 30 years as demonstrated in the graph on the next page; from 3,120 in 1980 to just approximately 14,000 at the beginning of the 2011-13 biennium. This represents growth of just under 350%, or by an average of roughly 11% per year. In contrast, Oregon's population grew by over 1.2 million people, or by about 1.5% per year over the same period.



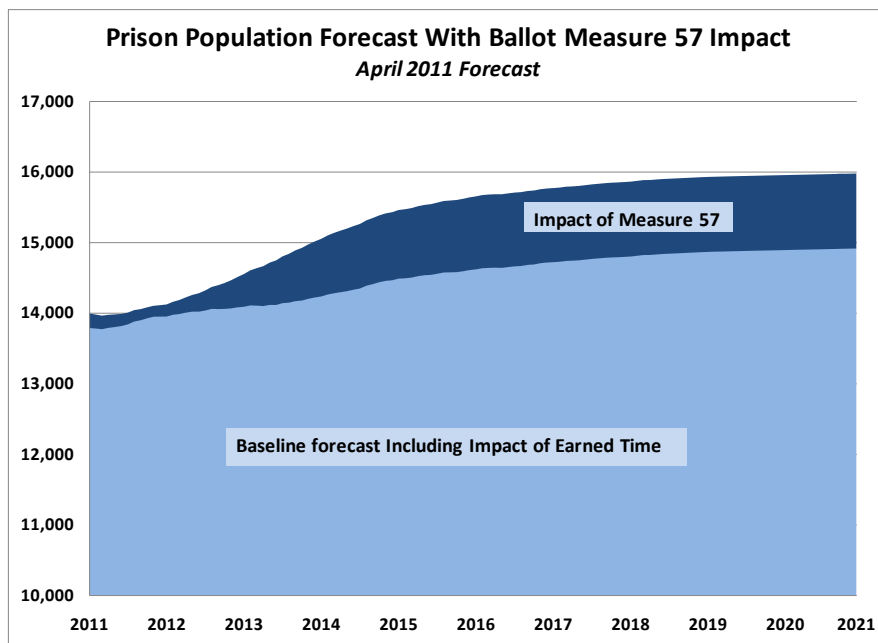
**Changes in Sentencing Laws**

If there is any one factor that has increased the prison population and correctional spending, it has been the changes in sentencing laws since the mid 1990s. Between 1994 and 2000, the average length of sentence and therefore the number of offenders under the supervision of DOC has increased significantly as demonstrated in the graph below. Major changes during that period driving this change included: (1) Measure 11 passed by the voters in 1994 which established mandatory minimum sentences for 16 crimes; (2) passage of the Repeat Property Offenders (RPO) in 1996 which established mandatory minimum sentences for certain property crime offenses; and (3) the addition of Identity (ID) Theft to the crimes applicable under the RPO law. During this same period, the 1995 Legislature passed SB 1145 which transferred the responsibility for those offenders sentenced to one year or less from DOC to the community corrections programs in the counties. This is a primary reason for the significant drop in the number of intakes in the mid 1990s. This change also contributed to the increase in the length in sentence since those with the shortest sentences (one year or less) were no longer the responsibility of DOC.



