

2015 Legislative Session Summary: Portland Priorities, Job-Killing Mandates, and Underfunding Education

After taking total control of Oregon government, Democrat politicians abandoned Oregon's tradition of moderate bipartisanship. Instead, they ran roughshod with partisan Portland priorities that hurt working families, small businesses, schools, and rural Oregon. Democrats imported Washington, D.C.-style extreme partisanship to Oregon by embracing the politics of division and taking a "my way or the highway" approach to passing expensive new laws benefitting special interests and burdening small businesses. As a result, Oregon is now the second-worst state for making a living, with high taxes, housing prices, and unemployment.

Senate Republicans pushed for job creation and full funding of education, while protecting Oregonians from a 'hidden' gas tax and small businesses from costly job-killing mandates that will shutter shops and raise consumer prices. Democrats rejected Oregon priorities by intentionally underfunding K-12 education and choosing partisan policies over real investments for Oregon's working families and small businesses.

Unfortunately, Oregon's middle class will pay the price for these Portland priorities:

Senate Democrats increased the cost of transportation for working families:

The most out-of-touch Portland priority was the "Clean Fuels" mandate, which ignores science and will raise the price of gas for Oregonians by 19 to 33 cents or more in the form of a 'hidden' gas tax. Democrats chose this progressive environmentalist project early in the session over a transportation package with tangible improvements to our roads and bridges. In contrast, Republicans supported investing in transportation infrastructure to create jobs while achieving real, science-based carbon reduction.

Senate Democrats hurt small businesses with job-killing mandates:

Ignoring the need for more family wage jobs, Democrats passed numerous job-killing mandates that harm small businesses, including a new paid time off mandate that imposes a \$2.2 billion financial burden on Oregon businesses. Senate Democrats refused to protect small businesses unduly burdened by the cost of paying for and covering last-minute shift changes when employees take time off without warning. In contrast, Republicans supported over fifty pieces of legislation to help small businesses, expand career training, and create family-wage jobs.

Senate Democrats intentionally underfunded K-12 schools:

The woeful underfunding of K-12 education is perhaps the biggest travesty of this session. With billions in additional revenue from a growing economy, Democrats had an opportunity to invest in smaller class sizes, more school days, and new teachers. Instead, they directed extra funding to pad agency budgets, leaving Oregon children and teachers in the dust. In contrast, Republicans supported an inclusive K-12 budget that would have fully funded our schools and secured \$300 million for school upgrades.

Republicans worked hard to improve the quality of life for Oregonians:

Jobs and Small Businesses

Senate Republicans supported numerous proposals to create jobs and expand job training, but Democrats rejected more than fifty job creation proposals on party-line votes. Even so, Senate Republicans worked across the aisle to pass bills to streamline complex intellectual property taxes to attract more tech companies to build data centers in rural Oregon (SB 611) and jumpstart the Pacific Northwest Manufacturing Partnership to expand markets for Oregon companies (SB 482). Recognizing the importance of timber production for family wage jobs in rural communities and school funding across Oregon, Senate Republicans helped secure funding for research and development of advanced wood products at OSU (SB 5507).

Senate Republicans worked closely with moderate Democrat Senator Betsy Johnson to oppose new Portland-style mandates hurting small businesses. Unfortunately, all other Senate Democrats displayed uncompromising partisanship in advancing their job-killing mandates. The bipartisan pro-jobs coalition opposed Portland-style mandatory paid time off (SB 454) because it will impose over \$2.2 billion in costs on Oregon businesses, according to the nonpartisan Legislative Revenue Office's preliminary estimates. Senate Democrats also ignored bipartisan concerns and passed a new state-run retirement mandate creating substantial paperwork burdens on small businesses (HB 2960); expanded lawsuits that will increase costs for small businesses (HB 2700; HB 2007); and gave BOLI power to issue warrants, liens, and garnishments against small businesses (SB 468). In the final days of the legislative session, the majority party banned Barbies, Legos, and many other children's toys starting in 2022 (SB 478).

Education

With billions in new resources available this biennium, Senate Republicans advocated for fully funding K-12 education at the level requested by schools, teachers, and parents: \$7.5 to \$8 billion. Senate Democrats rejected four different Republican proposals for sufficient K-12 funding. Instead, Senate Democrats intentionally underfunded K-12 education \$127 million below the minimum needed (HB 5017), which means fewer school days, teacher layoffs, and increased class sizes. However, Senate Republicans were successful in obtaining \$300 million for school repairs and upgrades (HB 5005; SB 447), instead of the Senate Democrat proposal to waste money on a luxurious capitol remodel.

