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Oregon Senate is serious about cost containment *SB 1067 focuses on solutions to improve government efficiency*

SALEM – The Oregon Senate passed a bill today to implement several strategies aiming to bring down the cost of government operations.

Senate Bill 1067 – which passed the Senate on a 17-12 vote – makes several changes to state government programs and processes to contain costs and reduce future expenses. If all of its elements are enacted, the bill is expected to save \$93.8 million in the General Fund and \$177.1 million in total funds for the 2019-21 biennium.

“This bill calls out a number of long-term strategies that we can use to keep costs down in state government,” said Sen. Richard Devlin (D-Tualatin), who is the Co-Chair of the Legislature’s Joint Ways and Means Committee. “This improves efficiency and helps us keep costs down in this biennium and beyond. This actually saves money, and it saves considerable money.”

Cost containment was one of the Legislature’s primary goals coming into the session, coupled with revenue reform that would bring sustainable funding to state services. Sen. Mark Hass (D-Beaverton) put forth a phenomenal effort trying to reach consensus between the business community and other advocates on significant tax reform that will adequately and more sustainably fund education, public safety and other programs on which Oregonians rely.

“We have to move past this place where the only tax bill people support is the tax that someone else pays – and the only spending cut people support is one that doesn’t hit their program,” Hass said. “In 10 years, no one will remember this vote. But in 10 years the Legislative Fiscal Office estimates this will result in direct savings of a billion dollars – money that can go to schools, community colleges and universities. That’s not optics; that’s savings.”

Savings are expected to increase in future budget cycles to approximately \$112 million General Fund and \$214.2 million in total funds, once the changes are in effect for a full biennium. These and other measures taken by the Legislature are expected to create direct savings and avoid future costs that amount to approximately \$1 billion.

The bill requires legislative review of state agency reclassification of positions, as well as review of long-term vacancies in government agencies. It requires additional reporting and collective bargaining changes, as well as combining two public employee health insurance plan boards. Senate Bill 1067 also reduces the cap on state government employee numbers from 1.5 percent of the population to 1 percent of the population, and takes several other cost-saving measures.

The bill is the product of a legislative work group convened during the current session to examine potential cost reduction and prevention options to reduce cost increases in future budgets and institute prudent financial practices and principles for state government. The measure is a compilation of actions related to that work, as well as other proposals.

Senate Bill 1067 now goes to the House of Representatives for consideration.

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