



Sine Die Report -- 2015 Legislative Session Summary
*Analysis provided by D.J. Vogt, VP, Government Affairs
and Joel Fischer, Senior Policy Analyst*

Symbol Key:

☑ Passed

! Not supported by OBA

☒ Failed

OBA's Proactive Agenda

1. Build the Middle Class

- ☑ **Child care tax credits**
HB 2171 improves and expands the critical child care tax credits that were set to sunset. The bill combines the existing Working Family Child Care and the Child & Dependent Care tax credits into a single Working Family Child and Dependent Care tax credit for tax years 2016 through 2021. These credits were a priority in OBA's agenda to help build the middle class. Child care costs can be a significant impediment to building middle class incomes. These tax credits alleviate those costs for working families. *OBA supported.*

- ☑ **Brownfields**
HB 2734 will help prompt clean-up and development on brownfields. Under the bill, a local government may establish a local land bank authority that would be able to acquire derelict brownfield properties and use a variety of strategies and funding sources to clean them up and return them to productive use. Establishment of a separate, independent entity would protect the local government from exposing its general fund to the risks associated with acquiring and owning contaminated property. At the same time, the land bank authority would be protected under state law from liability for pre-existing contamination and would also have the ability to pursue cleanup costs from responsible parties. *OBA supported.*

- ☑ **Employment Related Day Care**
HB 2015 restores the Employment Related Day Care (ERDC) program to pre-recession levels and allows more lower income working families to utilize the program. The bill includes program changes for the Employment Related Day Care program that align with federal requirements and funding built into the Department of Human Services' budget. Changes include protecting eligibility for 12 months, allowing working student parents to access ERDC to cover both work and school hours, restoring

eligibility for self-employed parents, promoting higher quality care by offering lower co-pays and provider incentives. The bill also supports on-site inspections and development of quality supports for license-exempt providers who care for subsidy children. *OBA supported.*

2. Restore Rural Jobs

✔ **Food Innovation Investment**

This is new territory for OBA. In all 10 bills were on our hot list and we were successful in passing six of them. Here are the highlights:

- HB 3125 added grain millers, bakery, egg and dairy producers to a program that allows newly acquired machinery & equipment used by food processing businesses to be exempt from local property taxes for 5 years. Many food processors have used this incentive to make energy efficiency investment and expand operations in Oregon.
- The OSU Statewide Investment Package originally sought **\$16 million in new programs** for the OSU Extension Service, Agricultural Experiment Station, and Forest Research Laboratory in an effort to enable these programs to sustain rural communities and capture economic growth possibilities associated with natural resources across the entire state. Included in the Higher Education Budget, HB 5024 (the OSU Statewides) received \$14 million.
- **Water Infrastructure:** The state approved \$50 million in lottery and general obligation bonds that will allow the state to work with communities across the Oregon to identify, evaluate and develop water resources solutions that meet the needs of sustainable fisheries and agriculture. *All OBA supported.*

✔ **Forest Collaboratives**

HB 5019 expands capacity of forest collaboratives from the east side of the state to the west side. Forest collaboratives was one of the most popular topics in our rural tour last summer. It is a program that is celebrated across the state by loggers, environmentalists and communities alike for their ability to create and retain jobs while restoring forests to a natural healthy state and protecting communities from fires. POP-185 provides a one-time \$5 million Lottery Funds allocation to increase the pace and scale of forest collaboratives across the state. This is an increase from the last biennium when the legislature provided \$2.85 million and the funding was available for east side forests only. *OBA supported.*

✔ **Western Juniper Utilization Project**

HB 2997 and 2998 create and fund programs to expand harvest of juniper. Juniper has spread across Oregon disrupting natural habitats for sage grouse and competing with agricultural water supplies. These bills will help protect grazing land, conserve water supply, manage the spread of disruptive plants, protect threatened species, provide a source of biomass energy and create rural jobs. *OBA supported.*