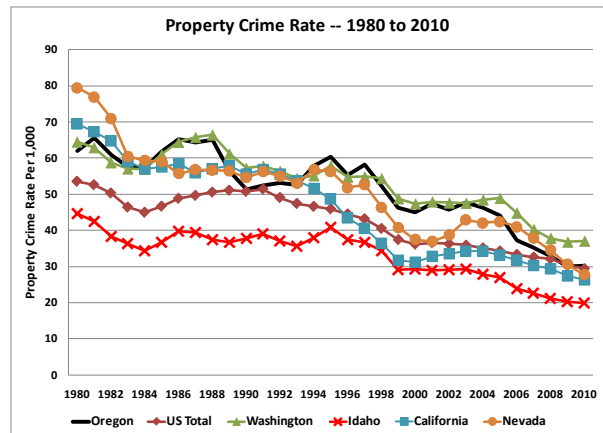
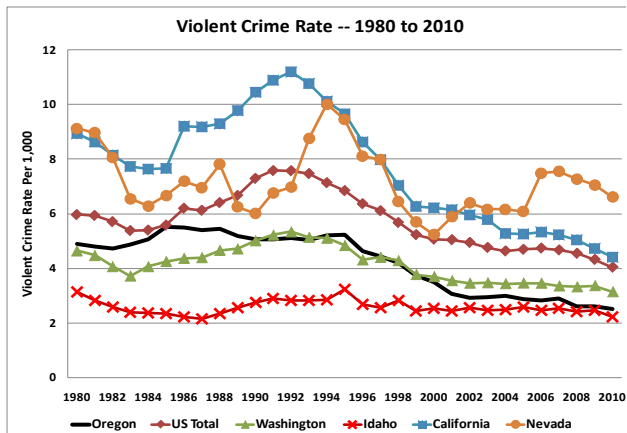
Between 2000 and 2008, changes to sentences were much more limited even though the overall prison population continued to grow largely because of population growth and the continued impact of the changes implemented in previous years. The longer sentences resulting from the sentencing laws during 1995 and 2000 were generally absorbed into the ongoing prison population. Then, in 2008, the voters approved Ballot Measure 57 which increased sentences for certain property and drug crimes. The 2009 Legislature suspended major portions of Measure 57 until January 1, 2012. Eligible earned time for specific crimes was increased in 2009 from 20% to 30%; and then the 2010 Legislature suspended these changes until July 2011 and completely “sunsetting” the increased earned time two years later effective in 2013. Finally, voters in 2011 passed Ballot Measure 73 which increases sentences for repeat drunk drivers and certain sex offenders for crimes committed after December 2, 2011. The impact on the prison population is minor since the 2011 Legislature changed the law so Measure 73 offenders (repeat drunk drivers) would generally spend their time in local jails and not in a state prison facility. The costs would still be paid by the state but as a payment to counties.

The graph below (please note the axis values) shows the estimated prison population for the ten year period between the 2011 and 2021 based on the April 2011 forecast (factoring out the change made to Measure 73 by the 2011 Legislature). The prison population is expected to grow by roughly 2,000 during this period. This future growth will be more dependent on the increased number of Measure 57 offenders (approximately half of the growth), with the remainder due to the baseline forecast. This growth is offset by the additional earned time credits, but at a declining amount as its impact is phased out due to the sunset of the current policy in 2013. Overall, the Measure 57 impact is projected to reach 460 at the end of the 2011-13 biennium and peak at roughly 1,060 starting in 2018.



### Crime Rate

One would think that the prevalence of crime would be a major factor in the number of incarcerated individuals. The two figures on the next page demonstrate the 30-year trends in selected states for two types of crimes – violent crimes and property crimes. This information is collected from local law enforcement agencies and combined at the national level by the FBI. The rates are shown for the nation, Oregon, and surrounding states.



The *violent crime rate* in Oregon is at its lowest point since 1969 and has continued to be under the national rate. From 1995 to 2009 Oregon's violent crime rate dropped 51%, the second largest drop of all states. Much of the drop is due to the 71% drop in Portland. In 1985 Portland accounted for 58% of violent crime in Oregon while in 2008 it accounted for 35%. The *property crime rate* in Oregon is almost at the lowest point since 1955. It has consistently been at a rate higher than the national rate until 2008. Between 1995 the rate dropped over 50%, the third largest decline of the states and the largest drop of any state since 2004.

The Criminal Justice Commission (CJC) staff and other studies have identified a number of reasons for this drop. As seen in the graph above, the decreased crime rates have occurred all over the United States, they have been sustained for more than a decade, and have been seen in both violent and property crime. First, the population group who generally commit the most crimes, males between the ages of 15 and 39, is down, from over 20% in 1985 to just over 17% in 2009. The increase in incarceration has contributed to the drop in the overall crime rate, mostly in relation to property crimes. CJC staff estimates the effect of incarceration explains about one third of the drop in crime. Other factors include changes in methamphetamine (meth) related laws so there are fewer arrests for meth labs and other meth related offenses. Economic factors have not necessarily followed the expected relationship - when unemployment is up, the crime rate also rises. In recent years, the crime rate has dropped even as the unemployment rate has significantly increased.