The legislature increased funding for higher education from the previous biennium, but fell short of 2007-09 service levels. Community colleges received \$550 million, and universities received \$665 million (HB 5024). Although funding for opportunity grants was increased 23% to \$141 million (HB 5024), Democrats ignored bipartisan concerns and redirected some of this money away from law-abiding students to unauthorized immigrants (SB 932). Democrats also suspended highly successful "fifth year" programs that help many students complete college (SB 898). Most Senate Republicans supported reductions in tuition via a new test of almost-free community college (\$50 per class, SB 81) and lower-cost bachelor's degrees (HB 2973).

Taxes

In one of the biggest victories of the session, Republicans joined with moderate Democrats to protect working families and small businesses from tax increases and ensure that all Oregonians receive their kicker tax refund in 2016. This bipartisan coalition blocked the tax tsunami proposed by Portland politicians who attempted to raise taxes on charitable giving, home ownership, internet access, alcoholic beverages, job-training nonprofits, rural health care facilities, pollution control facilities, housing for college students, farmland used for grazing, county fairgrounds, crab pots, Christmas trees, trees and shrubs, farm produce (even if donated to a food bank), farm machinery, small business inventory, and deductions for seniors and the blind. Although Republicans reduced taxes for active-duty military members and expanded tax credits for working families, the middle class lost out when Senate Democrats increased the Hollywood tax credit that benefits wealthy, out-of-state actors, producers, and multinational film corporations (HB 2171).

Rural Communities

Senate Republicans worked hard to protect struggling rural communities. \$50 million in water-storage infrastructure for the Umatilla basin will help farmers add jobs and increase crop production (HB 5005). Similarly, the Brooking Harbor Dock Repair project will generate 50 local jobs with a new shrimp processing plant (HB 5030). Funding also went to juniper harvest economic development (HB 2997; HB 2998) and to protect sage grouse habitat. Rural drivers will benefit from shorter driving times with an increased speed limit on some rural highways (HB 3402), and they can pump their own gas when stations are unstaffed between 6 p.m. and 6 a.m. (HB 3011). Finally, Senate Republicans protected the right of rural counties that overwhelmingly voted against Measure 91 so they can choose for themselves whether to allow recreational marijuana retail stores in their communities (HB 3400).

Transportation

Senate Democrats hurt working families by increasing auto insurance prices (SB 411) and raising the price of gas by 19 to 33 cents or more through a new "Clean Fuels" mandate that ignores science and hits consumers at the gas pump (SB 324). Democrats blocked a transportation package that would have fixed Oregon's roads and bridges to protect the "Clean Fuels" hidden gas tax that benefits out-of-state special environmental interests and hurts Oregonians. Republicans supported the bipartisan transportation package that would have reduced carbon emissions, created jobs and saved Oregon families and small businesses from rising gas prices.

Ethics and Elections

In the wake of the Governor Kitzhaber/Cylvia Hayes scandal surrounding the "clean fuels" mandate, Senate Republicans advocated for a new impeachment process (<u>HJR 31</u>) and other serious ethics reforms (<u>SB 762</u>; <u>SB 852</u>; <u>SB 853</u>; <u>SB 854</u>; <u>SB 940</u>), all blocked by Democrats. Instead, the legislature settled for minor changes in ethics standards backed by Governor Brown (<u>HB 2019</u>; <u>HB 2020</u>; <u>SB 9</u>). Democrats also passed a bill studying campaign finance changes that could limit free speech rights (<u>HB 2178</u>) and legislation imposing mandatory voter registration, which could put domestic violence victims at risk from their abusers obtaining their information (<u>HB 2177</u>).

Second Amendment

Despite bipartisan opposition, Senate Democrats supported unprecedented restrictions on Second Amendment rights, including registration of all private firearm sales (<u>SB 941</u>) and blocking reciprocity for CHL permits (<u>HB 3093</u>). On top of this, Democrats raised dozens of hunting and fishing fees, costing Oregonians who enjoy outdoor recreational activities millions of dollars (<u>SB 247</u>).

Crime and Victim Rights

Senate Republicans worked to modernize criminal laws by penalizing upskirting and voyeuristic cameras (HB 2356), revenge porn (SB 188), and stealing an intimate picture (SB 377), while also doubling the statute of limitations for rape and other first-degree sex crimes from six to twelve years (HB 2317). Responding to the recent erosion of trust in police, Senate Republicans joined police, minority communities, and civil liberties groups in ending profiling (HB 2002) and creating a framework for use of police body cameras (HB 2571). Unfortunately, Democrats blocked critical bills to crack down on sex traffickers (SB 513; SB 816), protect trafficking victims (SB 646), and raise penalties for sexually violent dangerous offenders (SB 2).