✔ **Agritourism**

SB 341 updated Oregon's liability statutes to protect farmers. Agritourism is a growing industry in Oregon. The biggest barrier for operating an agritourism business is the increased cost of overhead, including insurance, permits and staffing. This legislation protects farmers that operate an agritourism business from certain liabilities related agritourism specific activities. *OBA supported.*

- ✔ **Clean Fuels**
SB 329 lifted the sunset on the Clean Fuels Program. OBA has supported the Clean Fuels Program since it was first passed in 2009. The program will reduce Oregon’s transportation related carbon content by 10% over the next 10 years. *OBA supported.*
- ✘ **Biomass Energy Tax Credit**
HB 2449 would have restored agency capacity to develop biomass markets. Tax credits were in a pinch this session and this tax credit did not make the cut.

3. Build and Finance Infrastructure

- ✔ **Water Storage & Delivery**
HB 5030 and HB 5005 build the essential water infrastructure needed to sustain economic growth and environmental health. The bills authorize the state to invest \$20 million backed by lottery bonds and \$30 million of general obligation bonds, respectively. With this funding, the state will work with communities across the state to identify, evaluate and develop water resources solutions that meet the needs of sustainable fisheries and agriculture. *OBA supported.*
- ✔ **ConnectOregon**
HB 5030 invests \$45 million of lottery-backed bonds in critical air, marine, transit, rail and other multi-modal transportation projects.
ConnectOregon was created in 2005 by the Legislature to invest the proceeds of lottery-backed bonds in grants and loans to non-highway transportation projects that promote economic development in Oregon. *OBA supported.*

4. Invest Wisely in Education

- ✔ **K-12 Budget**
HB 5017 appropriates money to school districts through the state school fund. The final number for the K-12 budget is \$7.4 billion. Just short of the \$7.5 billion that many advocates had called for. This budget will prevent most districts from experiencing cuts and shows a better commitment to K-12 than previous sessions. Still, without some serious changes to how we approach funding our schools, Oregon will likely continue to lag behind other states. *OBA supported.*
- ✔ **HB 5024 appropriated \$700 million in funding for Oregon’s Universities** for the 2015-17 biennium, a 27.2 percent increase above the 2013-15 budget. The legislature approved \$550 million for Community Colleges, a 17.9 percent increase above the 2013-15 budget. These budgets bring higher education support almost on par with 2007-09 funding levels that other education sectors achieved in the 2013 session. These investments will help control tuition, expand access, and enhance graduation rates. *OBA supported.*
- ✔ **Debt-Free Community College**
SB 81 establishes the Oregon Promise tuition waiver program. The legislature appropriated \$10 million for this program that leverages federal funds first and uses state dollars last to ensure that students can attend community college debt free. *OBA supported.*

✓ **Accelerated Learning**
SB 418 directs the Higher Education Coordinating Commission to develop an accelerated learning program.

The bill appropriates \$6.8 million for the development of accelerated learning programs that will encourage students to become ready for college, take courses for college credit, and transition from high school to post-secondary education. *OBA supported.*

✓ **Full Day Kindergarten**

HB 5017 appropriates money to school districts for full day kindergarten. For the first time ever, the state school fund included \$220 million for full day kindergarten for all schools in Oregon. Full day kindergarten helps close the achievement gap for English language learners, low income students and minority students. Research shows that investing in full day kindergarten reduces the number of students in need of expensive remediation in later years. Full day kindergarten also reduces delinquency, drug and alcohol abuse and lowers crime rates. *OBA supported.*

✓ **Third Grade Reading**

SB 214 would have made learning and professional development grants available for the purpose of ensuring all of Oregon's students read at a third grade level by third grade. SB 214 got off to a rocky start, made some good progress, but ultimately finished last. The bill lost momentum when one of its primary champions former Governor Kitzhaber resigned. All was not lost; a big part of getting all students to reading level at third grade is full day kindergarten, which the legislature funded very early on in the session. Governor Kate Brown and Speaker Tina Kotek then joined together to focus efforts on early childhood education and literacy, prioritizing resources to the birth to age five range, a good first step in eventually achieving the goal of having 95% of third graders reading at level. *OBA supported.*

✓ **Connecting Education to Careers (CTE-STEM)**

HB 5016 appropriates money to CTE-STEM activities, HB 3072 creates the funding mechanism for various CTE-STEM activities and HB 2728 created the Oregon Talent Council.

