



Dates of Interest:

- May 21-23 – Interim Days
- Sept. 24-26 – Interim Days
- Sept. 28th – Bill Concepts Due

FWAA OR - Legislative Update – April 2018

Special Session for Oregon

Gov. Kate Brown indicated her intent to sign SB 1528 last week and at the same time announced her plans to call lawmakers back to Salem in June for a Special Session to consider extending Oregon’s preferential tax rates to sole proprietors. SB 1528 disconnects Oregon from a narrow portion of the Federal Tax Cut & Jobs Act, specifically for the purposes of determining state income tax liability for small businesses that are currently allowed to utilize the new 20% deduction on pass through business income.

Republican Senate Leader had this to say about the call for a Special Session:

"The right thing to do would be to veto this partisan tax increase on small business," said Senator Winters. "Start-ups, mom and pop shops, and young entrepreneurs are doing great things for Oregon, but the majority party insists on passing an unfair tax increase that will stifle their growth, and harm the very Oregonians we should be helping. There is no budgetary need to raise taxes on small business."

OregonSaves Update

Employers with **50-99 employees in Oregon** will need to either register to facilitate OregonSaves or certify that they are exempt from the program **by May 15, 2018**. You can register your employees online at:

<https://employer.oregonsaves.com/oregonertpl/enroll/createEmp/viewCollectEmpPreRegDetails.cs> or exemption

here: <https://employer.oregonsaves.com/oregonertpl/enroll/createEmp/viewCollectEmpPreRegDetails.cs>

As a reminder, a qualified employer-sponsor plan that exempts you from the savings plan include: an employer-sponsored retirement plan qualified under Internal Revenue Code sections 401(a) (including a 401(k) plan), qualified annuity plan under section 403(a), tax-sheltered annuity plan under section 403(b), Simplified Employee Pension plan under section 408(k), a SIMPLE IRA plan under section 408(p) or governmental deferred compensation plan under section 457(b). It does not include payroll deduction IRAs.

As of April 2, 2018, 493 employers have registered to facilitate OregonSaves for their employees. On average, employees are contributing about \$100 per month, and assets in the program now exceed \$1.8 million.

Future Enrollment Dates:

- **50 to 99 employees – May 15, 2018**
- 20 to 49 employees – Dec. 15, 2018
- 10 to 19 employees – May 15, 2019
- 5 to 9 employees – Nov. 15, 2019
- 4 or fewer employees – May 15, 2020

HB 4023 Broadband Advisory Committee Update

An Advisory Committee has been appointed and includes the OR Telecommunications Association, OR Cable Telecommunications Association, Comcast, OR Dept. of Energy, Oregon Library Association, Association of Oregon Counties, League of Oregon Cities, CenturyLink, LS Networks, School District representative, OCHIN (hospital/tech), CUB and DAS. There are tentatively 4 meetings that will rotate between Salem and Portland.

As a reminder, HB 4023, among other things, broadened the authority for the State Chief Information Officer to provide advanced digital telecommunications (i.e. broadband) services to unserved and underserved schools, libraries, local governments, and tribes. Current law only allowed this service to state agencies and non-profit organizations under certain circumstances. The bill instructs the CIO's office that it is not the state's intent to provide broadband services in direct competition with telecommunications providers that offer comparable broadband services. The final rules must be presented to the Joint Information Management and Technology Committee during the 2018 interim. Part of the advisory committee discussion will include a definition for what constitutes an "unserved" or "underserved" public body.

Rural Broadband Listening Tour - In addition to convening the Broadband Services Advisory Committee, the CIO office is working with Regional Solutions to hold broadband listening sessions throughout Oregon, including the coast, central OR, southern OR, and eastern OR. Through the listening sessions, they hope to solicit public feedback and to gain a better understanding of the connectivity challenges facing rural Oregon.

Tentative locations for the listening tour include:

- **Eastern Oregon.** La Grande
- **Central Oregon.** Madras or Maupin
- **Southern Oregon.** Klamath Falls
- **Coastal.** Lincoln City or Coos Bay

Universal Access to Healthcare- March Meeting Update

Early this year, Representative Andrea Salinas (D-Lake Oswego) was tasked by House Health Care Chair, Representative Mitch Greenlick (D-Portland) with convening a workgroup to develop a set of recommendations for the Legislature to help the state achieve "universal access to an adequate level of "high quality" health care at an affordable cost." A meeting has been held each month since adjournment and are scheduled to run through August.

