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2013 session of missed opportunities, failed leadership *Months of bi-partisan work on PERS, K12 funding squandered*

Salem, OR – Senate Republicans walked into the 2013 legislative session with the goal of leveraging major PERS reforms into record resources for Oregon classrooms, and providing small businesses with tax certainty. Months of bi-partisan work and consistent compromise led to numerous agreements that seemed destined to accomplish these goals, only to be constantly stalled by Democrat power brokers.

“We fought hard for desperately needed reforms to a broken PERS system because it is the most effective way to infuse classrooms and core services with millions of dollars of new resources, not just this in this budget cycle but for decades to come,” said Senate Republican Leader Ted Ferrioli (R-John Day). “And we did it by compromising, by being willing to help Democrats with some of their priorities, like raising revenue, in the hopes that they would help us with ours. Unfortunately, though there was every reason to believe compromise was possible, no deal was allowed to come to a vote.”

Along with advocacy groups like Oregon School Boards Association, Stand for Children, and the Oregon Business Plan, Senate Republicans focused on the \$11 billion deficit in Oregon’s public employee retirement system and the significant rate increases it was forcing on local school districts, police departments and county governments. Republicans were flexible in what policies would achieve the savings, but said significant relief was needed.

“With significant PERS reforms we could have given classrooms a \$7 billion budget, money enough to add back teachers, lower class sizes and extend the school year,” said Senator Chuck Thomsen (R-Hood River). Senate Republicans universally voted for a \$7 billion K-12 budget, but Democrats rejected it and the associated PERS reforms.

“One party and their political supporters continued to stand in the way of bi-partisan, consensus reforms to PERS that could have positioned Oregon for long term success,” said Senator Larry George (R-Sherwood). “It is frustrating and disappointing to work so hard and come so close to genuine compromise, only to have a single individual say ‘no’ over and over again.”

Republicans also pushed for ground-breaking tax reform which would give small businesses around the state tax certainty by establishing a separate 7% tax rate for S Corporations, LLCs, and Sole Proprietorships. The concept would help spur investment, create jobs and provide low and middle income Oregonians with tax relief.

“This idea would help build a rock-solid economic foundation for Oregon to grow and build out of this recession,” said Senator Alan Olsen (R-Canby). “It is the type of visionary idea this state has been desperate for, a long-term plan to achieve prosperity for every Oregonian.”

Republicans were successful in passing a Social Media Privacy Act, protecting the privacy of employees and students on social networking sites. They also successfully pushed for extension of the Earned Income Tax Credit, giving tax relief to low income Oregonians. And Republicans enacted tougher sanctions for pimps and solicitors of the sex trade.

“Sex trafficking enslaves and oppresses the most vulnerable and innocent,” said Senator Betsy Close (R-Albany/Corvallis). “These new penalties will provide justice and help prevent these types of atrocities from occurring in the future.”

Senate Republicans will continue to advocate through the interim for stronger reforms to Oregon’s broken PERS system, and to achieve some type of tax certainty for Oregon small business owners.

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