- State investment in CTE-STEM nearly doubled from \$17 million last biennium to \$35 million for the 2015-2017 biennium.
 - The Oregon Talent Council received \$6.1 million that it will invest in university programs designed to meet industry needs and graduate more students with skills that are in high demand.
- OBA supported.*

✓ **Early Childhood Education**

It was a very positive legislative session for Oregon's young children, and for Oregon.

The Legislature approved making vital investments in three important programs Early Childhood Education. It approved investing \$27 million to provide a blueprint to make high quality preschool available for more children from low-income Oregon families. The investment will mean 1,350 more Oregon 3- and 4-year-olds will have the opportunity to go to quality preschool. The Legislature also invested in two other important initiatives: It voted to expand home visiting services for at-risk families, and to expand a fund that provides grants that connect children's early years to the early grades.

✓ **The Network for Quality Teaching and Learning** has a permanent fund dedicated to it in statute and the fund is approximately \$37 million for the 2015-17 biennium. We appreciate the leadership of the Legislature and the Governor in continued funding for the Network of Quality Teaching & Learning. The Network was created in 2013 and is the only recognized role for the state in preparing and supporting an effective educator workforce in Oregon, a key component in improving student

achievement and closing achievement gaps. *OBA supported.*

5. Balanced Voice

- ✔ **HB 5506 & 5507 invest \$40 million in community corrections** to keep bending the cost of public safety downward. The bill helps fund justice reinvestment through community corrections grants and drives overall public safety savings through smart, evidence based, cost effective programs and reinvests those savings back into those programs to reduce recidivism. *OBA supported.*
- ✔ **HB 5514 builds capacity in the state's courts and** completes the implementation of the eCourt system. The bill is the Judicial Department's budget bill for 2015-17. The Judicial Department operates the state's unified court system; including the circuit courts, the Tax Court, the Court of Appeals and the Supreme Court. As such, the Department is responsible for adjudicating criminal cases, civil cases, and appeals. The Department is also responsible for the collection of court-ordered financial judgments. *OBA supported.*

Defending Oregon's Economy

Employment-Related Issues

- ✔ **SB 454** requires most employers having ten or more employees to implement a sick time policy allowing an employee to earn, accrue, donate or use up to 40 hours of paid sick time per year. Employers in Portland are subject to a six employee threshold for paid sick leave. Most employers who employ fewer than six employees are required to implement an unpaid sick time policy. OBA worked hard all session with the advocates to make this bill much more workable for employers than the original draft intended. *OBA neutral.*
- ✔ ! **HB 2960** creates the seven-member Oregon Retirement Savings Board within the State Treasury. The Board is directed to develop and implement a mandatory defined contribution retirement plan that can be accessed through employee payroll. The Board's plan may only be established if the plan does not qualify as an employee benefit plan under federal law. Employers must offer the plan unless they provide a qualified retirement plan. OBA shared its position with the proponents before session even started that this bill did not meet our concerns around employer/state liability. Those concerns were not sufficiently addressed and thus, *OBA opposed.*
- ✘ ! **HB 2009 increases** Oregon's current minimum wage from \$9.25 to \$15 per hour by 2018. Other minimum wage bills: SB 130, SB 327, SB 332, SB 597, SB 610, SB 682, HB 2004, HB 2008, HB 2012. Bills increasing the minimum wage did not go anywhere this session. However, a ballot measure may appear on the 2016 ballot, which does raise the wage and removes the statewide preemption. *OBA opposed.*