Even with this drop in the crime rate, public perception is that crime is on the increase. Almost 75% of those surveyed in a nation-wide 2009 Gallup Poll thought there was more crime than in the year before. For Oregon, (June 2010 survey), 50% of those polled thought crime was more prevalent than in the previous year.

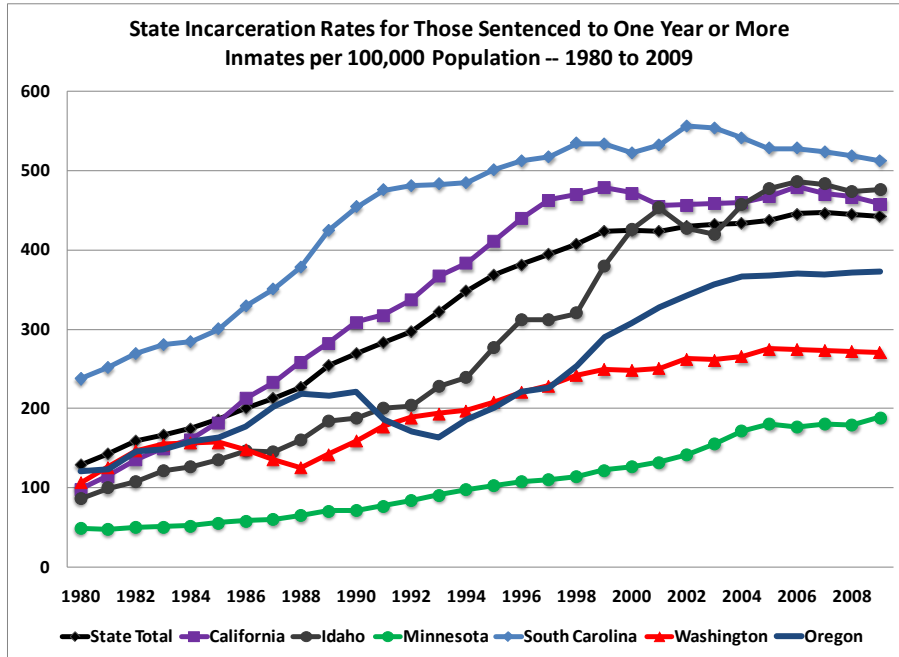
### Incarceration Rates

The U.S. appears to incarcerate at a higher rate than other reported countries. The International Centre for Prison Studies located at King's College in England surveyed 211 countries in 2005 and found that the U.S. had an incarceration rate (including federal, state, and local incarceration) of 714 per 100,000 population exceeding the rates for Canada (116), Mexico (182), Brazil (183), Israel (209), Japan (58), England/Wales (142), France (91), and Germany (96). The average rate worldwide was 166 per 100,000. While there are likely some definitional differences between countries, these rates definitely demonstrate the relatively high use of incarceration in this country.

When comparing incarceration rates state by state, it is important to use a measure more closely related to the offenders incarcerated in a DOC facility. With the passage of SB 1145 in the mid 1990s, offenders sentenced to less than a year are generally to be supervised by the counties while those sentenced to one year or more are generally the responsibility of DOC. Using this one-year or more measure, Oregon's incarceration rate has been below the national rate since the mid 1980s. For 2009, the latest year data is available from the U.S. Department of Justice, Oregon's rate was 373 per 100,000 of population, just over 84% of the average of all states at 442 per 100,000. The chart on the next page illustrates this rate since



1980 for Oregon, the average for all 50 states, and rates for a few other states including states bordering Oregon. It is interesting to note that while Oregon, Idaho, Washington, and California all had rates relatively close to the average for all states in 1980, they all took very different paths since then.