Much of the March meeting of the Universal Access to Care Workgroup was focused on a discussion surrounding the Oregon Health Insurance Survey (OHIS). The survey has been completed each odd-numbered year since 2011. Most recently, it found that 94% of adults had insurance in 2017, statewide. When examining age groups though, only 88% of 26-34 year olds

were insured in 2017. Additionally, the study found that when separated by race/ethnicity, uninsurance was highest among Hispanic Oregonians at a rate of 18.7%. Of the uninsured, roughly 30% stated that they do *not* wish to obtain health insurance.

Once the study was thoroughly discussed, the group moved on to a guided discussion, mostly focused on the definition of universal access. It is clear that not every Oregonian is sold on the value of health insurance, and there may not be a way to change that. The group discussed different approaches to universal access, including coverage mandate, expanding employer-provided insurer requirements, and even a Medicare-for-all approach. No consensus was really reached, and there will be additional conversations. The committee also discussed the pervasive nature of physician burnout, and its ties to increased administrative burden on physicians.

Workgroup documents and materials can be found here:

<https://www.oregonlegislature.gov/salinas/Pages/healthcare.aspx>

Joint Committee on Student Success

Senate President Peter Courtney (D-Salem) has convened the Joint Committee on Student Success, which has embarked on a state-wide listening tour. The first stop was in Eugene last month, and the next stops include Baker City on April 24th and Hermiston on April 25th.

7 p.m. Tuesday, April 24th
Baker High School

7 p.m. Wednesday, April 25th
Hermiston High School.

The committee has been tasked with exploring the best practices employed in Oregon's most successful schools and addressing the gaps that are limiting student success in other schools.

Temporary Rules – Worker's Average Weekly Wage Workers Comp

DCBS has adopted temporary rules effective February 21 – August 2018. Revised rule 0005 updates the definitions of wages and revised rule 0025 changes the method for determining the worker's average weekly wage if the worker has irregular wages and has experienced an increase or decrease in the rate of pay during the 52 weeks before the date of injury or verification of disability caused by an occupational disease and clarifies that the rate of compensation may include regular wages, irregular wages, or both. View temporary rules here: <https://www.docdroid.net/JS2DfYn/weeklywage-dcbs.pdf>

Paid Family Leave Update

Rep. Jennifer Williamson-D and Sen. Kathleen Taylor-D continue to convene the monthly roundtable discussing an Oregon statewide paid family leave program. Proponents are hoping to present for consideration to the 2019 Legislature. The employer community has 3 representatives on this workgroup, including Amanda Dalton, and the unions/worker advocates have 3. Other participating legislators include Sen. Tim Knopp-R, Rep. John Lively-D and Rep. Daniel Bonham-R. April's meeting focused on private insurance plans who are currently participating in other states. No negotiations have taken place. Washington State adopted a paid family leave program in 2018 and are currently in rulemaking. We continue to monitor closely for 'lessons learned.'

POLITICS

Ballot Measure Update: Unions Withdraw IP 38 and 39

Proponents have withdrawn IP 38 – which would have only required a 3/5th majority vote for bills raising personal income taxes (not gross receipts taxes, mortgage interest deduction, etc). They have also withdrawn IP 39 – which would have repealed the 3/5th vote requirement entirely. The groups stated to reporters that they are withdrawing the petitions because a rival measure to make it harder to pass tax-related measures didn't poll well.

Business advocates continue to work to qualify IP 31 which clarifies a 'tax is a tax' and all require 3/5 vote majority when passed by the Legislature. Supporters have until July 6, 2018 to gather the 117,578 signatures necessary to get the proposals on the November 2018 ballot.

We will have a full summary of election results in our May update! View detailed candidate list with updated voter registration here: <https://www.docdroid.net/TxAiXl7/2018-candidates-regwbackgrounds.pdf>