### Labor Costs

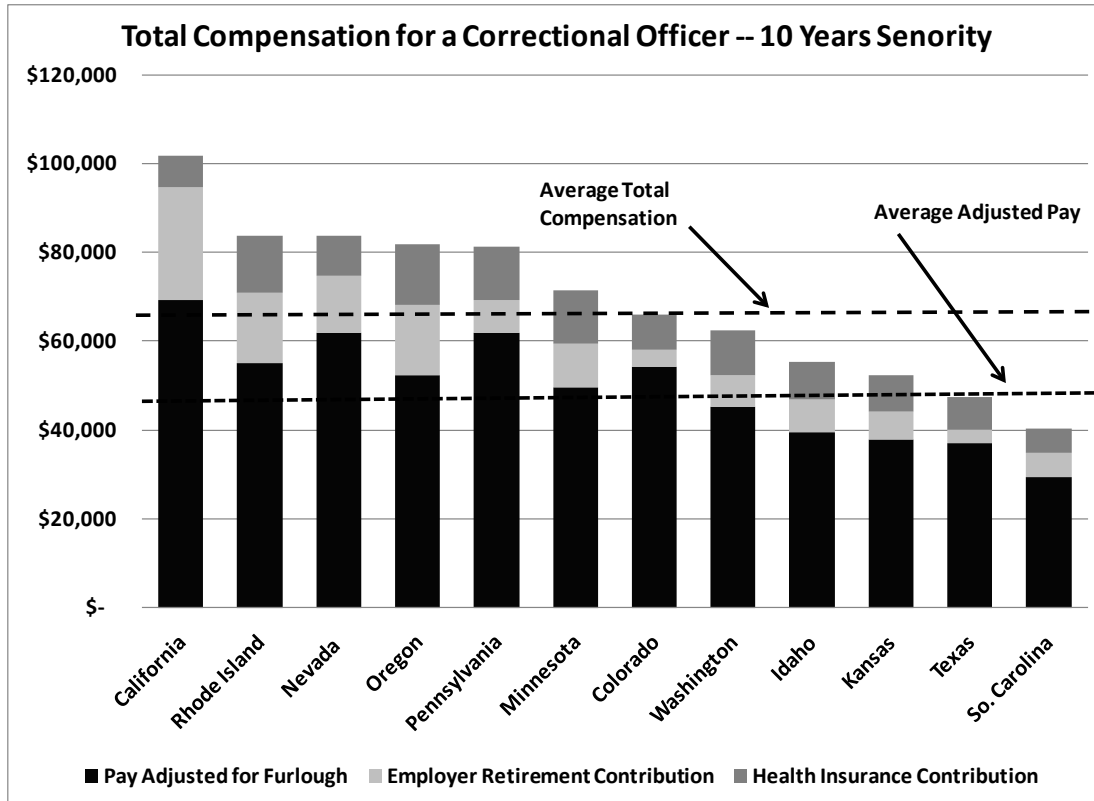
As noted above, corrections is a “people” function so employee compensation is a primary cost driver. For those parts of the budget directly related to prison operations and general agency management (not including community corrections payments to counties and debt service), personal services makes up roughly 71% of the budget.

There are three major components of employee compensation for a position – salary and wages, health benefits, and retirement related payments (PERS, Social Security, and Medicare payments). The LFO arranged for a compensation specialist to compare total compensation (as of late summer 2010) across 12 states representing states bordering Oregon and states from other parts of the nation. Comparisons were made for three different examples – a correctional officer with 10 years of seniority, a beginning correctional officer, and a registered nurse. These two position classifications represent roughly half of all DOC employees. Summary findings are outlined in the table below.

	<b>Compensation Comparison -- Oregon and State Averages</b>					
	<u>10 Year Correctional Officer</u>		<u>Beginning Correctional Officer</u>		<u>Registered Nurse</u>	
	Oregon	State Average	Oregon	State Average	Oregon	State Average
Base Pay Adjusted for Furlough Days	\$ 52,467	\$ 49,481	\$ 36,645	\$ 33,413	\$ 77,953	\$ 65,187
Value of Employer Contribution for Health Insurance	\$ 13,786	\$ 9,550	\$ 13,786	\$ 9,550	\$ 13,786	\$ 9,669
Value of Employer Contribution for Retirement	\$ 15,656	\$ 9,956	\$ 10,935	\$ 6,660	\$ 23,261	\$ 13,701
Total Compensation	\$ 81,909	\$ 68,987	\$ 61,366	\$ 49,623	\$ 115,000	\$ 88,557
Annual Vacation & Holiday Hours	240	233	192	197	192	199

For each of the three employee examples, Oregon’s salary and the employer contributions for both retirement and health benefits exceed the average for Oregon and the other 11 states in the sample. Five of the states including Oregon had some type of furlough plan in place with California’s plan reducing

the base salary by almost 14%. Oregon was the only state in the sample which also paid the entire contribution to the retirement plan and it was the only state that did not require the employees to contribute to their health plan premiums. As a result, Oregon's correction officers with 10 years of seniority had total compensation at roughly 119% of the averages of all 12 states while beginning correctional officers received 124% and registered nurses almost 130%. The chart below demonstrates the differences with all 12 states for the 10 year correctional officer; and shows that Oregon's higher than average compensation is driven more by the retirement and health benefits than by higher than average pay. For example, the pay for an Oregon 10 year correctional officer is 106% of the average while the retirement benefit is 157% of the average. It should be noted that benefit and pay issues are generally bargained at a statewide level and not necessarily unique to these classifications. Data from the Department of Administrative Services (DAS) shows similar trends for other classes of state employees when compared to Oregon's border states. In addition, health costs vary significantly across states, but Oregon is not generally thought of as a high medical cost state when compared to other states.

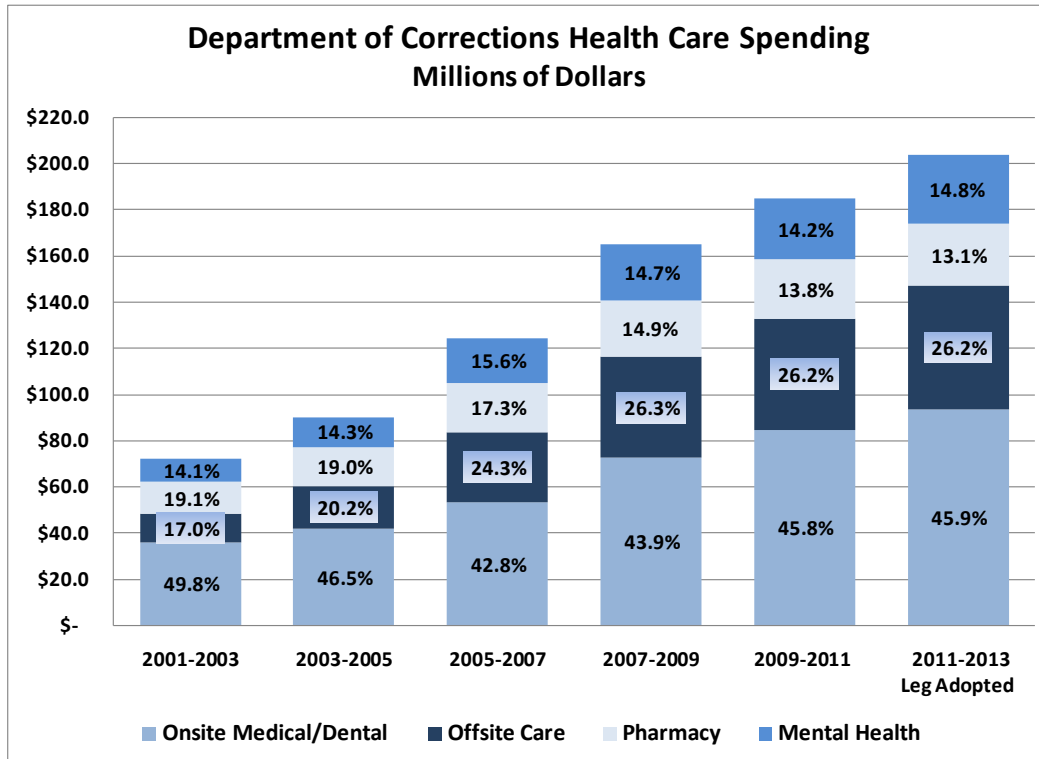


This information has not been updated since the summer of 2010 since not all contracts with representative bargaining groups have been settled at the time this report was updated, including for a large share of DOC employees. The comparisons may have changed some in that year given that resources for Oregon employee compensation were not increased significantly, and that most, if not all, DOC employees will now be required to pay a share of their health benefit (e.g., 5%).

### Health Care Costs

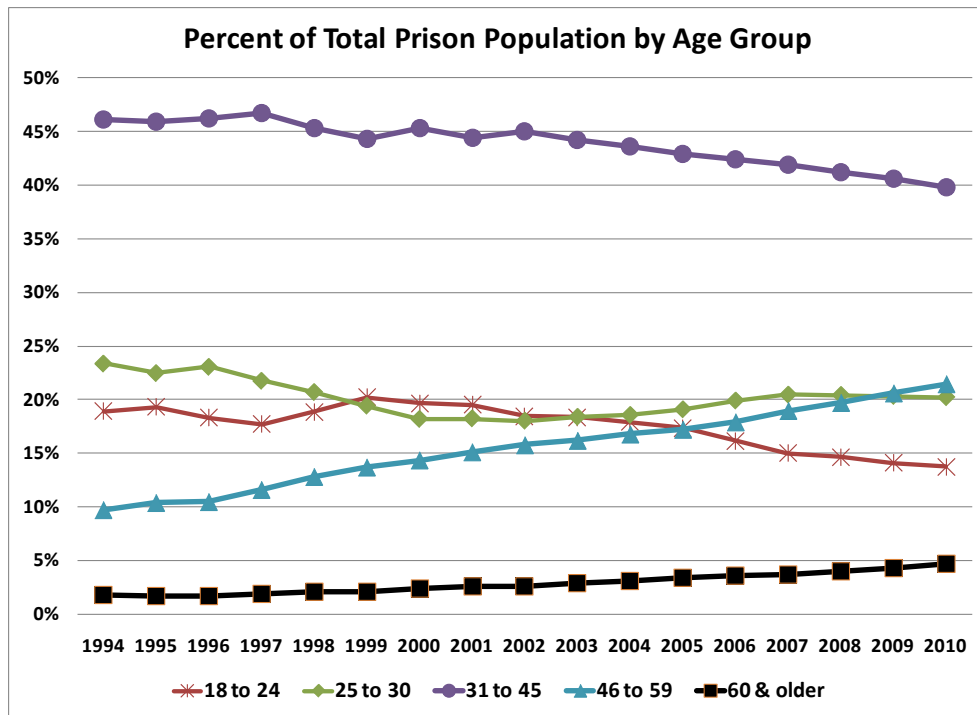
The health services budget for the Department of Corrections faces many of the same pressures from increasing costs that the Department of Human Services and state employee health insurance plans face. Rising hospital costs, competition for health professionals, and increasing pharmaceutical costs all contribute to the increase in the health services budget for DOC. Since the 2001-03 biennium, DOC's health services budget (medical care, dental care, mental health, and pharmacy) has grown by over 180% compared to the overall growth in the DOC budget (not including capital construction) of 55%. Health services share of the total DOC budget has grown from 8.2% to 15% over the same period (not including capital construction and debt refinancing costs).

Even though much of the health care costs are delivered by state staff inside the institutions, the agency still relies on hospitals, non-state physicians, and other contracted services to provide services that cannot or are not delivered by DOC staff. This “off site” care is growing at a significantly greater rate than the other components of the DOC health services budget. As shown on the figure below, off-site care represented 17% of the total health services budget for 2001-03; and by 2007-09 this share had grown to over 26%. In the past two years, the agency has replaced its third party administrator for off-site care and has been more aggressive in managing this part of the health services budget. As a result the share for off-site care has decreased for 2009-11. It should also be noted that the agency is a member of a multi-state purchasing group for pharmaceuticals, an area where its share of the health services budget has declined.

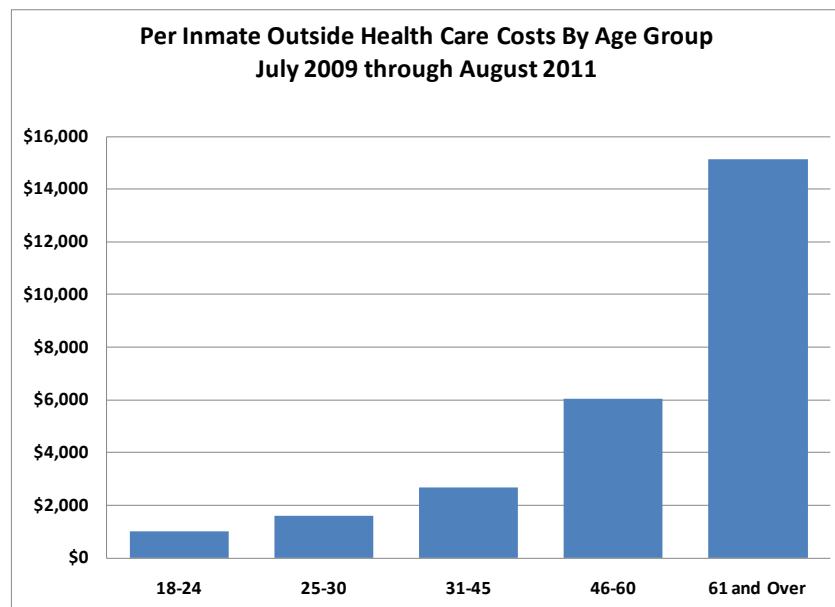


The component shares of on-site and off-site medical for 2011-13 represent an estimate based generally on the shares for 2009-11 since very little actual data is available for 2011-13.

One factor that will continue to drive up inmate health care costs is the aging of the inmate population. Over the past 15 years, the average age of an inmate has increased, in part as a result of the changes in sentencing policy that have led to longer sentences. Since health care costs generally increase as a person ages, the trend of an aging inmate population will likely increase costs in the future. Another factor to consider is that the average inmate’s “health age” is significantly higher than his or her chronologic age. The health care needs of a 50 year old inmate are much greater than for a 50 year old average citizen who is not incarcerated. Corrections health care professionals assert that an inmate’s health condition is roughly 10 years ahead of the inmate’s chronological age. The chart on the next page shows the aging DOC inmate population. In 1994, inmates age 60 and over represented less than 2% of the total inmate population, but by 2010 this age group’s share had increased to almost 5%. For those inmates between the ages of 46 and 60, the share has more than doubled to over 21%. Because of longer sentences, this significant past growth in the age 46 to 59 group will be seen in the 60 and over group in the future.



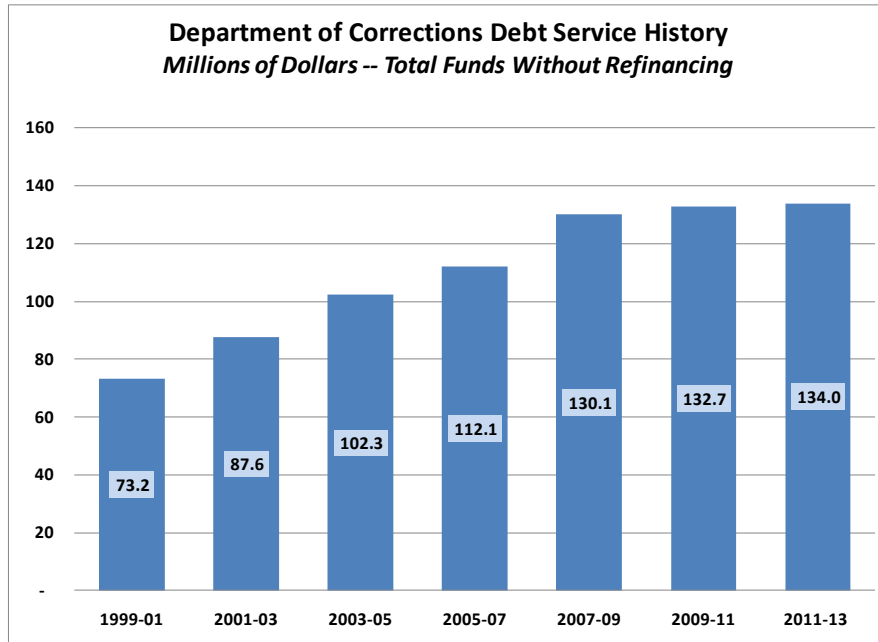
The DOC is not able to track health care costs by individual inmate for medical care provided by DOC staff, but is able to track costs when provided by an outside or off-site provider. For the period between July 2009 through August 2011, the claims paid by DOC to various providers totaled almost \$50 million, but varied significantly by age group. The graph below shows the two fastest growing inmate age groups (46 to 59, 60 and older) have dramatically large health care costs than the other age groups.



**Prison Construction and Debt Service**

Over 60% of the DOC prison capacity has been added since 1990 and the state is still paying for the construction of those facilities that were financed with certificates of participation (COPs) most with payment schedules as long as 25 years in length. In addition, a portion of DOC’s debt service is for paying off COPs sold for the construction of local jail capacity and other local facilities as a result of SB 1145 (1995). A much smaller portion of the outstanding COP debt on DOC related facilities is for capital improvement projects approved in 2007 to address deferred maintenance issues. The result is an 83% increase in the amount paid each biennium for DOC debt service since 1999-01 compared to a 50%

increase in the DOC total funds budget (non-capital construction) for the same period. As noted above, debt service adds over \$11 per day to the average cost of incarcerating an inmate.



*The 2011-13 General Fund need was reduced by 3.5% for the supplemental ending balance. This amount will have to be restored from additional appropriated funding or from elsewhere in the agency to meet debt service obligations.*

### Use Caution in Comparing State by State Information

One common practice is to compare Oregon’s costs or share of budget with that of other states. While this can be useful to ascertain how Oregon’s costs rank with other states, one must be very careful to look at the source of the data and the definitions that are used. They often appear to tell a different story depending on what study or information source one looks at.

Recent national studies have highlighted spending on corrections nation-wide and in specific states. For example, the PEW Center on the States released the report “One in 100: Behind Bars in America 2008” which found that, at the beginning of 2008, one in 100 adults, or over 2.3 million adults, were in federal or state prison or in a local jail. The study also found that the national prison population has nearly tripled since 1987 (not including local jails). The same study highlighted Oregon noting its high percentage of General Fund dedicated to corrections (10.9% in 2007) using a national data set. Using information directly from the Oregon Budget Information Tracking System (ORBITS), this figure appears too high. For the 2007-09 biennium using the ORBITS data, the overall Department of Corrections budget represented 9.8%; a figure which is still high relative to most other states, but 10% less (or over one percentage point) than the figure highlighted in the national report. When looking at a combined General Fund and Lottery Funds total, which is appropriate for Oregon since a significant proportion of Lottery Funds are used for General Fund purposes (e.g., education), DOC’s share dropped to 8.8%. Similar shares were registered for the 2005-07 biennium. In these types of comparisons, it is important to look at what is included in the definition of corrections. Does it include youth corrections which, in Oregon is the responsibility of the Oregon Youth Authority, or does it include the majority of funding for local supervision of felony probation or post prison supervision offenders as it is for the community corrections system in Oregon? Without a detailed examination of what services are included, the comparisons can be misleading. In addition, annual comparisons may not be entirely equivalent for those states that budget biennially since not all costs are equally divided between the two years of the biennium.

Another statistic which is often cited in comparisons is the cost per inmate. As noted above, Oregon’s “direct” cost per day was estimated at roughly \$84 for 2009-11 for an annual rate of \$30,660, and a little less for 2011-13 after factoring out the amount reduced from the budget for the supplemental ending

balance. National studies vary significantly when making similar comparisons. The *Oregonian* newspaper cited an annual cost of \$36,060 for 2008 in the article “Hard Choices: Big Part of Oregon Prison Budget is All Locked Up” published September 27, 2010. Using information from the same organization – the National Institute of Corrections (U.S. Department of Justice) – Oregon’s 2009 annual inmate cost was \$30,828, about 7.5% higher than the national average of \$28,689. This means that the annual cost per inmate decrease by over \$5,000 from one year to the next for the same data source. Is this unique to the Oregon data or are there issues with information from other states? A similar comparison using a combination of cost data from the National Conference of State Legislatures (NCSL) and incarceration data from the U.S. Department of Justice resulted in a comparable relationship. Oregon’s annual inmate cost in 2006 was \$26,846, roughly 4% higher than the national average of \$25,896. Others have said that Oregon has one of the highest per inmate costs; but based on the two studies above, Oregon’s costs are higher than average, but not one of the highest.

State correctional spending varies significantly based on the scope of what is included in the definition of spending, the time period selected, and the data source. This is the problem that has plagued researchers who try to make comparisons across states for corrections specifically and for other budget areas generally. Oregon likely ranks higher than average, but not significantly. Given the information outlined in the sections above, specifically regarding debt service growth and employee compensation, Oregon’s cost structure appears higher than many other states.

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